

2020 SUSTAINABILITY REPORT

**ACHIEVED
CARBON NEUTRAL OPERATIONS**
2020

ENERGY STAR
Partner of the Year 2014 - 2020
Sustained Excellence 2016 - 2020

GRESB
#1 in the Americas, Listed 2020
Global Sector Leader, Listed Office 2020
Global Sector Leader, Listed Office Development 2020
Green Star 2013 - 2020

NAREIT
Leader in the Light Award,
Office Sector 2014 - 2020
Most Innovative 2018, 2020

**DOW JONES SUSTAINABILITY
WORLD INDEX**
Member 2017 - 2020

GREEN LEASE LEADER
Leader 2014 - 2020
Gold Level 2018 - 2020

**BLOOMBERG GENDER
EQUALITY INDEX**
Member 2020 - 2021

CLIMATE REGISTRY
Climate Leadership Award 2020

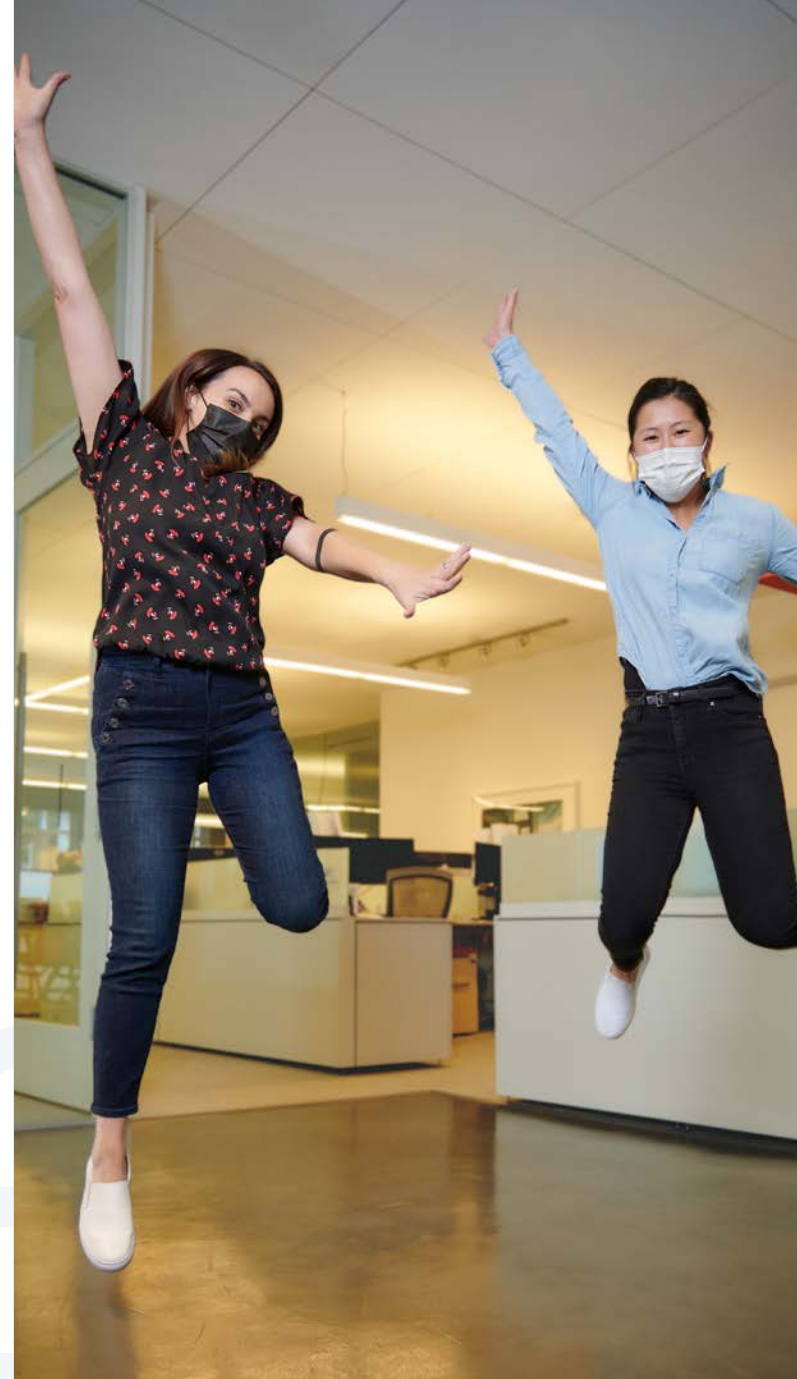
NEWSWEEK
America's Most Responsible Companies 2020 - 2021

CLIMATE LEADERSHIP AWARD
Organizational Leadership Award, 2020

BEST IN BUILDING HEALTH
Fitwel Excellence Award, Most Certifications of All-Time, 2019-2021

S&P SUSTAINABILITY YEARBOOK
Member 2018-2020

**CALVERT RESEARCH & MANAGEMENT'S
TOP 10 MOST SUSTAINABLE US REITS**
Sector Leader 2020



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This Sustainability Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, among other things, information concerning our sustainability strategies and objectives, including projected cost savings, water usage, waste, energy consumption, building certifications, development and redevelopment activity and other forward-looking financial data. In some instances, forward-looking statements can be identified by the use of forward-looking terminology such as “expect,” “future,” “will,” “would,” “pursue,” or “project” and variations of such words and similar expressions that do not relate to historical matters. Forward-looking statements are based on Kilroy Realty Corporation’s current expectations, beliefs and assumptions and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of Kilroy Realty Corporation’s control. Accordingly, actual performance, results and events may vary materially from those indicated in the forward-looking statements and you should not rely on the forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others: global market and general economic conditions and their effect on our liquidity and financial conditions and those of our tenants; adverse economic or real estate conditions generally and specifically, in the States of California and Washington; risks associated with our investment in real estate assets, which are illiquid and with trends in the real estate industry; defaults on or non-renewal of leases by tenants; any significant downturn in tenants’ businesses; our ability to re-lease property at or above current market rates; costs to comply with government regulations, including environmental remediation; the availability of cash for distribution and debt service and exposure to risk of default under debt obligations; increases in interest rates and our ability to manage interest rate exposure; the availability of financing on attractive terms or at all, which may adversely impact our future interest expense and our ability to pursue development, redevelopment and acquisition opportunities and refinance existing debt; a decline in real estate asset valuations, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing and which may result in write-offs or impairment charges; significant competition, which may decrease the occupancy and rental rates of properties; potential losses that may not be covered by insurance; the ability to successfully complete acquisitions and dispositions on announced terms; the ability to successfully operate acquired, developed and redeveloped properties; the ability to successfully complete development and redevelopment projects on schedule and within budgeted amounts; delays or refusals in obtaining all necessary zoning, land use and other required entitlements, governmental permits and authorizations for our development and redevelopment properties; increases in anticipated capital expenditures, tenant improvement and/or leasing costs; defaults on leases for land on which some of our properties are located; adverse changes to, or implementations of, applicable laws, regulations or legislation, as well as business and consumer reactions to such changes; risks associated with joint venture investments, including our lack of sole decisionmaking authority, our reliance on co-venturers’ financial condition and disputes between us and our co-venturers; environmental uncertainties and risks related to natural disasters; our ability to maintain our status as a REIT; and uncertainties regarding the impact of the COVID-19 pandemic on our business and economy generally. These factors are not exhaustive and additional factors could adversely affect our business, sustainability program and financial performance. For a discussion of additional factors that could materially adversely affect Kilroy Realty Corporation’s business, sustainability program and financial performance, see the factors included under the caption “Risk Factors” in Kilroy Realty Corporation’s annual report on Form 10-K for the year ended December 31, 2020 and its other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. Kilroy Realty Corporation assumes no obligation to update any forward-looking statement made in this Sustainability Report that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws



01 Introduction

- A Letter from our CEO
- COVID-19
- Social Justice
- Corporate Overview
- 2020 Key Performance Indicators
- Vision, Strategy, Program
- Climate Change Governance

A Letter from Our CEO

A global pandemic, coupled with widespread unrest in response to societal injustice, made 2020 challenging for any business. In the real estate industry, the year proved catastrophic for some. During times like these, a company's values matter more than ever and, sometimes, it is our values that sustain us until brighter days.

For us, our focus on ESG remained a top priority in 2020. And, despite the challenges of the year, we achieved significant milestones in progress on the environment, health and social impact. Our most ambitious environmental goal, carbon neutral operations, is now a reality. Further, we created a best-in-class employee- and tenant-response plan for COVID-19 through strategic and innovative partnerships with industry experts. And, we continued the pioneering work of examining the environmental and social impact of critical components in our supply chain, sharing results and improvement recommendations publicly.

This work has earned us incredible, worldwide recognition. For 2020:

- The Global Real Estate Sustainability Benchmark (GRESB), the industry's most rigorous standard for sustainability performance, named us the Global Leader in Listed Office for the performance of our stabilized portfolio, as well as the Global Leader in Listed Office Development.
- The National Association of Real Estate Investment Trusts (NAREIT) awarded us its Leader in the Light award for the seventh year in a row for superior, comprehensive and continuous sustainability practices in the office sector, as well as its Most Innovative award for the second time.



TRIBECA WEST - LOS ANGELES, CA // LEED GOLD, ENERGY STAR, FITWEL

- We won our sixth ENERGY STAR Partner of the Year Sustained Excellence award.
- We maintained our position on the Dow Jones Sustainability World Index, which includes 336 top ranked companies on sustainability across 11 industries and 30 countries. We're one of only seven North American real estate companies on the index.
- Our position as the owner of the most Fitwel-certified assets of any non-government landlord is secure, and our Green Lease Leader's Gold status remains.

We accomplished all of this while never losing sight of one of our fundamental goals: to reduce any negative environmental or social impacts of our portfolio. Despite the pandemic, we took on more energy and water projects than ever before; interconnected new solar installations; expanded our biodiversity programs; issued our second green bond; and achieved ENERGY STAR certifications across 69% of our portfolio. We also conducted our first deep analyses to understand our climate change-modeled average annual losses, and we increased the climate resilience of our portfolio.

We remain the premier developer and operator of LEED properties on the West Coast. All of our development projects are built to LEED Platinum and Gold standards and our stabilized portfolio is 68% LEED certified. LEED certification demonstrates to prospective tenants that our assets reduce operating expenses and thoughtfully minimize their environmental impact. In 2020, we completed the LEED Gold certifications of On Vine, 333 Dexter and the One Paseo office buildings, and continued to pursue LEED certification on an additional 1.9 million square feet of space in our development pipeline.

Over the next five years, our focus will be on reducing our "Scope 3" emissions (those which are the result of activities from assets over which we don't have direct ownership) through careful management of the embodied carbon of our construction projects, tenant emissions and both employee and tenant travel. And, we will continue to lead in regional and national policy advocacy. Based on our track record, I am confident we can achieve even greater sustainability goals, despite challenges we know the future will bring.

While we are proud of our diverse and inclusive culture, the events of 2020 re-emphasized the importance of holistically supporting our employees and our communities. We take this responsibility seriously and continue to enhance efforts to provide training opportunities and community outreach for learning and growth around diversity, equity and inclusion. We were also pleased to be included on the Bloomberg Gender Equality index for the second time. KRC stands for equal treatment of all people, and we emphatically denounce violence targeting people based on race, ethnicity or gender identification.

I have been wowed by our team's ability to navigate this rapidly changing business environment while staying committed to the spirit of KRC's culture. Our belief is that a company cannot be sustainable by focusing solely on environmental concerns; we must also nurture the human side of our business, by fostering among our employees, tenants and communities a culture of equity and inclusion.

This report celebrates the effort we have put forward to improve the communities in which we live and work. I look forward to reporting on additional industry-leading achievements in 2021.



John Kilroy
Chairman of the Board and Chief Executive Officer

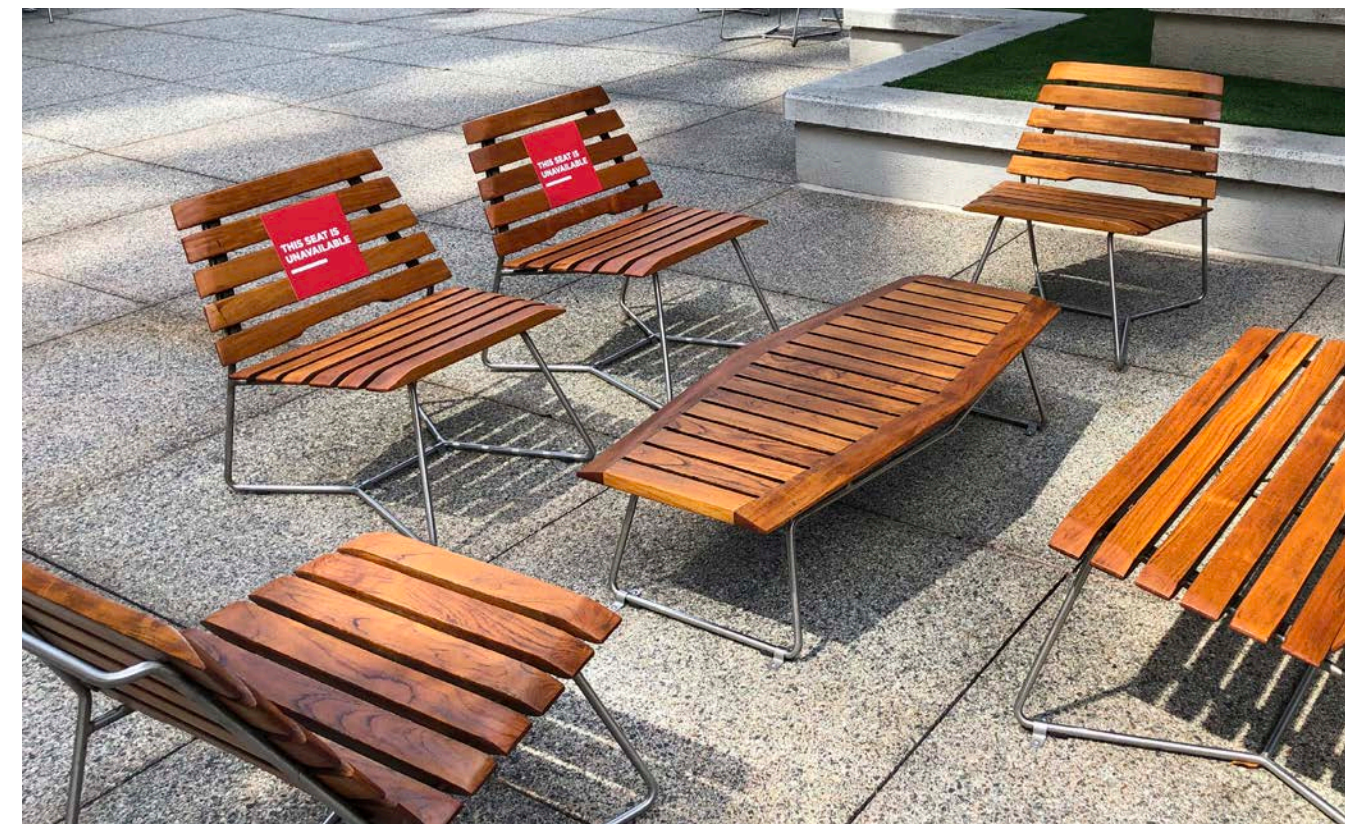
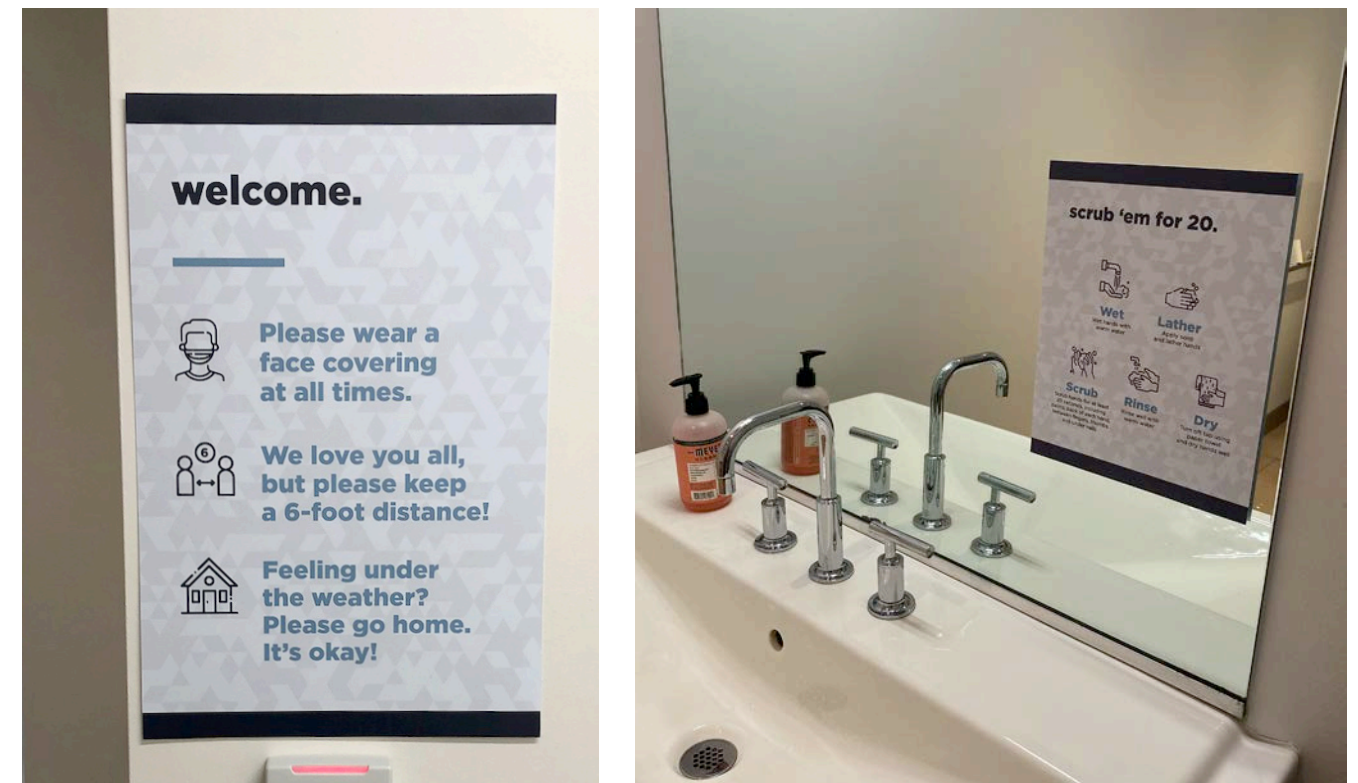
COVID-19

As we continue to experience the devastating effects of COVID-19, the health and safety of our employees, tenants, and the community remain our top priority. At the pandemic's inception, we swiftly formed a multi-disciplinary COVID-19 taskforce with internal department leaders and an external industrial hygienist. This taskforce developed and implemented a variety of policies, programs, and building upgrades focused on viral transmission mitigation based on guidance from the Centers for Disease Control (CDC) and the World Health Organization (WHO) and in compliance with state-mandated stay-at-home orders. Our response was threefold, focusing on our employees, our tenants, and our communities.

FOR OUR WORKFORCE

We used the following strategies to protect our workforce:

- Required all non-essential employees to work from home and restricted business-related airplane travel
- During 2020, we formed an inter-regional and inter-departmental taskforce and worked with the our Culture Crew to organize teambuilding events and activities, virtual exercise classes, a virtual library of self-care resources and other remote programming to keep our employees connected while working from home; more information about our efforts to maintain our company culture can be found on page 112
- Distributed wellness kits with masks, gloves, sanitizer, a thermometer, and a touchless keychain to all employees
- Implemented a COVID-19 Code of Conduct to provide general guidelines for employees and visitors to our offices and construction sites
- Implemented an enhanced sick leave policy in conjunction with the existing sick leave policy offered in our health benefits program, which provides childcare support, an employee assistance program, and paid sick leave that aligns with the Family First COVID-19 Relief Act (FFCRA)
- Developed a Workplace Re-entry Guide that addresses adequate inventory of PPE, wellness screenings and temperature checks, custodial training on enhanced cleaning and disinfection measures, security and entry screening, property and office-level policies, property-wide deployment of signage and sanitation stations, office-specific commuting, and parking and restroom guidance



COVID-19 PROTECTION SIGNAGE INSTALLED IN 100 FIRST SUITE ENTRANCE, RESTROOM, AND KITCHEN

FOR THE COMMUNITY

COVID-19 caused acute needs in our communities. As a result, we funded drive-through testing clinics, supported local food banks and collection centers such as Bellevue Episcopal Church, and donated over 1,000 meals through our restaurant tenants, which helped stabilize these tenants during this difficult time. Recognizing the strain COVID-19 is putting on schools, we donated school supplies to children in need through Faith Foster Families Network and Special Needs Network and we recently provided significant funding to eight school districts in San Diego to help students adapt to remote learning.

As the pandemic continues to take its toll on our communities we will keep finding ways to offer support. More information on our community efforts during COVID-19 can be found on page 12.

FOR OUR TENANTS

To protect our tenants, we actively integrated control, health, and safety measures into our properties, including our development pipeline. Our plans include people-first solutions that support the needs of today and tomorrow. To ensure that we successfully pursued the most effective strategies, our properties are pursuing Fitwel certifications, WELL certifications, and the WELL Health Safety Rating, backed up by extensive third party industrial hygienist verification of our programs, procedures, and on-site conditions. Additionally, our properties received the highest level of third party pandemic preparedness review from Underwriter's Laboratory, which verified that all recommended CDC and WHO measures have been successfully implemented, including on-site air, water, and germ testing.

Highlighted on the next pages are our current integrated strategies as well as our plans for future work environments, which include new sanitation technologies, adaptable shared spaces, and flexible building designs.



COVID-19 PROTECTION SIGNAGE INSTALLED AT ONE PASEO

Social Justice

In 2020, our country had to take a long, hard look at itself. Systemic and systematic social injustices that had been ignored and silenced were surfaced and collectively we faced the harsh reality of inequality.

Disproportional suffering from the economic and health impacts of the pandemic on underprivileged communities was then compounded by overt and covert racism. This devastating combination generated renewed demands for social justice, racial equality and accountability, and acts of physical and verbal violence against the Black and Asian communities are more examples of social injustice that needs to be addressed in our country

We founded KRC to build communities to connect perspectives, cultures, and individuals from around the world. As a company that celebrates people above all, we stand in solidarity with those demanding equality for members of our society that are marginalized. We are dedicated to listening, and active learning and unlearning. We are committed to being part of the solution to end racism.

2020 was a year in which we asked ourselves a lot of questions: How can we commit to showing up for one another? How can we better recognize and understand unconscious bias? How can we pledge to teach ourselves more accurate historical accounts? We compel ourselves to have those tough conversation about social injustices and ways to combat them, and our awareness of our need for continuous growth is what sets us apart. We believe our ever expanding racial and gender diversity within our employee base is the direct result of our proactive efforts over many years to create an inclusive culture, and we commit to continuing to cultivate equality in our workforce.

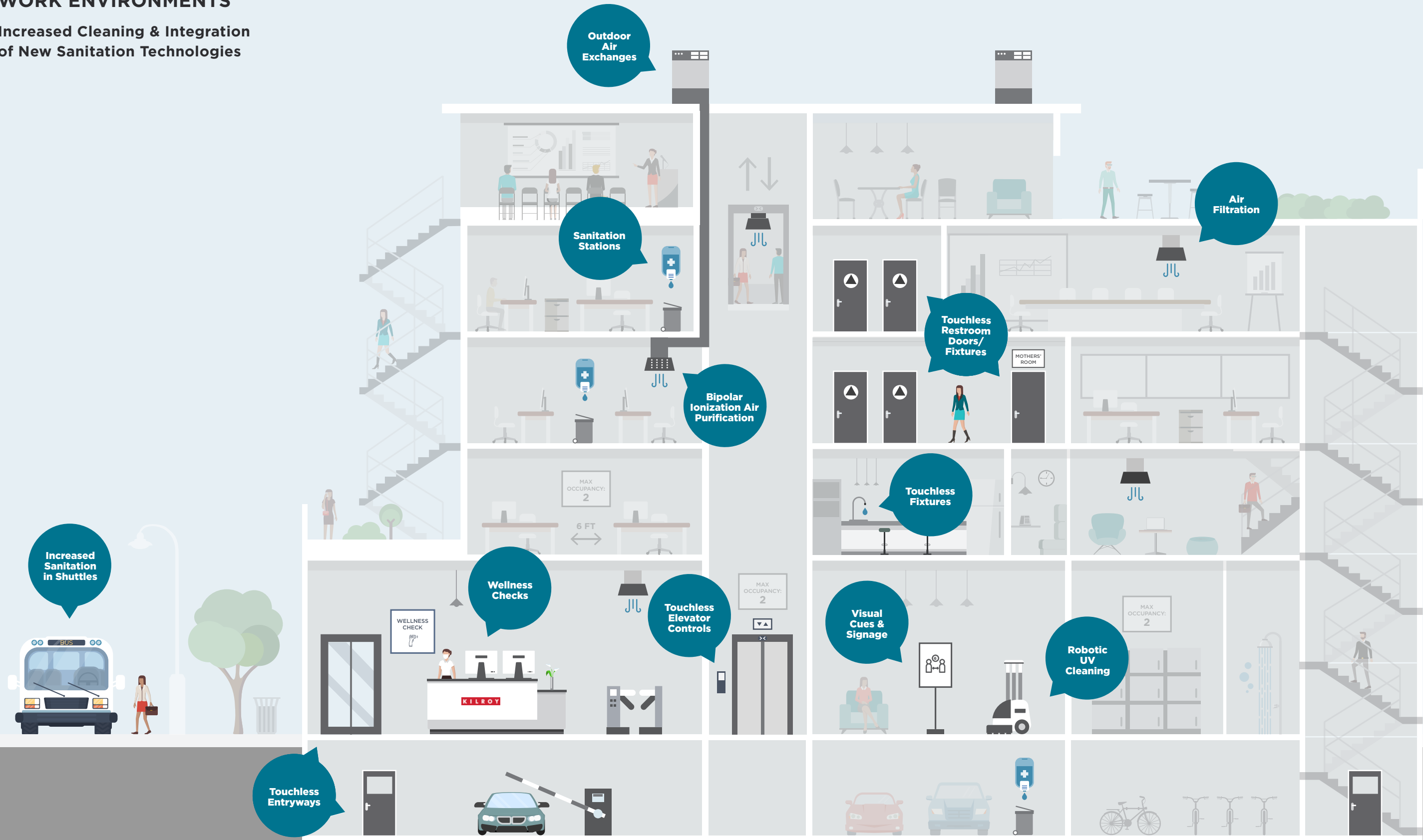
We know that healthy, thriving communities are our most powerful asset. As a developer, we have a unique opportunity to engage with our cities, schools, neighborhoods and workplaces to help our communities flourish. With community connectivity being one of our core values, we believe that our built environment should not displace people, but bring them together. That is why KRC has for many years worked hard to make a difference in providing much-needed community resources, especially focused on youth. We have helped build a library in an under-resourced area in San Diego, funded public school education foundations and provided a zero-interest loan to the Episcopal School of Los Angeles, an progressive institution accepting people from all faiths in Hollywood. Our employees also took on extensive projects in 2020 to strengthen our communities, and more information about those efforts and our other philanthropic efforts can be found on page 134.

But Our efforts must extend past our own communities. For several years we have not just funded but participated in the NAACP's Centering Equity in the Sustainable Building Sector initiative, in addition to our recent donation to help with critical racial justice efforts. We also have a long history of supporting organizations that transform lives through affordable housing, including the Low-Income Housing Institute, Mercy Housing and Compass Family Services.

Through all of these endeavors, we are committed to lifting up one another during such distressing times and creating a world in which we all want to live.

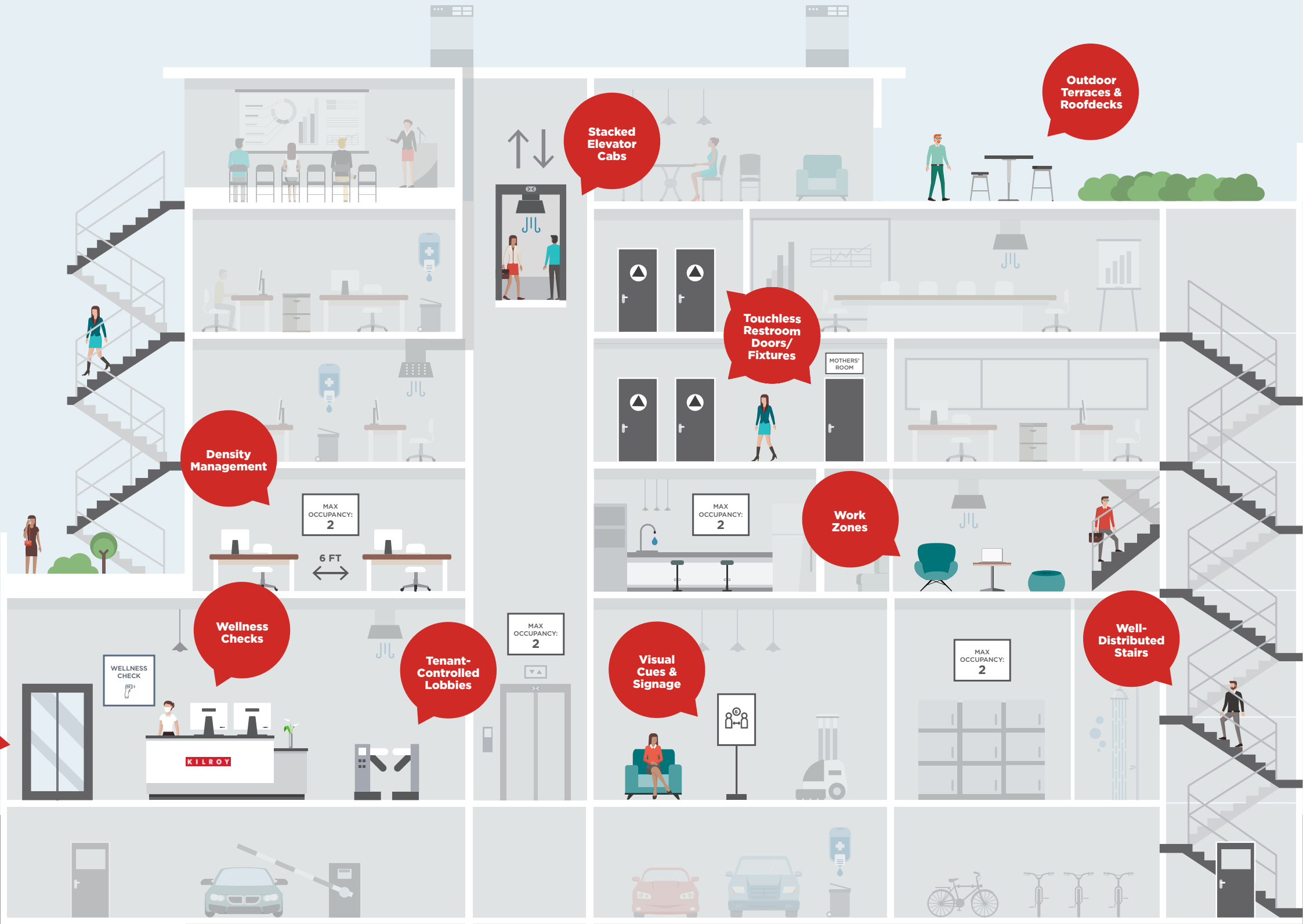
SAFE AND HEALTHY
WORK ENVIRONMENTS

Increased Cleaning & Integration
of New Sanitation Technologies



AGILE PLACES
AND SPACES

Flexible Building Design



FLEXIBLE & VERSATILE
WORK ENVIRONMENTS

Adaptable Shared Spaces



Corporate Overview

Kilroy Realty Corporation (NYSE: KRC) is a leading West Coast landlord and developer, with a major presence in San Diego, Greater Los Angeles, the San Francisco Bay Area, and the Pacific Northwest. The company has earned global recognition for sustainability, building operations, innovation, and design. As pioneers and innovators in the creation of a more sustainable real estate industry, the company's approach to modern business environments helps drive creativity, productivity, and employee retention for some of the world's leading technology, entertainment, life science, and business services companies.

KRC is a publicly traded real estate investment trust ("REIT") and member of the S&P MidCap 400 Index with more than seven decades of experience developing, acquiring, and managing office and mixed-use projects.

As of December 31, 2020, the company's stabilized portfolio¹ totaled approximately 14.6 million square feet of primarily office and life science space that was 91.2% occupied and 94.3% leased. The company also had 808 residential units in Hollywood and San Diego, which had a fourth quarter average occupancy of 89.5% and 50.4%, respectively. Total revenue for the year ending December 31, 2020 was \$898 million. In addition, KRC had six in-process development projects with an estimated total investment of \$1.6 billion, totaling approximately 1.9 million square feet of office and life science space. The office and life science space was 89% leased.

¹Our stabilized portfolio includes all of our properties with the exception of development and redevelopment properties currently committed for construction, under construction, or in the tenant improvement phase, undeveloped land and real estate assets held for sale. We define redevelopment properties as those properties for which we expect to spend significant development and construction costs on the existing or acquired buildings pursuant to a formal plan, the intended result of which is a higher economic return on the property. We define properties in the tenant improvement phase as office and life science properties that we are developing or redeveloping where the project has reached cold shell condition and is ready for tenant improvements, which may require additional major base building construction before being placed in service.

PACIFIC NORTHWEST
~2.4MM SF

SAN FRANCISCO BAY AREA
~11.1MM SF

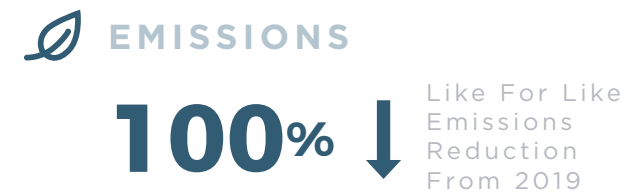
GREATER LOS ANGELES
~4.4MM SF
393 RESIDENTIAL UNITS

GREATER SAN DIEGO
~2.8MM SF
608 RESIDENTIAL UNITS

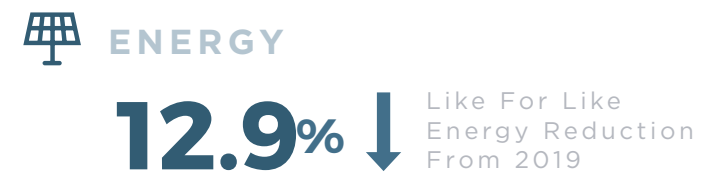
NOTE: SQUARE FOOTAGES INCLUDE Q420 SUPPLEMENTAL DATA (STABILIZED, UNDER CONSTRUCTION)
+ FLOWER MART & KILROY OYSTER POINT

2020 Key Performance Indicators

Our 2020 key performance indicators were heavily influenced by reduced occupancy caused by the COVID-19 pandemic.



Absolute Emissions	
Scope 1	0 Tonnes
Scope 2 (Location-based)	19,579 Tonnes
Scope 2 (Market-based)	0 Tonnes
100% reduction from 2011 baseline emissions ¹	



Absolute Energy Consumption	
257,113 MWh	
27.9% reduction from 2011 baseline consumption	



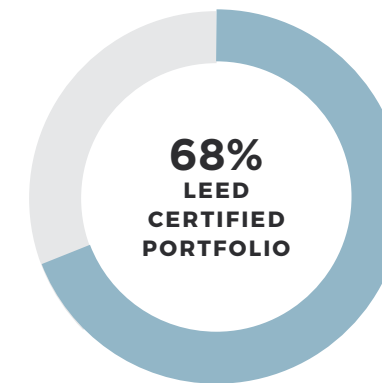
Absolute Water Consumption	
174,103 kgals	
43% reduction from 2011 baseline consumption	



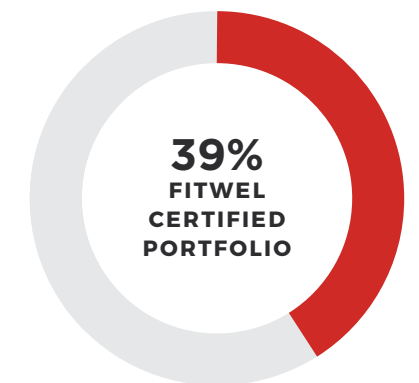
Waste Diversion	
Recycling	592.13 Tonnes
Compost	452.46 Tonnes
36.3% Total Waste Decrease from 2019	

¹ For further information on our carbon neutral operations claim, please see page 178.

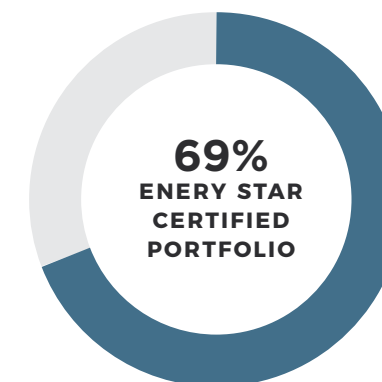
LEED CERTIFICATIONS



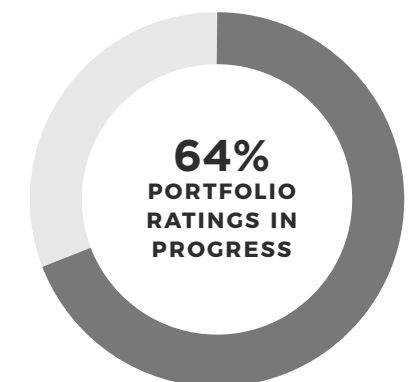
FITWEL CERTIFICATIONS



ENERGY STAR CERTIFICATIONS



WELL HEALTH SAFETY RATINGS



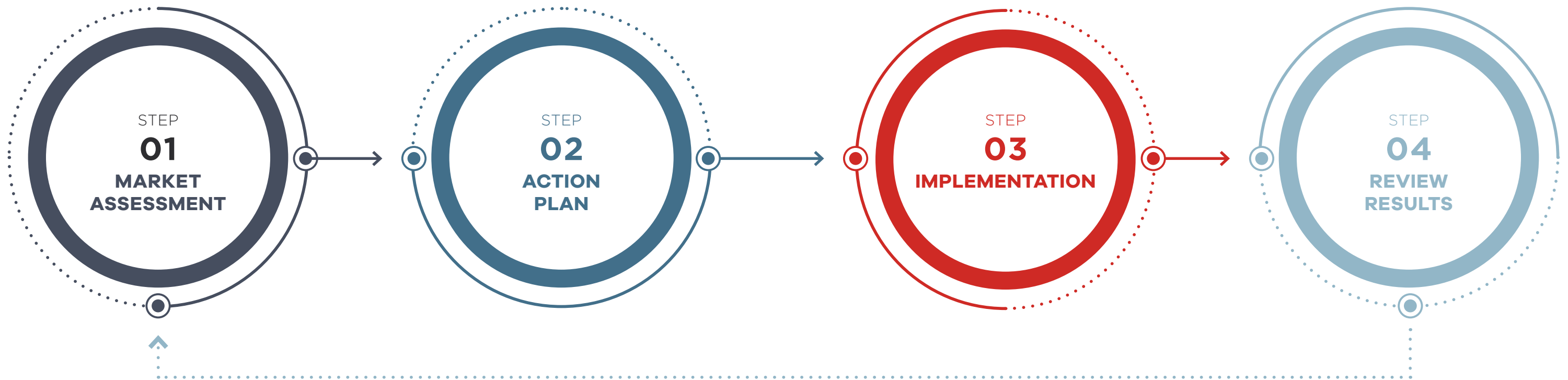
Vision, Strategy, Program

Our vision is a resilient portfolio that minimizes environmental and social impacts related to the development and operation of our buildings while maximizing the health and productivity of our tenants, employees, and communities as well as our financial returns.



9455 TOWNE CENTRE - SAN DIEGO, CA // TARGETING LEED PLATINUM

SUSTAINABILITY STRATEGY



Learn about ESG best practices and new opportunities

- Attend Educational Events
- Network with Peers
- Review Trade Publications
- Participate in Sustainability Committees
- Benchmark Portfolio and Development Operations

Determine which projects to pursue and gather resources for implementation

- Set Objectives
- Define Technical Solutions Both Small and Large Scale
- Analyze Environmental and Financial Benefits
- Update Policies in the Environmental Management System (aligned with the Plan-Do-Check-Act stages of the ISO14001 EMS standard)
- Create Budget
- Build Consensus with Internal and External Stakeholders

Implement projects

- Energy and Water Efficiency Investments
- Operational Improvements
- Electric Vehicle Charging Station Installations
- Obtain Environmental and Health Certifications
- Apply for Recognition
- Workforce Development Training

Analyze quantitative and qualitative results to inform further project phases and directions

- Annual Asset Management Sustainability Kickoff Meetings
- Measurement and Verification for Efficiency Projects, Troubleshoot Issues to Ensure Success
- Recover Costs through Green Leasing
- Benchmark Portfolio and Development Operation
- Reporting, Disclosure, and Communications

SUSTAINABILITY PROGRAMS

Our Sustainability Programs align with the [United Nations Sustainable Development Goals](#) (UN SDGs). The UN created the SDGs to serve as the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice.



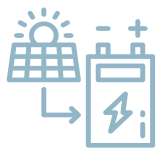
Environmental

Vision: Aggressively minimizing our environmental footprint

Programs:



Energy Efficiency Projects



Renewable Energy Generation and Storage



Environmental Building Certifications

Social

Vision: Promote the wellness of our employees, tenants, partners, and communities

Programs:



Supply Chain Auditing



Diversity, Equity & Inclusion Training



Building Health Certifications

Governance

Vision: Maintain best-in-class ESG (Environmental, Social, and Governance) leadership and transparency

Programs:



Board of Directors Governance of ESG Issues



Excellence in ESG Reporting



Third Party Auditing of ESG Disclosures

Climate Change Governance

We identify climate change as a risk to our business and an opportunity for long-term value creation and a key driver in long-term strategic business decisions. These risks may span transitional, physical, and social risks, as detailed below. We became a supporter of the Task Force for Climate-Related Financial Disclosures (TCFD) in 2018, and our discussion of our climate change risks and opportunities follows that framework. We have chosen the TCFD framework because we believe it is the most robust climate change disclosure framework available and will help us define the climate change impacts that will be material to our business. We are proud that our resilience programs ranked us first in North American Office in 2019 and 2020, which indicates that we have a strong foundation to further grow our climate change resilience programs. Our TCFD index can be found on page 35.

Climate-related risks and opportunities are governed by the Board through the Corporate Social Responsibility and Sustainability Committee. In 2018, the Committee endorsed the TCFD recommendations and tasked management with assessing and reporting against our climate-related risk. The management team that will be executing those tasks includes representatives from sustainability, risk management, security, asset management and engineering.



THE SUNSET - HOLLYWOOD, LOS ANGELES, CA // LEED GOLD, ENERGY STAR



TCFD INDEX

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RISKS AND OPPORTUNITIES

Risks

In 2020, we began modeling our physical climate change risk using The Climate Service’s Climonomics® software platform, which reports risks and opportunities related to climate change in financial terms to empower decision-making and is aligned with the TCFD framework. To assess physical risks for our portfolio, we use a business-as-usual scenario that assumes that there is no global action on climate change and global temperatures warm by more than 3° C, known as IPCC Representative Concentration Pathway (RCP) 8.5. Using this scenario allows us to be conservative when analyzing physical and social risks to our business caused by climate change. To assess risks to our business due to transitional factors such as increased regulation, we use a scenario that assumes widespread global action on climate change in which global temperatures do not warm above 2° C. This scenario is known as RCP 4.5.

SCENARIO ONE: BUSINESS-AS-USUAL
GLOBAL TEMPERATURES WARM BY MORE THAN 3° C (RCP 8.5)

We use this scenario to assess physical and social risks and opportunities for our business.

SHORT TERM (PRESENT-2030)	MEDIUM TERM (2030-2040)	LONG TERM (2040-BEYOND)
PHYSICAL AND SOCIAL RISKS		
<ul style="list-style-type: none">— Poor air quality caused by wildfire (no physical wildfire risk to our assets)— Localized loss of power— Increased costs for proactive physical risk prevention measures— Continued and increased social unrest— Permanent change in workplace behavior caused by the COVID-19 pandemic and climate change	<ul style="list-style-type: none">— Flood risk in vulnerable areas— Increase in extreme temperatures causes increases in building cooling loads and operating/maintenance costs— Slight increase in drought exposure risk— Increased construction costs— Increased insurance premiums— High temperatures and poor air quality make some of our markets, like Southern California, less attractive for tenants and employees— Demographic changes resulting from climate change make it more difficult to source the labor needed to develop and operate our properties	<ul style="list-style-type: none">— Potential costly damage from coastal urban flooding leads to high flood mitigation costs— Increase in extreme temperatures requires building HVAC retrofits— Air filtration upgrades needed to mitigate poor air quality caused by wildfire— Widespread population migration caused by climate change potentially shifts our tenant and labor base
SOCIAL OPPORTUNITIES		
<ul style="list-style-type: none">— Health programs and employee satisfaction in our proactive environmental stewardship benefits our workforce management, resulting in lower costs from turnover	<ul style="list-style-type: none">— A focus on innovation throughout all aspects of real estate, from construction to operations, attracts talent to our industry and improves environmental and social outcomes throughout our supply chain	<ul style="list-style-type: none">— Our longstanding commitment to and investment in our communities makes them more resilient and stable relative to other markets

SCENARIO TWO: GLOBAL CLIMATE ACTION
GLOBAL TEMPERATURES DO NOT WARM BY MORE THAN 2° C (RCP 4.5)

We use this scenario to assess transitional risks and opportunities for our business.

SHORT TERM (PRESENT-2030)	MEDIUM TERM (2030-2040)	LONG TERM (2040-BEYOND)
TRANSITIONAL RISKS		
<ul style="list-style-type: none">— Anticipated rising costs for energy due to grid decarbonization results in increased operating costs at our properties, especially during peak demand— Implementation of city and state legislation severely limits the built environment’s carbon emissions, such as all-electric new development requirements— Carbon legislation in other parts of the economy increases costs for certain materials	<ul style="list-style-type: none">— Enhanced emissions-reporting obligations— Increased capital costs around investing in new technologies to reduce the carbon footprint of our buildings— Potential legislation requires retrofit of mixed-fuel buildings to all-electric— Sourcing materials for our buildings becomes increasingly expensive, potential disruptions to the supply chains of our building materials— Limited reputation or litigation risk	<ul style="list-style-type: none">— Real estate industry regulated by carbon pricing— Large investments in new carbon-focused technology required
TRANSITIONAL OPPORTUNITIES		
<ul style="list-style-type: none">— Increased revenues and carbon credits from charging stations— Increased tenant demand for sustainable buildings— Reduced energy and water consumption causes operating cost decreases— Increased revenues through procurement of additional offsite and onsite renewable power, expanded battery storage and energy efficiency— Increased confidence from stakeholders, including winning faster support for our development projects from local communities and municipalities	<ul style="list-style-type: none">— Our buildings are perceived as more resilient and therefore receive increased rents— Reduced insurance premiums relative to our peers— Buildings with prestigious sustainability certifications increase in value— Opportunities to secure public sector incentives to improve the sustainability performance of our portfolio— Opportunities arising from diversification of financial assets, such as through potential additional green bond offerings	<ul style="list-style-type: none">— Reputational benefits resulting in increased demand for our properties and higher market valuations— Our recognition as a global leader in climate change mitigation and sustainability ensures we are looked on favorably by the impact investment community

CLIMATE CHANGE RISK MANAGEMENT IN ACTION

We manage climate change risks and opportunities at each stage of the building cycle:






ACQUISITIONS	We focus on managing climate change risk during the acquisition phase by incorporating physical climate change modeled average annual loss analyses using the Climonomics® platform into the due diligence process. Also, we evaluate building resiliency, energy and water consumption, building safety and materials, social impacts on the local community, certifications, environmental regulations, and risk of disasters such as earthquakes and flooding. In addition to the climate modeled average annual loss assessment, this can involve Phase I environmental studies, structural evaluations, and property condition reports.
DEVELOPMENT	We use a range of mitigation strategies to cope with potential sea level rise and other climate-related impacts. This includes putting important equipment on risers or relocating it from basements entirely, as well as raising the groundplane of certain development projects in line with year 2100 sea level rise projections. We have longstanding expertise in planning for seismic events by incorporating seismic gas shutoff valves, increased sprinkler seismic bracing, and locking sprinkler valves in the open position for relevant projects.
OPERATIONS	In 2019, we ensured that all of our buildings have Emergency Response Plans (ERPs) that outline a building’s response to particular emergency scenarios that contemplate extreme weather due to climate change, and in 2020, we updated the ERPs to incorporate the climate change modeled average annual loss data. We also use a mobile-enabled system to quickly communicate to employees and tenants in the event of an emergency. In addition, we conduct energy risk assessments through ASHRAE Level II energy audits and retrocommissioning studies; we conducted these audits across 4.3 million square feet of space in 2020.



JOHN KILROY MAKES CARBON NEUTRAL OPERATIONS ANNOUNCEMENT AT THE GLOBAL CLIMATE ACTION SUMMIT

Carbon Neutral Operations Achievement

In 2020, we fulfilled the promise that KRC CEO John Kilroy announced at the 2018 Global Climate Action Summit: that we would achieve carbon neutral operations, otherwise known as Scope 1 and Scope 2 carbon neutrality, by year end 2020. We focused on the following strategies to achieve carbon neutral operations:

 ENERGY EFFICIENCY	 ON-SITE RENEWABLES	 OFFSITE RENEWABLES	 RENEWABLE ENERGY CERTIFICATES	 CARBON OFFSETS
We have reduced energy use of our assets approximately 18.5% from 2010 levels, not including reductions due to reduced occupancy during the COVID-19 pandemic.	We have solar photovoltaics installed on 15 of our properties. These systems generated approximately 3% of the total energy consumed by the KRC portfolio in 2020, and we estimate that the solar will generate 2% of the total energy consumed after COVID-19 re-occupancy.	We entered into an agreement for a large offsite solar array currently under development that will, when complete in 2023, fully address the electricity consumption of our directly managed properties. We chose to enter an offsite power purchase agreement to ensure additionality. The concept of additionality indicates that this renewable power would not have been added to the grid in the absence of our intervention. We believe that focusing our strategy on additionality will produce the most positive environmental impact. In addition, we procured 100% Green-e certified renewable power for certain properties from several of our energy providers, including the Clean Power Alliance, San Diego Gas & Electric, and Peninsula Clean Energy.	While the solar project is in development, our offsite solar project purchases RECs on our behalf that allow us to convert to 100% renewable electricity across all properties.	The remainder of the our greenhouse gas emissions are now offset by verified emission reduction credits. The resulting carbon offsets are Verified Carbon Standard (VCS) certified.

Through these programs, we reached carbon neutral operations, otherwise known as Scope 1 (direct emissions from onsite combustion of natural gas) and Scope 2 market-based (indirect emissions from onsite consumption of electricity, including offsite work) carbon neutrality by the end of 2020. This exceeds our Scope 1 and Scope 2 carbon reduction goals previously validated by Science-Based Targets², which is a 72% reduction across scopes 1, 2 and 3 by 2050. We will now be focusing on our Scope 3 emissions; more information on page 44. Our Third Party Assurance provider, DNV, has conducted assurance of our carbon neutral operations declaration and alignment with PAS 2060 Carbon Neutrality Standard.

² Science-Based Targets is a collaboration between the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature, which independently assesses and approves the carbon reduction goals of companies.

Scope 3 Strategies

Now that we have achieved carbon neutral operations, we are focusing on reducing our Scope 3 emissions. We are using the following strategies:



INVENTORY

In 2021, we will be undertaking a deep analysis to create a robust inventory of our Scope 3 emissions, which will help us optimize our Scope 3 reduction strategy.



REDUCE EMBODIED CARBON

We began benchmarking the carbon emissions associated with our development projects in 2019, and continued this work in 2020 by benchmarking our 2100 Kettner, Kilroy Oyster Point, and 9455 Towne Centre projects using the Embodied Carbon in Construction Calculator (EC3) tool developed by the Carbon Leadership Forum. This exercise taught us that while concrete, structural steel and insulation have some of the highest embodied carbon of any construction materials, they also have the most options of viable sustainable replacements that can contribute to a large reduction in embodied carbon throughout the entire life cycle of the building.

We are using this data we gained from this work to reduce the embodied carbon of our future development pipeline, with the goal of reducing the embodied carbon of our construction materials 30% by 2030, and 50% by 2050.



MANAGE TENANT EMISSIONS

We work with our tenants to help them reduce their emissions through undertaking efficiency projects on triple net buildings, installing renewables on triple net buildings, and helping tenants procure 100% renewable power from our utilities. Full disclosure of our emissions related to tenant energy consumption can be found on page 182.



SHIFT TRANSPORTATION

Through increasing our network of EV charging stations, providing extensive alternative transportation options, and locating our properties close to local amenities (more information on page 50), we will reduce carbon emissions associated with tenant and employee transportation.

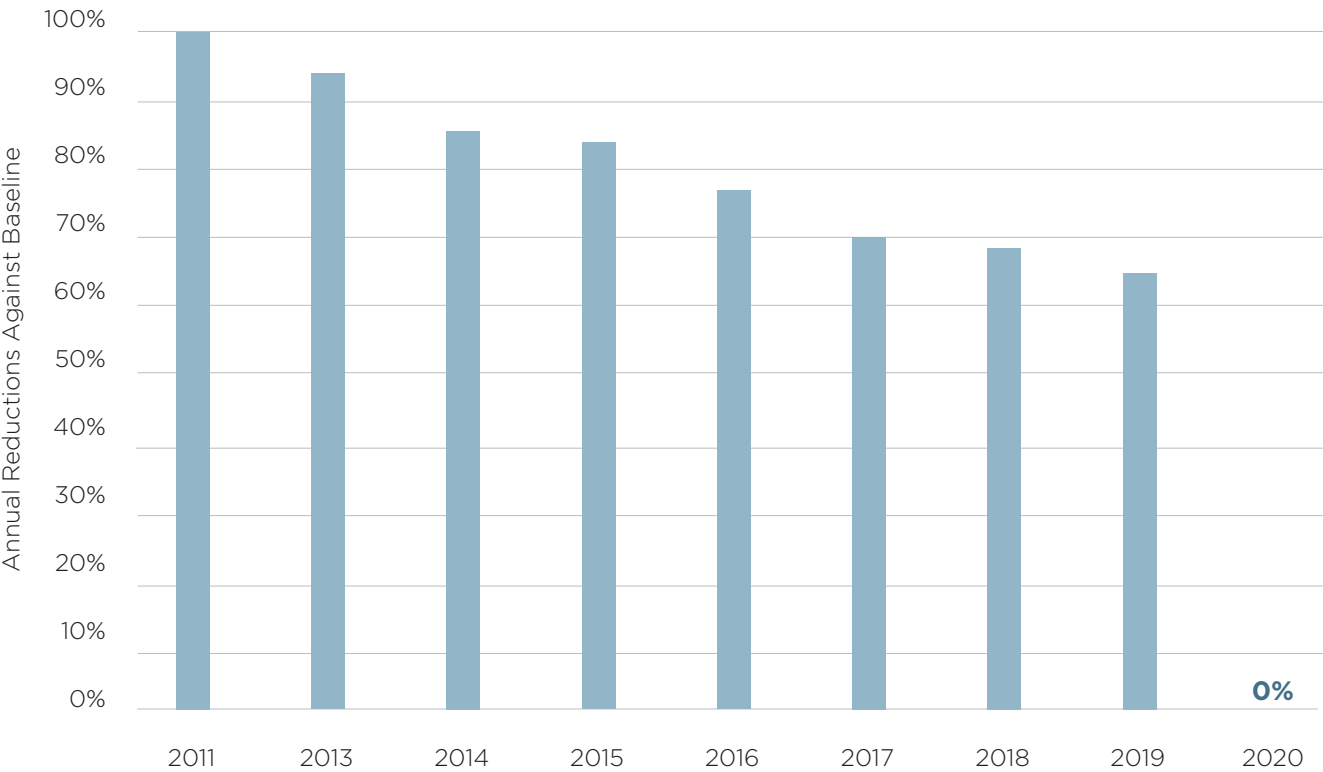
2020 EMISSIONS PERFORMANCE

We follow the WRI/WBSCD GHG Protocol to develop our Scope 1 and 2 emissions inventory. We report both location-based and market-based scope 2 emissions. Our reported emissions are independently assured by DNV. Further, our reduction targets were validated by Science Based Targets in 2018. Our 2020 emissions reductions were heavily influenced by reduced occupancy caused by the COVID-19 pandemic, and we expect our emissions to increase in 2021 as our tenants return to work in person.



Absolute Emissions	
Scope 1	0 Tonnes
Scope 2 (location-based)	19,579 Tonnes
Scope 2 (market-based)	0 Tonnes

NORMALIZED EMISSIONS AGAINST 2011 BASELINE*



*Emissions are calculated on a like-for-like basis each year. Buildings are excluded from the like-for-like portfolio if they were bought or sold within the current or previous reporting period, or stabilized in the reporting period.

0

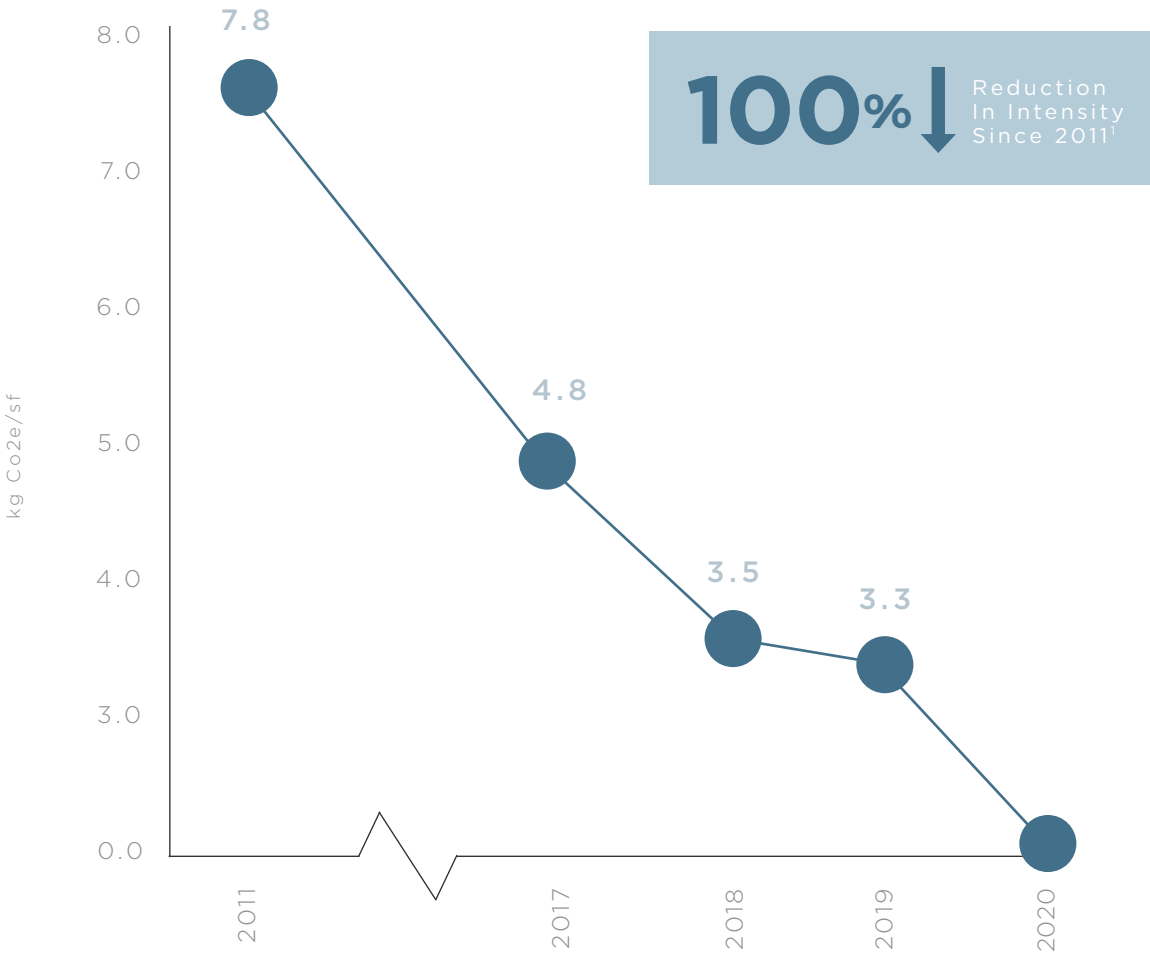
KG CO₂E/SF

2020 Emissions Intensity

GOAL ACHIEVED

Carbon Neutral Operations

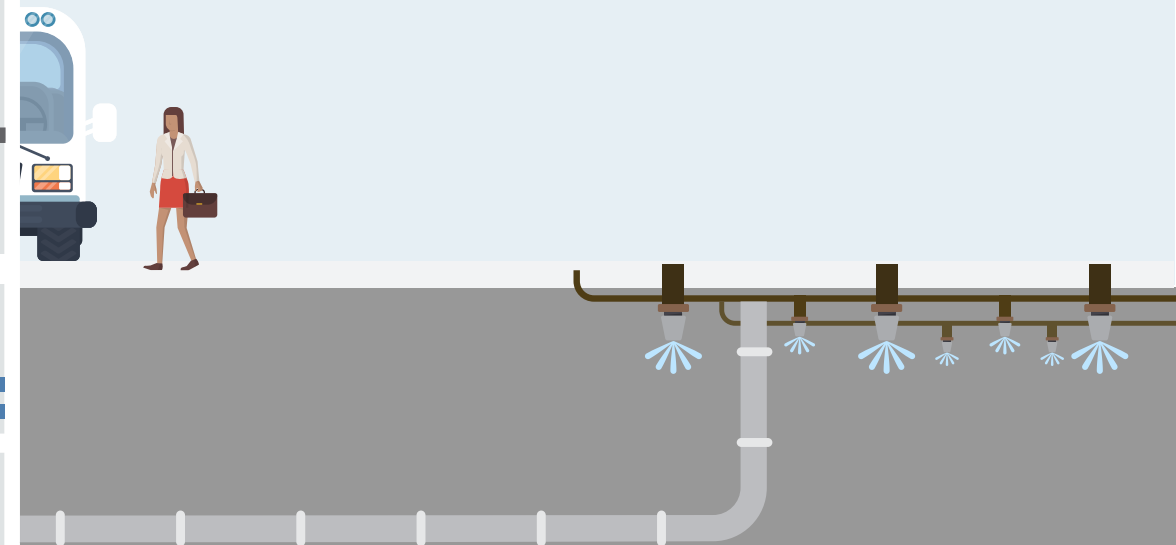
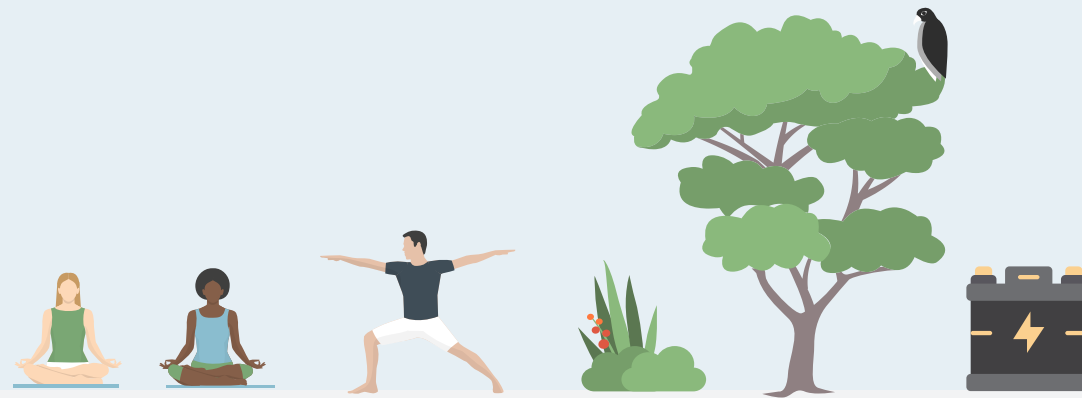
EMISSIONS INTENSITY REDUCTION OVER TIME*



*Intensity figures are calculated based on LFL performance and square footage as reported in our sustainability disclosures in the reporting year, except for where data has been restated. For full carbon data, please see page 180.
¹ For further information on our carbon neutral operations claim, please see page 178.

EFFICIENCY IN BUILDING OPERATIONS TOUR

Throughout this report, we will be taking you on a visual tour of the types of projects we deploy in our buildings across energy, water, waste, transit, health, and biodiversity.



TRANSIT TOUR

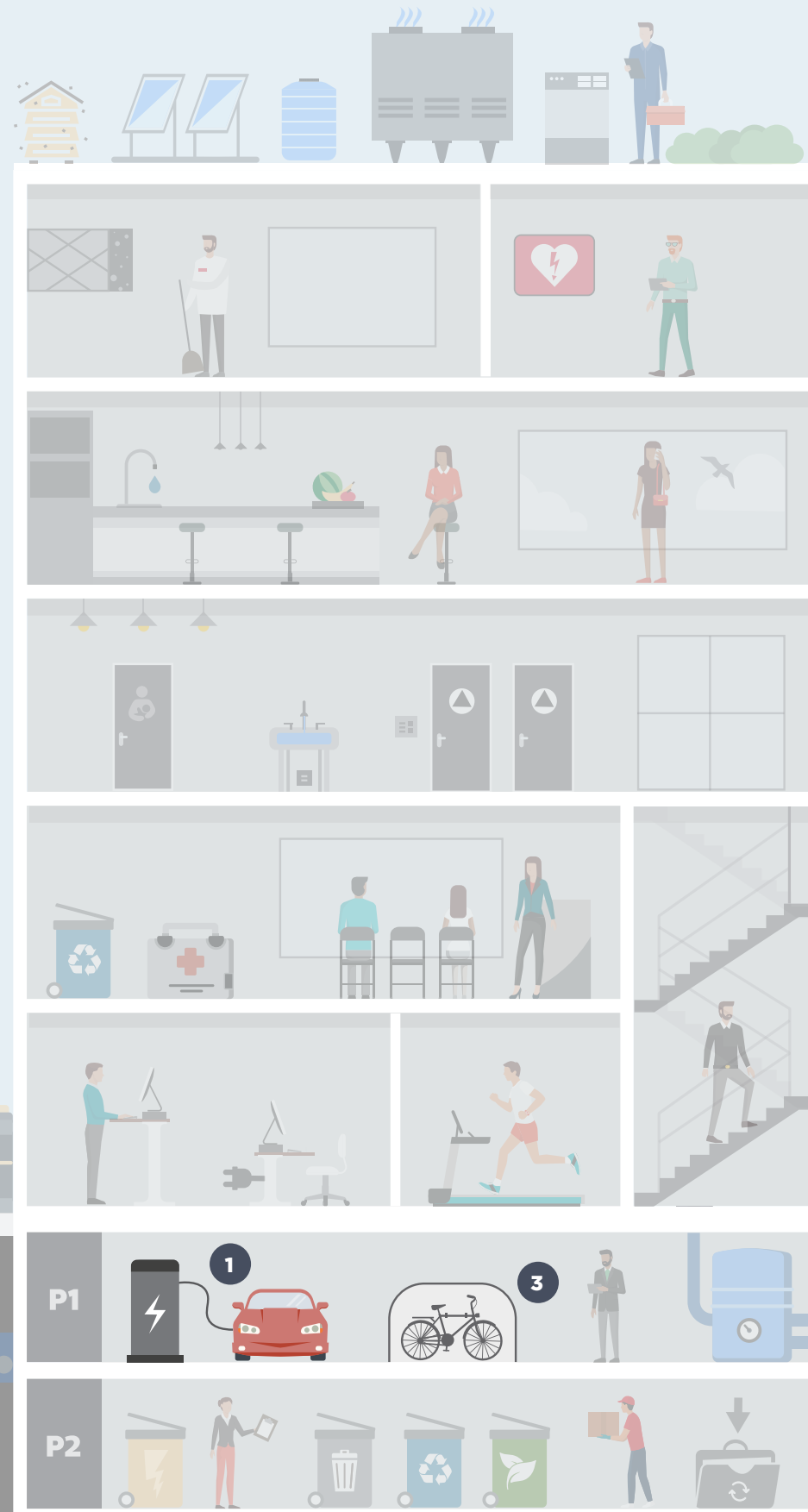
1. EV CHARGING STATIONS

In 2020, we had 121 total electric vehicle charging station ports (2019: 111 total ports) operating in our properties, which had the following environmental impact:

- 115,294 kg GHG savings
- 24,801 sessions
- 34,451 gallons of gasoline saved

2. PUBLIC TRANSIT

KRC buildings are located near bus, metro, and ferry transit to provide alternative modes of commuting. Our development team strives to locate new projects within half a mile of at least one form of public transit. In addition, we provide our own transit connections when needed, such as the Trolley we provide at One Paseo, which connects to a local transit center.



KILROY REALTY

3. BIKE STORAGE

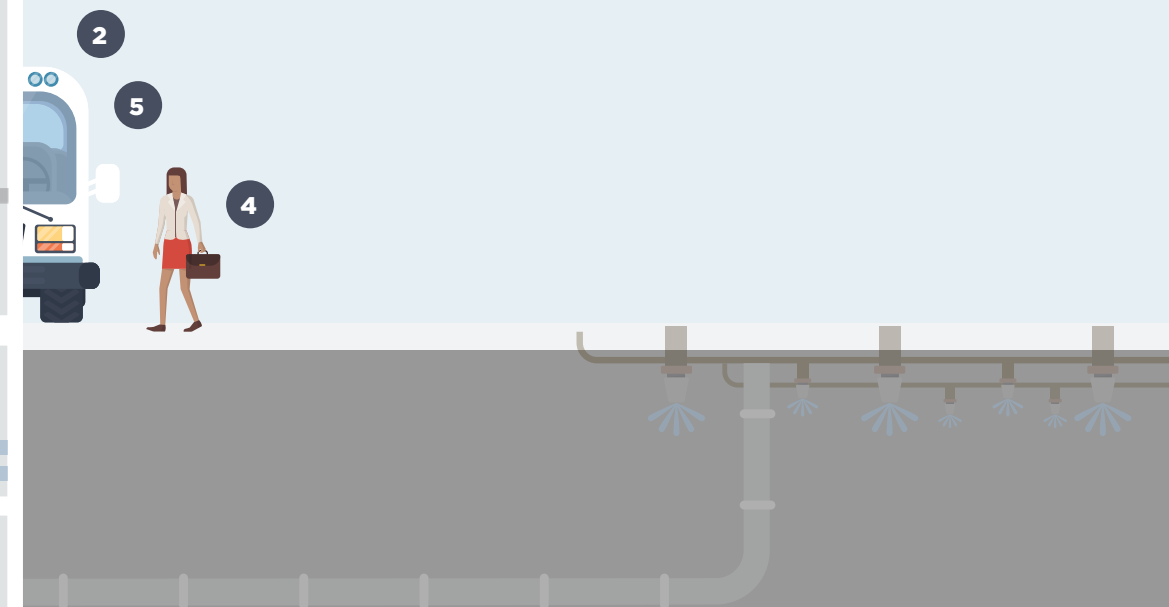
We install bicycle storage to increase the appeal of cycling to work, which can increase levels of physical activity. Complimenting our bike infrastructure are shower facilities that make biking to work more attractive.

4. WALKSCORE

The average walkscore of the KRC portfolio is 70.

5. COMMUTER BENEFIT

We provide a commuter benefit to our employees to subsidize the cost of public transit to encourage employees to take public transit to work.



02 Environmental









- Existing Buildings
- New Development









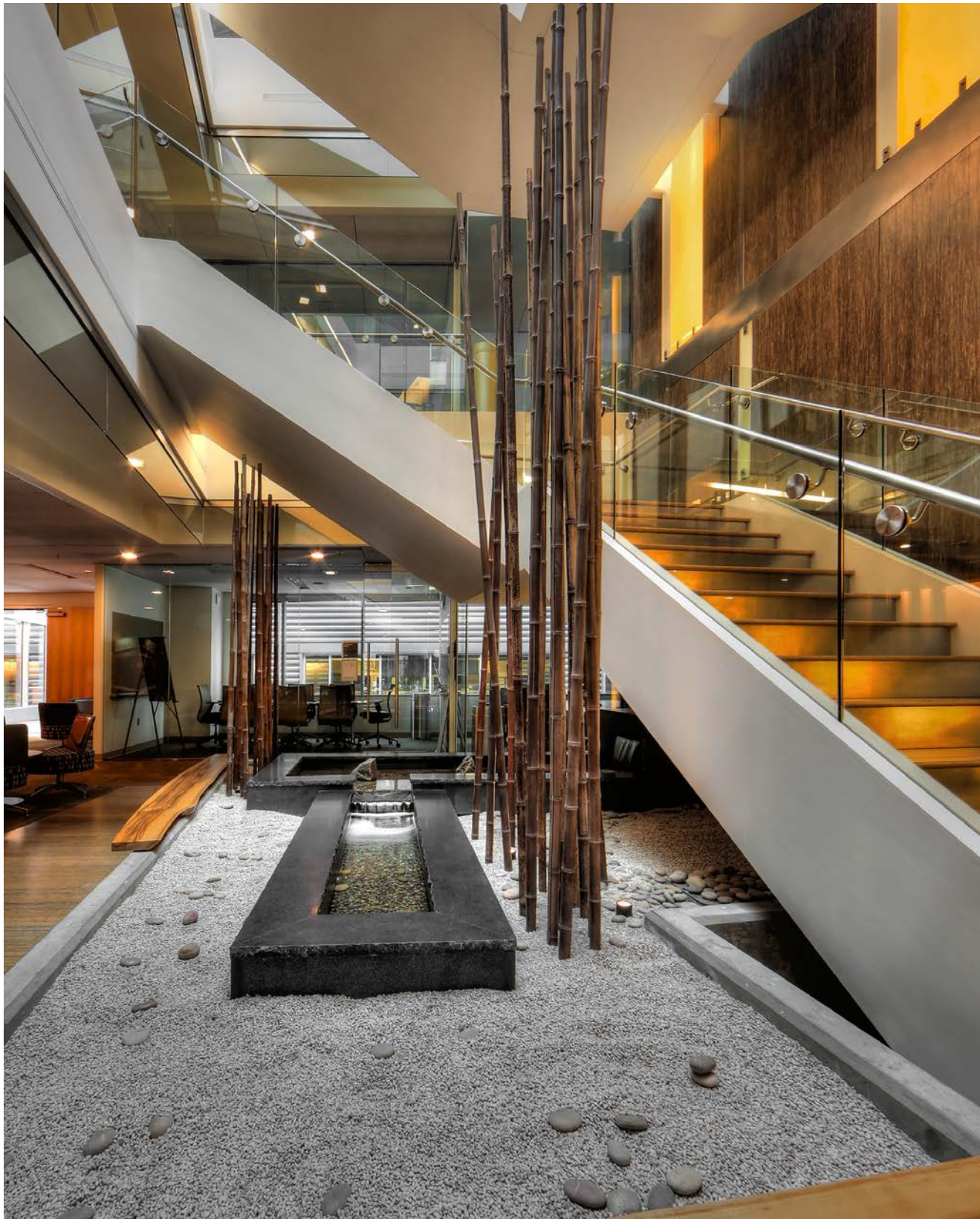
SOLAR PANELS INSTALLED ON ALL GARAGES AT KILROY OYSTER POINT

ENVIRONMENTAL OBJECTIVES

For the third time, we have aligned our objectives with the UN SDGs and will continue to use the SDGs to help refine our objectives in the coming years.

UN SDG	OBJECTIVES	PROGRESS
13 CLIMATE ACTION 	Achieve a 100% reduction in Scope 1 and Scope 2 GHG emissions from a 2017 base year by year-end 2020	We achieved Scope 1 and Scope 2 carbon neutrality by the end of 2020 
12 RESPONSIBLE CONSUMPTION & PRODUCTION 	Achieve an 20% onsite reduction from 2015 energy levels by year-end 2025	Our original energy goal had a 2020 timeframe, but building load changes due to COVID-19 have required us to push this goal timeframe to 2025 
12 RESPONSIBLE CONSUMPTION & PRODUCTION 	Reduce onsite water use 20% from 2015 levels by year-end 2025	Our original water goal had a 2020 timeframe, but occupancy changes due to COVID-19 have required us to push this goal timeframe to 2025 
09 INDUSTRY, INNOVATION, & INFRASTRUCTURE 	Achieve ENERGY STAR certification for 75% of eligible existing office buildings and 100% of eligible residential buildings by year-end 2020	We have achieved ENERGY STAR certification for 69% of the eligible non-residential portfolio, and certification for 100% of eligible residential buildings 

UN SDG	OBJECTIVES	PROGRESS
12 RESPONSIBLE CONSUMPTION & PRODUCTION 	Achieve a recycling annual diversion rate of at least 50% in the existing portfolio by year-end 2025	Our original waste goal had a 2020 timeframe, but occupancy changes due to COVID-19 have required us to push this goal timeframe to 2025; we achieved a 41.8% diversion rate in 2020 
13 CLIMATE ACTION 	Reduce our Scope 3 emissions 72% by 2050	More information on our Scope 3 emissions can be found on page 44 
11 SUSTAINABLE CITIES AND COMMUNITIES 	All ground-up construction will pursue LEED Gold certification or better, and all major renovations will pursue LEED Silver certification or better	On Vine, 333 Dexter and One Paseo Office all earned LEED Gold certification in 2020. More information on page 59 



WESTLAKE TERRY - SEATTLE, WA // LEED GOLD, FITWEL

Existing Buildings

- Environmental Certifications
- Energy
- Tenant Engagement
- Water
- Waste
- Biodiversity
- Green Leasing
- Green Cleaning
- Communications

ENERGY STAR CERTIFICATION

SEATTLE

1,349,913 SF

SAN FRANCISCO BAY AREA

3,920,468 SF

GREATER LOS ANGELES

3,098,251 SF

SAN DIEGO

804,211 SF

TOTAL STABILIZED SF

9,172,843

TOTAL %

69%*

Full list of certifications is available at our website at:

<https://kilroyrealty.com/sites/default/files/2020%20Energy%20Star%20Certifications.pdf>

*Percent certified is based on the percentage that our eligible portfolio is certified. Buildings are ineligible for ENERGY STAR certification because of product type, such as laboratory or studio space. No building was excluded from the eligible portfolio because of occupancy variances due to the COVID-19 pandemic.

LEED CERTIFICATION

SEATTLE

1,490,1517 SF

SAN FRANCISCO BAY AREA*

5,424,284 SF

GREATER LOS ANGELES

2,620,802 SF

SAN DIEGO

413,481 SF

TOTAL STABILIZED SF

9,949,084

TOTAL %

68%

Full list of certifications is available at our website at:

<https://kilroyrealty.com/sites/default/files/2020%20LEED%20Certifications.pdf>

*San Francisco Bay Area square footage includes the Exchange on 16th

EXISTING BUILDINGS CASE STUDY

201 THIRD

Located in the South of Market (SOMA) district of San Francisco, 201 Third is a Class A+ office building consisting of 346,538 rentable square that consistently demonstrates energy and water reductions while promoting health and wellness for tenants and the community.

We acquired 201 Third in 2013 and took the building through substantial HVAC upgrades the following year that raised the project's ENERGY STAR score from an 81 to an 87. Other projects such as lighting retrofits and a CO sensor upgrade, as well as ongoing engineering staff education, have enabled the building to maintain its high energy performance and achieve a 25% reduction in energy usage from 2013 to February 2020*. 201 Third is also LEED certified at the Gold level under the Existing Buildings: Operations and Maintenance rating system.

201 Third currently diverts 75% of its waste from landfill, up 5% from 2018 levels and over 33% higher than our portfolio average. Continuous tenant education, textile and E-waste recycling, and onsite post sorting services contribute to the building's successful diversion efforts. 201 Third's tenant engagement efforts extend beyond just waste; in fact, 201 Third was also awarded a BOMA San Francisco Earth award for engaging their tenants on a variety of environmental projects via an innovative twitter campaign.

Health and well-being are a priority for 201 Third. The building achieved Fitwel certification in 2017 and again in 2020 for incorporating numerous active design features, such as active workstations and accessible stairwells, coupled with strong connectivity to public transit. The building also enjoys proximity to green spaces such as Yerba Buena Gardens which boasts diverse landscapes, waterfalls and a walking trail. 201 Third also maintains beehives on its roof to support local biodiversity.

*Reductions achieved in 2020 after February were largely attributed to high vacancy due to COVID-19 and are not included in these reduction results



201 THIRD - SOMA, SAN FRANCISCO, CA // LEED GOLD, ENERGY STAR, FITWEL

2020 ENERGY PERFORMANCE

Our 2020 energy reductions were heavily influenced by reduced occupancy caused by the COVID-19 pandemic, and we expect our energy consumption to increase in 2021 as our tenants return to work in person.

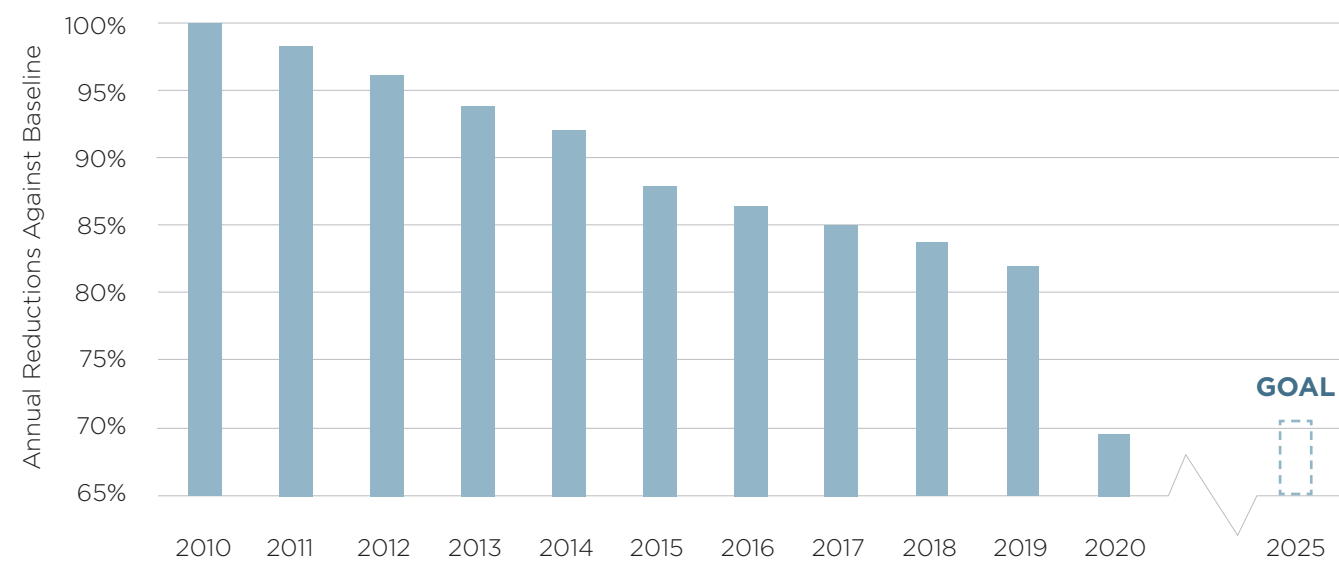


ENERGY

12.9% ↓ Like For Like Energy Reduction* From 2019

Absolute Energy Consumption	
2020	257,113 MWh
2019	281,855 MWh

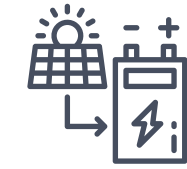
NORMALIZED ENERGY CONSUMPTION AGAINST 2010 BASELINE*



*Energy usage is calculated on a like-for-like basis each year. Buildings are excluded from the like-for-like portfolio if they were bought or sold within the current or previous reporting period, or stabilized in the reporting period.

17.3 KWH/SF

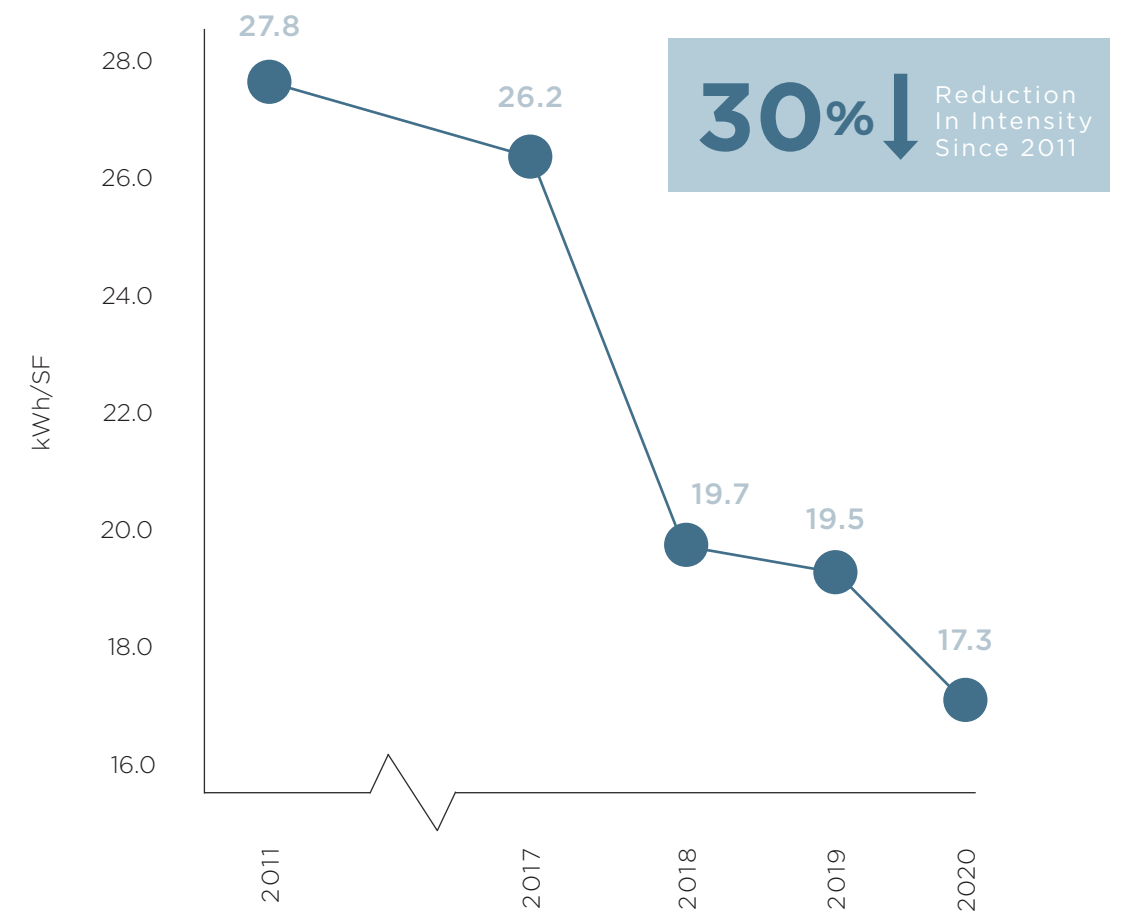
2020 Energy Intensity



3%

From Onsite Solar Production

ENERGY INTENSITY REDUCTION*



*Intensity figures are calculated based on LFL performance and square footage as reported in our sustainability disclosures in the reporting year, except for where data has been restated. For full energy data, please see page 147

ENERGY EFFICIENCY TOUR

OVERALL ENERGY PERFORMANCE

Low-occupancy caused by the COVID-19 pandemic coupled with several successful efficiency projects resulted in a 13% energy use reduction from 2019 levels.

1. LIGHTING

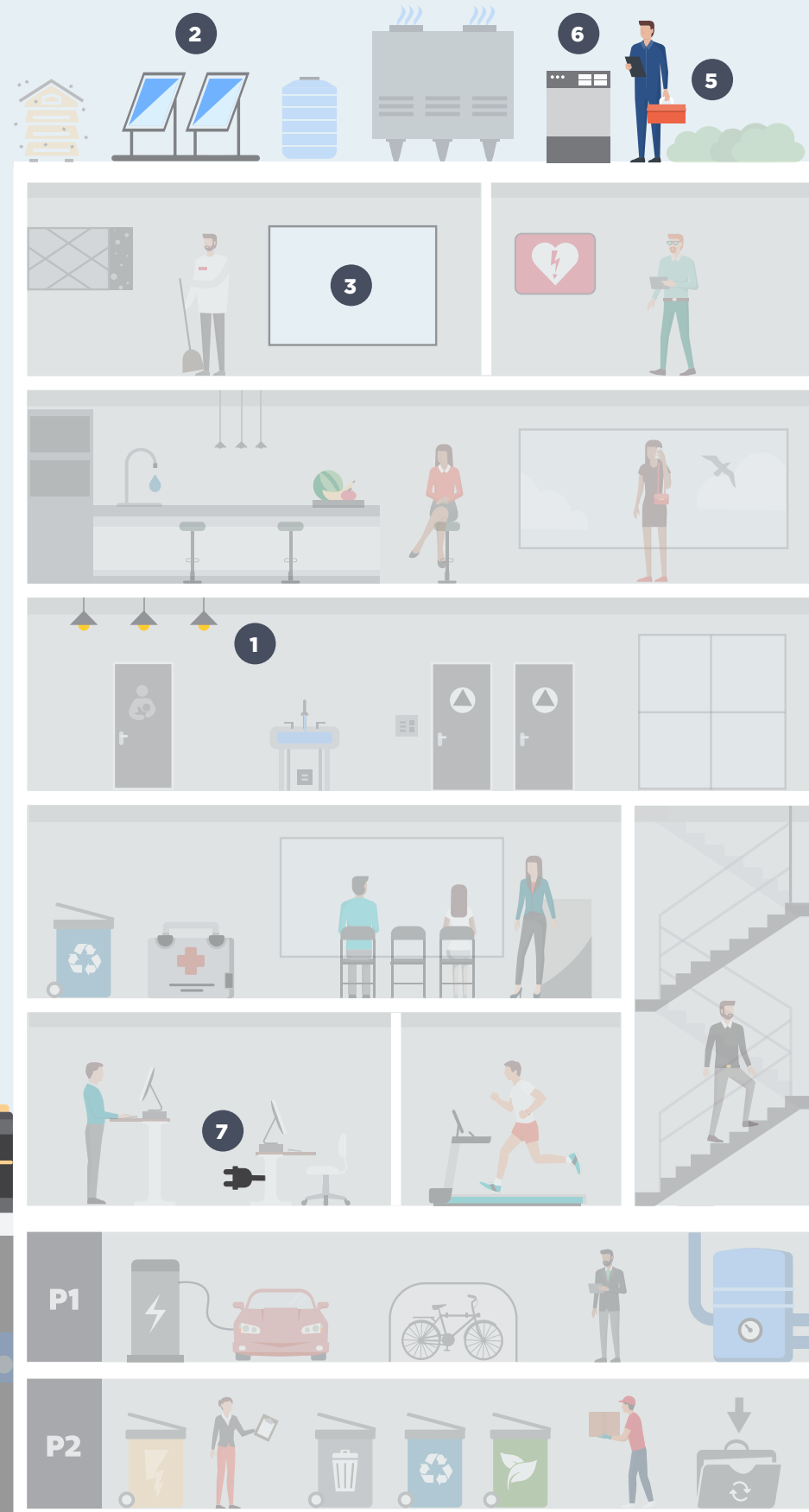
We completed 21 lighting retrofits, both interior and exterior, across over 6 million square feet, or 43%, of our portfolio in 2020. This will result in a nearly 1,166 MWh reduction in energy consumption and save over \$885,000.

2. SOLAR

Our total installed solar portfolio is 5.2 MW across 12 sites, and their production in 2020 was over 6,823 MWh, which represents 3% of our overall energy consumption.

3. WINDOW FILM

Since 2018, we have been using an innovative spray window film through the Kilroy Innovation Lab. Our first full-building installation saved over 140,700 kWh annually with a payback of less than 3 years. We have since scaled this project to 2 additional assets. The installation is innovative because, unlike traditional window films, it is invisible when applied and therefore does not impact building aesthetics.



4. BATTERY STORAGE

We have 9 operating battery storage projects, which total 4.3 MW in capacity.

5. RETROCOMMISSIONING AND AUDITING

We completed 22 retrocommissioning and ASHRAE Level II projects across approximate 4.3 million square feet of space and 30% of our portfolio in 2020.

6. HVAC

We completed major HVAC projects in 3.2 million square feet of our portfolio and minor projects in every building we manage directly. Projects included sealing ductwork, motor upgrades, equipment replacement, and pneumatic to DDC upgrades. Total savings are conservatively estimated to be over 1100 MWh.

7. ALL ELECTRIC

19% of our portfolio is entirely all-electric. In line with the California Public Utilities Commission³, we believe that reducing our buildings' dependence on natural gas is a key part of our strategy to reduce the carbon footprint of our portfolio because natural gas is a carbon intensive fuel source. For example, the state of California believes it can cut emissions from buildings in half through electrification of the real estate sector

³ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M255/K629/255629169.PDF>

KILROY INNOVATION LAB

One of the major drivers of our continued sustainability performance is our willingness to embrace emerging technologies that improve the environmental performance of our existing and new assets. Piloting new technologies gives us access to capital through utility incentive programs, helps us mitigate technology risk by helping us discover solutions that can assist with the transition to a lower-carbon economy, and improves our brand. We launched the Kilroy Innovation Lab four years ago to formalize the process for implementing sustainability pilots and to provide credibility for successful technologies. Our areas of focus are energy, water, waste, health, biodiversity, financial structures, sustainability reporting, and supply chain management. The lab provides a built-in Measurement & Verification platform, powered by Gridium, for us to evaluate the success of pilots, and the Los Angeles Cleantech Incubator, the US Green Building Council Los Angeles Net Zero Accelerator, Elemental Excelerator, and Build Edison are our technology partners.

COVID-19 paused most of our innovation lab work as low occupancy in 2020 meant that we did not have a useful baseline from which to measure improvement. We intend to continue the innovation lab pilots that had been underway at the beginning of 2020, including a plug load management project, and we are also sourcing new pilots, such as an innovative showerhead.

The innovation lab has received very positive media coverage, including a feature in REIT magazine, which stated, “Kilroy’s innovation lab has helped to raise the profile of its sustainability efforts among important stakeholders, including tenants, investors, and employees.” We believe the Kilroy Innovation Lab was a key driver in NAREIT honoring us with its Leader in the Light Award in the Most Innovative category in 2020.

ENERGY SPOTLIGHT

ROBERT BERUBE

In his million square foot, 7-building campus in Long Beach, Robert Berube has achieved some of the most impressive results that KRC has ever seen since he joined us in 2014: a 26% reduction in energy use and a 28% reduction in water use over the last 6 years, excluding reductions related to decreased occupancy during COVID-19. Robert has achieved those results via his relentless enthusiasm for sustainability and especially his willingness to try new technologies. For example, in 2019 he sourced Evaporcool, an innovative precooling technology incubated at LACI, for his entire portfolio and carefully oversaw the implementation. Even further, Robert knew that Evaporcool uses some water, so he went out of his way to find a water saving project that year to mitigate the increase; that is the kind of pride he takes in his work. He has experimented with robotic duct sealing, nanotechnology window film, demand response, irrigation retrofits, and more to truly optimize his buildings.



TENANT ENGAGEMENT

We recognize that our tenants have significant impact on the environmental performance of our buildings, so we partner with our tenants on a wide variety of sustainability programs.

GREEN LEASE + BUILDING STANDARDS Beginning of Occupancy

METHOD Incorporate ESG language in leases and our building standards

STATUS 100% of new leases contain ESG language and a company-wide policy was achieved in 2017 for our building standards

RECYCLING REVITALIZATIONS At Start of Composting Services or Once Every Five Years

METHOD In person

STATUS Goal is 50% diversion under new EPA Wastetracker methodology

SOLAR Once Per Installation

METHOD Enter into solar agreements on behalf of tenants who cannot do so themselves

STATUS Six of our twelve installations are of this type

DEMAND RESPONSE 6-12 Events Annually

METHOD Install equipment and software that allows participation in Demand Response events, sometimes supplemented with battery storage, engage tenants to participate

STATUS 13 buildings participating

BUILDING-SPECIFIC INFORMATION Always Available, Updated Annually

METHOD Dedicated property website

STATUS 100% of property websites have a page dedicated to building-specific sustainability information

ENERGY, WATER, AND WASTE EFFICIENCY, MATERIALS TRANSPARENCY On Demand

METHOD Collaboration of specific efficiency projects

STATUS The sustainability representatives of several tenants work directly with our sustainability team on projects like materials health declarations and demand response

OPTIMIZATION OF OPERATIONS LEED for Existing Buildings certifications through Arc— every Three years

METHOD LEED for Existing Buildings Certification through Arc

STATUS We completed five LEED for Existing Buildings Certifications through Arc in 2020, including recertifications

SUSTAINABILITY HIGHLIGHTS Twice Annually

METHOD Tenant memos

STATUS 100% of our portfolios receive memos twice per year

TENANT APPRECIATION EVENTS Annually

METHOD Lobby displays and activities

STATUS Regional adoption but no company-wide policy

ONGOING SOCIAL MEDIA Daily

METHOD Twitter

STATUS In a typical month our tweets are seen approximately 17,982 times

HEALTH Continuous

METHOD Onsite amenities, events, competitions, collaboration on Fitwel certifications, and more, more info on page 122

STATUS Every building has a program focused on tenant health

**As of December 31, 2020,
73% of our top 15 tenants
had either set or achieved
a carbon neutrality goal.**

TRANSPARENCY Once Every Two Years

METHOD Tenant Sustainability Surveys

STATUS 90%+ response rate on tenant satisfaction surveys and respond to all tenant requests for sustainability information in their property

RECOGNITION Annually

METHOD Pursue ENERGY STAR certifications in buildings where tenants pay some or all utilities

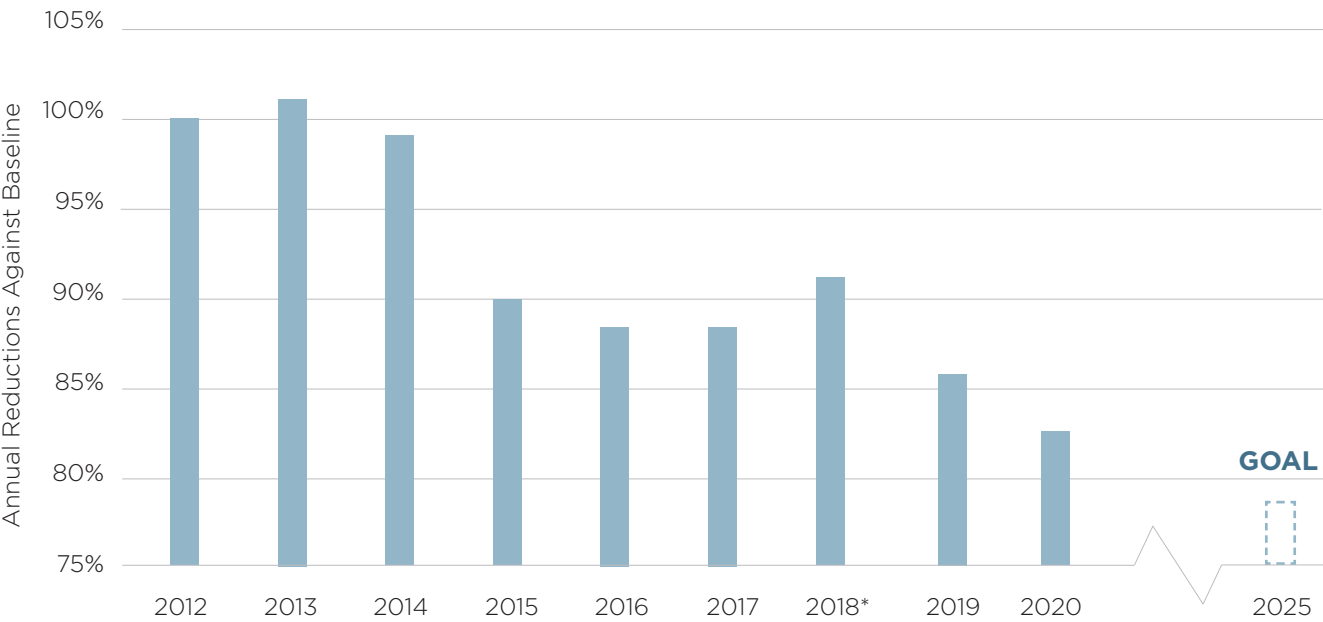
STATUS Achieved 12 ENERGY STAR certifications of this type in 2020

2020 WATER PERFORMANCE

Our 2020 water reductions were heavily influenced by reduced occupancy caused by the COVID-19 pandemic, and we expect our water consumption to increase in 2021 as our tenants return to work in person.



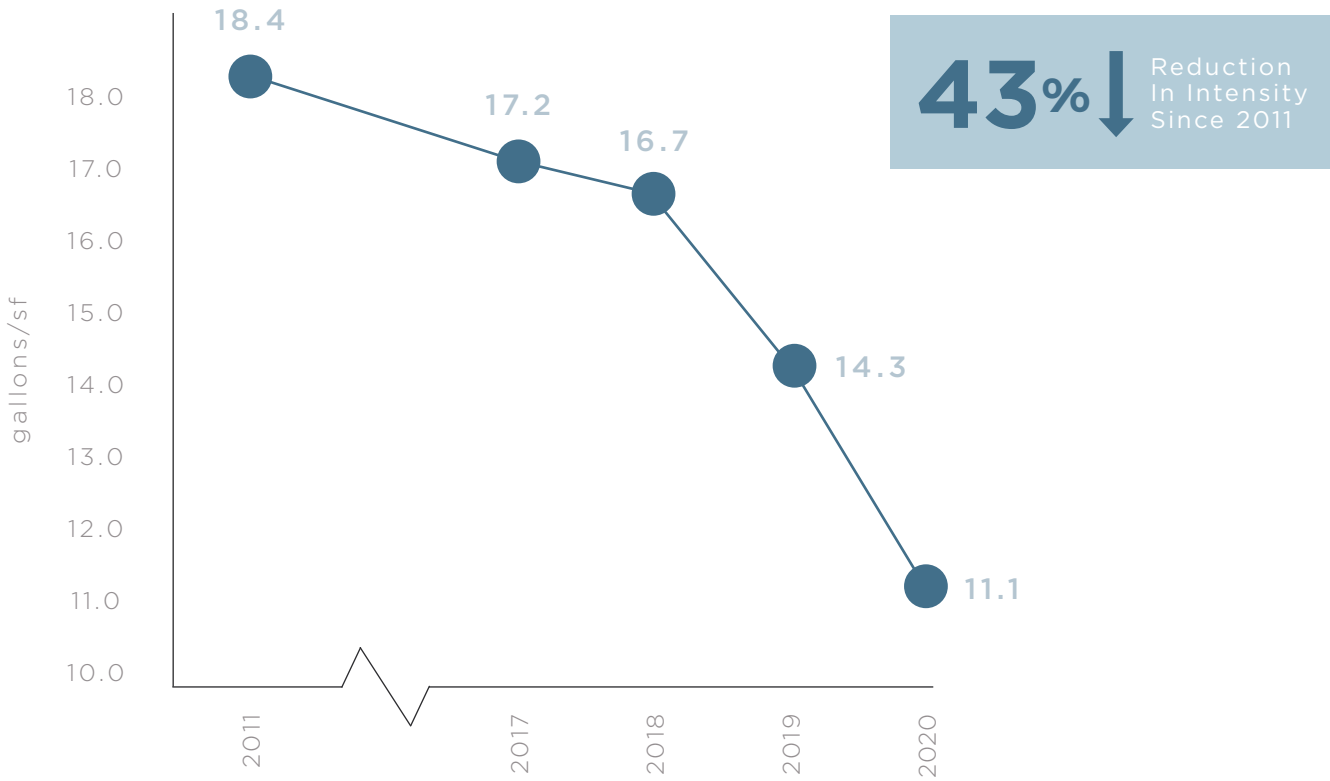
YEAR OVER YEAR WATER CONSUMPTION PERCENTAGE REDUCTION



*Buildings are excluded from the like-for-like portfolio if they were bought or sold within the current or previous reporting period, or stabilized in the reporting period.



WATER INTENSITY REDUCTION*



*Intensity figures are calculated based on LFL performance and square footage as reported in our sustainability disclosures in the reporting year, except for where data has been restated

For full water data, please see page 183

2020 WASTE PERFORMANCE

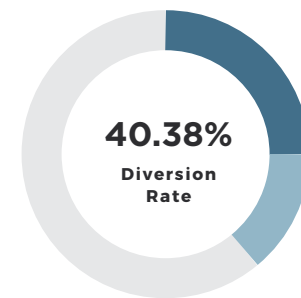
Our 2020 overall waste reduction, and decrease in diversion rate, was heavily influenced by reduced occupancy caused by the COVID-19 pandemic. We expect our overall waste, as well as our diversion rate, to increase in 2021 as our tenants return to work in person.



WASTE

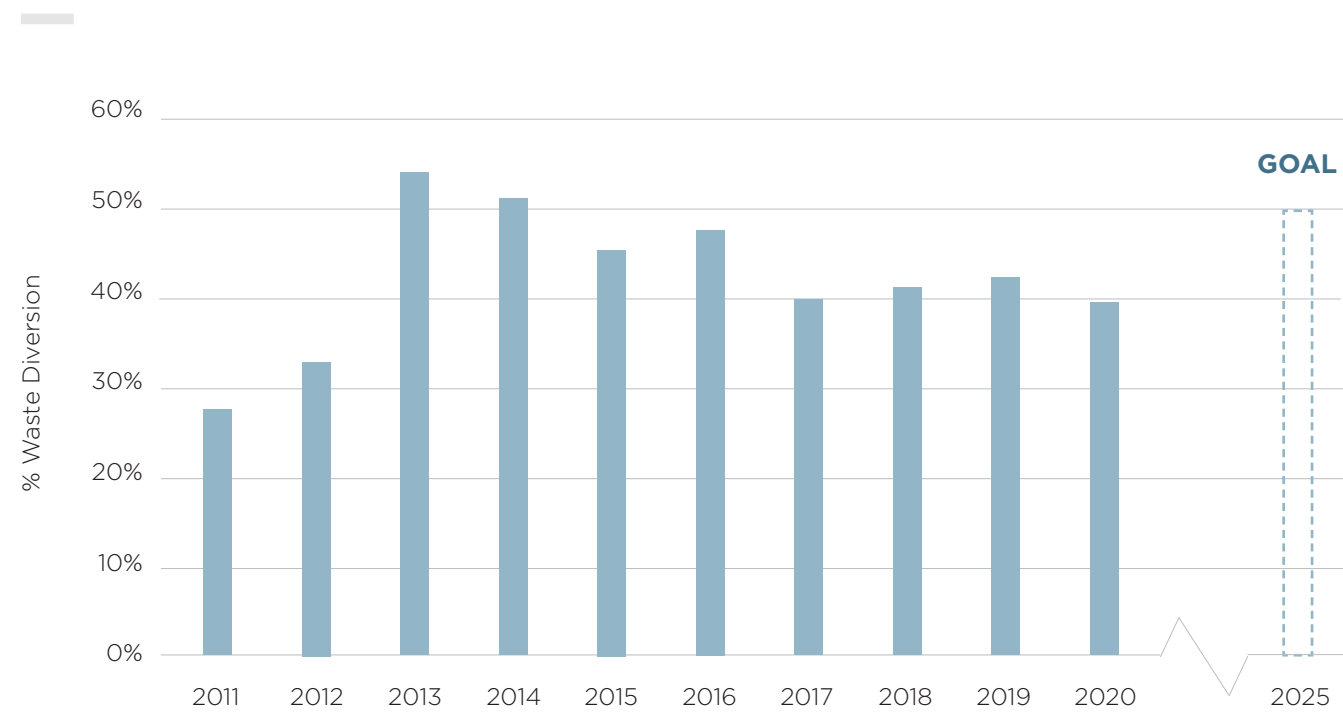
4.2% ↓ Diversion Rate Decrease From 2019

2020 WASTE TYPE

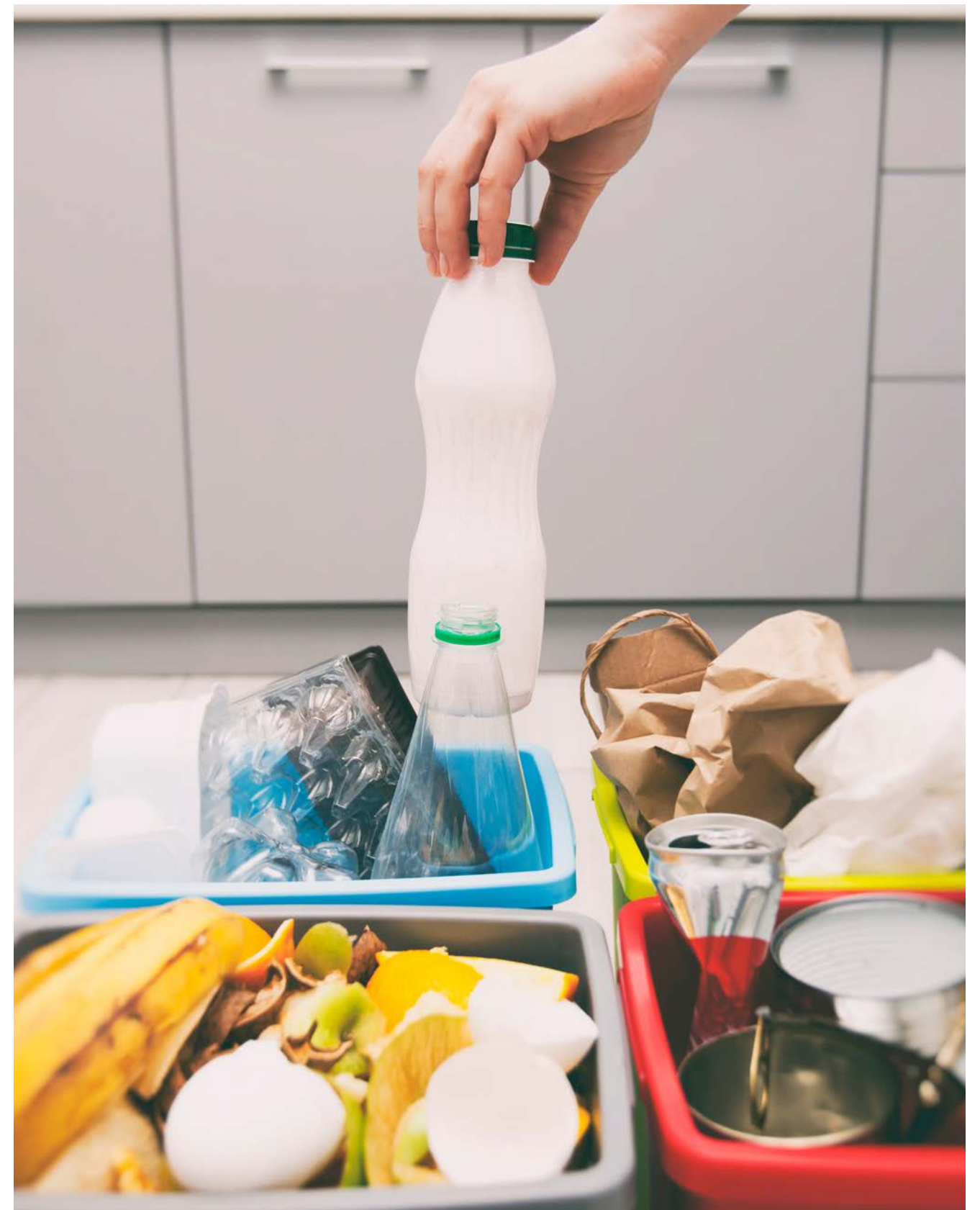


- 23% RECYCLING (592.13 TONNES)
- 17% COMPOST (452.46 TONNES)
- 60% LANDFILL (1547.13 TONNES)

WASTE REDUCTIONS OVER TIME



For full waste data, please see page 149



OVERALL WASTE DIVERSION

Primarily because of low-occupancy due to the COVID-19 pandemic, the overall amount of waste generated by our properties fell by 29.9% in 2020, but our diversion rate decreased from 44.5% to 40.3%. We believe the reduction in diversion rate is related to an increase in single use plastics and personal protective equipment due to pandemic safety concerns.

1. COMPOSTING

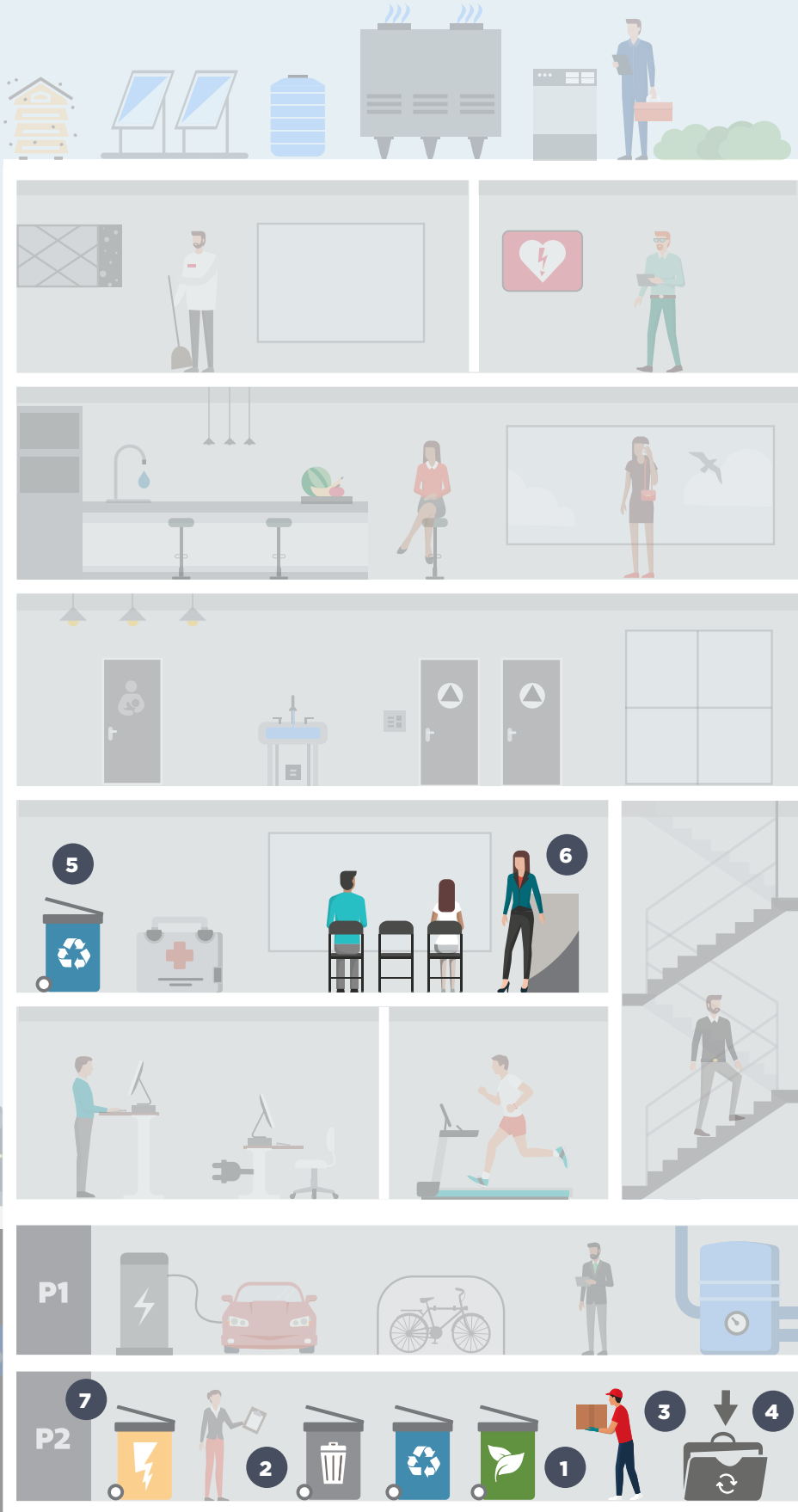
Approximately 78% of our portfolio has composting service.

2. WASTE AUDITS

Prior to COVID-19, we conducted waste audits to help our buildings recycle and compost more and reduce their overall amount of waste. Previous audits have indicated, among other findings, that buildings without composting services typically have significant contamination of organics in the recycling stream. We will use our audit results to inform tenant training when occupancy resumes.

3. POST SORTING

Three of our projects have post sorting services to further increase their recycling rates; these are some of our largest properties, which pay significant fines if their waste streams are contaminated. This has resulted in an average 10% increase in the buildings' diversion rates since post sorting was implemented in 2017.



4. WASTE BENCHMARKING

All of our waste data is benchmarked in ENERGY STAR Portfolio Manager's WasteTracker tool.

5. TEXTILE RECYCLING

Four of our San Francisco properties have onsite collection for textile recycling. These properties have the population density and available collection space to be able to take advantage of specific local textile recycling programs.

6. TENANT TRAININGS

Prior to COVID-19, we conducted in-person tenant recycling and composting trainings throughout our portfolio. This is because we see decreases in recycling contamination and increases in overall diversion as a result of influencing tenant behavior around waste.

7. E-WASTE

Many of our buildings conduct e-waste events to ensure safe and effective recycling of electronic waste.

BIODIVERSITY TOUR

1. POLLINATOR-FRIENDLY PLANTS

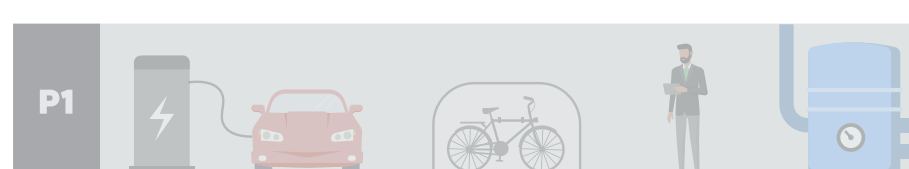
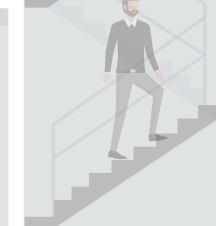
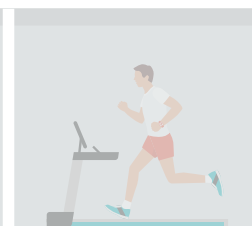
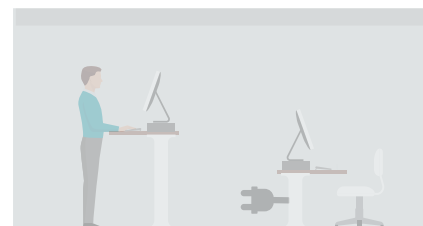
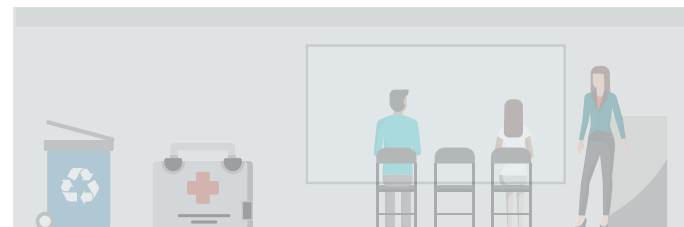
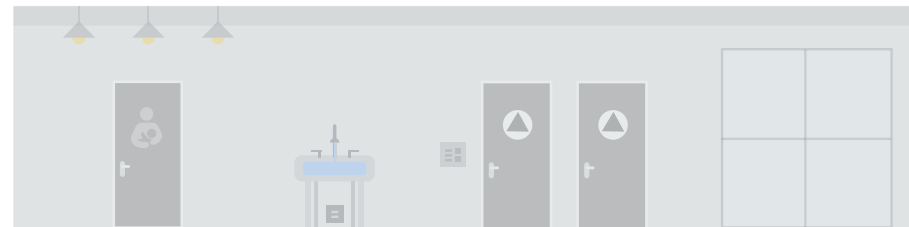
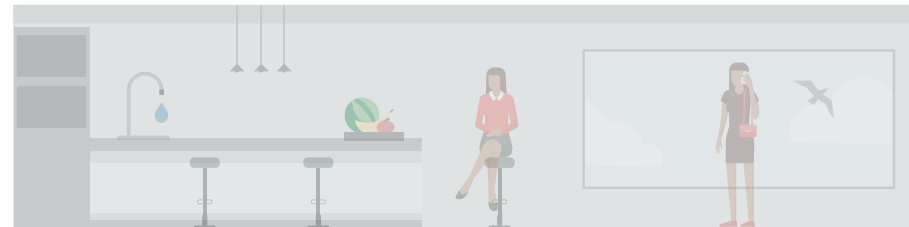
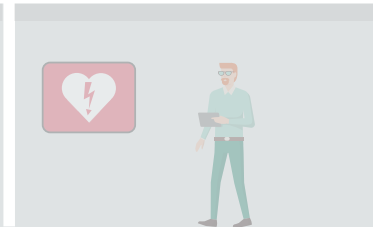
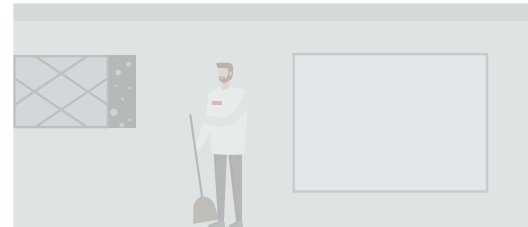
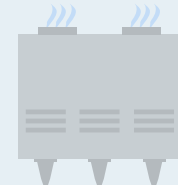
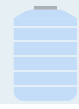
All new landscape is required to include at least two plant types, which otherwise meet our reduced water requirements, that are considered pollinator-friendly by The Pollinator Partnership (www.pollinator.org). More information on page 82.

2. BEEHIVES

We added six beehives to our portfolio in 2020, bringing our total to seven behives.

Any beehives discovered in undesirable locations are to be relocated either on or offsite in partnership with local beekeeping organizations rather than destroyed.

2



3. BIRD SPECIES PROTECTION

We use a falcon to mitigate an unwanted pigeon issue in a more humane way as opposed to the use of spike-based bird deterrents on certain properties. Our falconer helps us identify protected bird species on these sites so that we do not inadvertently harm them.

4. INTEGRATED PEST MANAGEMENT

To minimize pest problems and exposure to pesticides for people, animals and plants, we have an integrated pest management program aligned with LEED for Existing Buildings v4.

3

1

HONEY BEE INITIATIVE

**325,000**

Honey Bees Adopted

**7**

Beehives

**199**

Lbs Honey Harvested

**84**

Sq Miles Pollinated

**600**Jars of Honey
Handed Out**290**People Engaged
with Bees & Beekeeper

PACIFIC NORTHWEST

KEY CENTER



SAN FRANCISCO BAY AREA

100 FIRST ST

360 3RD ST

201 3RD ST

303 2ND ST



GREATER LOS ANGELES

COLUMBIA SQUARE

1633 26TH ST



POLLINATORS IN THE KRC DEVELOPMENT PORTFOLIO

PROPERTY	TYPE
9455 Towne Centre Dr	Yarrow (Achillea millefolium)* Lion’s Tale (Agave attenuata) Manzanita (Arctostaphylos bakeri)* California Lilac (Ceanothus)* Douglas Iris (Iris douglasiana)* Lemonade Sumac (Rhus integrifolia)* Fragrant Sage (Salvia clevelandii)*
On Vine	California Bukley (Aesculus californica)* Kinnikinnick (Arctostaphylos uva-ursi)* California Buckwheat (Erigonom fasciculatum)* Beach strawberry (Fragaria chiloensis)* Monkey Flower (Mimulus)
333 Dexter	Yarrow (Achillea millefolium)* Douglas Iris (Iris douglasiana)*
2100 Kettner	"Stonecrop (Sedum)
Oyster Point	Rosaly Checker (Sidalcea malviflora) Red Willow (Salix laeviagata)* Western Vervain (Verbena lasiostachys)* Rosilla (Helenium puberulum)* California Buckeye (Aesculus californica)* Yarrow (Achillea millefolium)* Tansy Phacelia (Phacelia tanacetifolia)* Scarlet Monkeyflower (Mimulus cardinalis)*

*Native

PROPERTY	TYPE
One Paseo	Crapemyrtle (Lagerstroemia tuscarora) California sycamore (Platanus racemosa)* California live oak (Quercus agrifolia)* Aloe (Aloe cameronii) Strawberry Tree (Arbutus unedo and Arbutus Marina) Stickpea (Calliandra haematocephala) Wax-Leaf Privet (Lingstrum Texanum) Snow Maiden (Raphiolepis indica) Dark Shadows (Leptospermum) Collingwood Ingram (Rosmarinus officinalis) Star Jasmine (Trachelospermum jasminoides) Bloodwort (Anigozanthos) Atlas Fescue (Festuca mairei) Spiny-head mat rush (Lomandra longifolia) Autumn Moor Grass (Sesleria autumnalis) Red Fescue (Festuca rubra)*



POLLINATORS AT MARINA GATHERING - KILROY OYSTER POINT, SAN FRANCISCO, CA // TARGETING LEED GOLD

GREEN CLEANING

We continue to use the high performance green cleaning program that was verified via the LEED for Existing Buildings Prototype certification process. All cleaning products we use meet the relevant LEED environmental standard, either GreenSeal or the California Volatile Organic Compound (VOC) limit. Our vacuums achieve the Carpet and Rug Institute Seal of Approval, and we use microfiber cloths and rags to capture additional dirt to improve air quality. We further enhanced our janitorial and cleaning procedures during the COVID-19 pandemic, more information on page 12. Many of our janitors have graduated from the Green Janitor Education Program, and now from the Green Janitor Infectious Disease Program, more information on page 120.

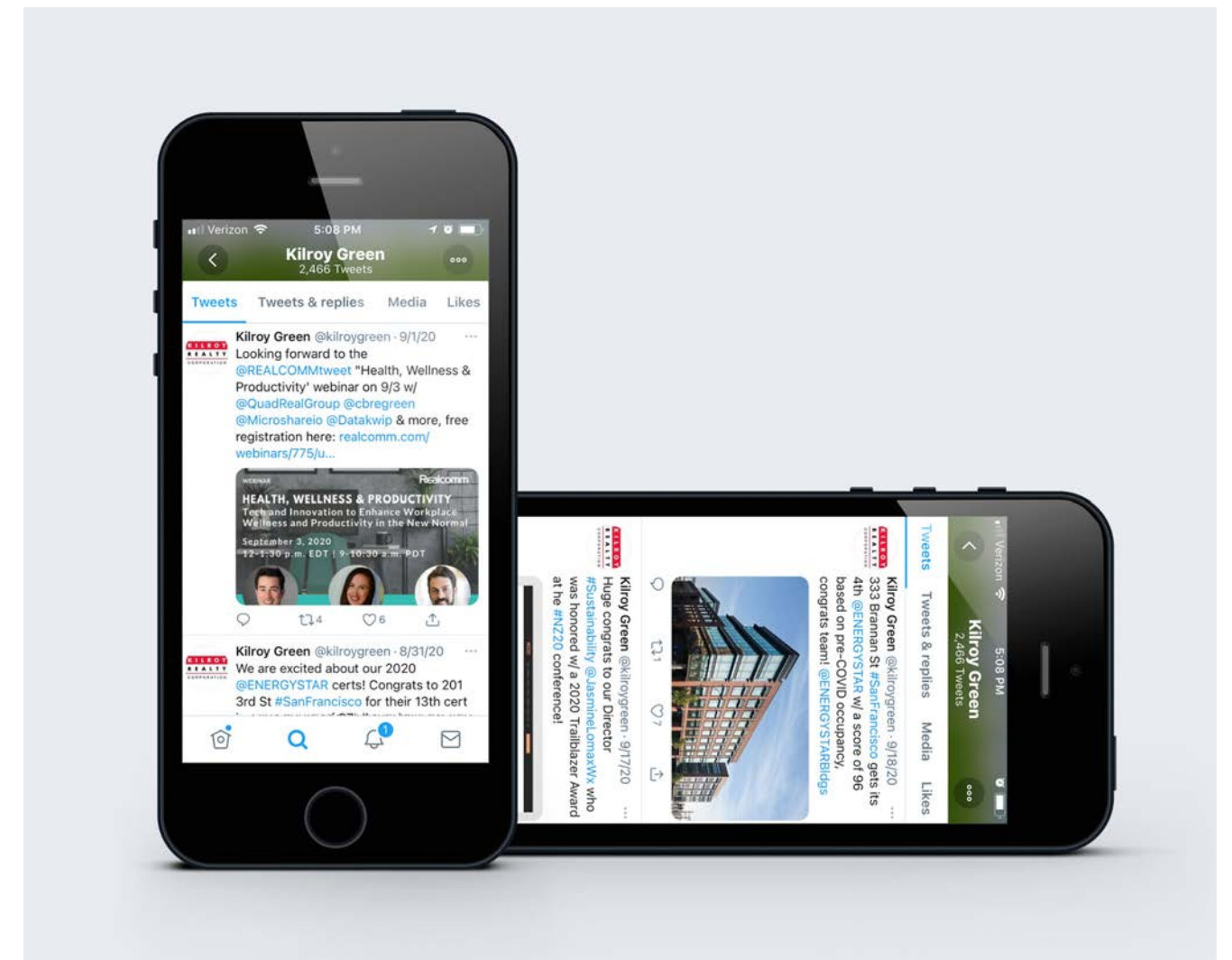
GREEN LEASING

We continue to be industry leaders in green leasing. In 2020, we earned our third Green Lease Leaders recognition at the Gold level, our fourth overall win. We earned the award in the Team Transaction category, our third time winning in this category, with our tenant Cushman & Wakefield at our new One Paseo campus. The Team Transaction category required our brokers, the tenant brokers, and both legal teams to collaborate on the award, and it demonstrates that green leasing requires many parties to work together to execute a green lease.



COMMUNICATION HIGHLIGHTS

- Daily tweets on sustainability programs and projects. Our twitter page received 133,538 impressions in 2020.
- 54 speaking events in 2020, reaching approximately 6,545 professionals
- We received sustainability coverage in nine publications and podcasts in 2020, including the New York Times, Barron's, Globe Street, and REIT Magazine. These publications have an estimated total audience size of over 1.8 million.
- Press releases via BusinessWire around major sustainability accomplishments that are seen by 100+ media outlets





SAN FRANCISCO FLOWER MART - SAN FRANCISCO, CA // TARGETING LEED PLATINUM

New Development

HIGHLIGHTS

- In 2020, we had an impressive array of development projects underway all targeting LEED Gold or Platinum. These include Oyster Point in South San Francisco (targeting Gold), Flower Mart in San Francisco (targeting Platinum), 2100 Kettner in San Diego (targeting Platinum) and 9455 Towne Centre in San Diego (targeting Platinum).
- All projects that completed construction in 2020 earned their targeted certifications. 333 Dexter in Seattle earned LEED Gold, On Vine in Hollywood earned LEED Gold, the two office buildings on our One Paseo campus earned LEED Gold, the residential component of One Paseo earned NGBS Silver certification, and the One Paseo campus earned Fitwel Community.
- We maintained our commitment to providing all-electric Core & Shell buildings as a means to further reduce the carbon footprint of our development projects. Specifically, we have committed all of our future office development to all-electric construction.
- At year end 2020, 68% of our stabilized portfolio had achieved LEED certification, and we have an additional six projects across 5.2 million square feet, registered for certification.
- The safety of our project sites is of paramount importance to us. In 2020, and in all prior reporting years, we had zero fatalities. In addition in 2020 we had three injuries and four near misses across 1.9 million square feet of active construction.

NEW DEVELOPMENT AT KRC

SEATTLE

333 DEXTER

EARNED LEED GOLD

SAN FRANCISCO BAY AREA

FLOWER MART

TARGETING LEED PLATINUM

KILROY OYSTER POINT

TARGETING LEED GOLD

GREATER LOS ANGELES

ON VINE

EARNED LEED GOLD

SAN DIEGO

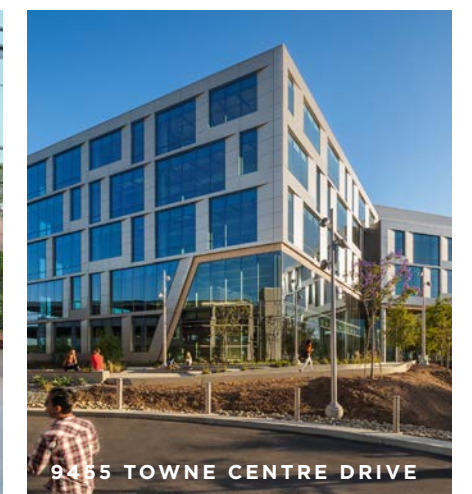
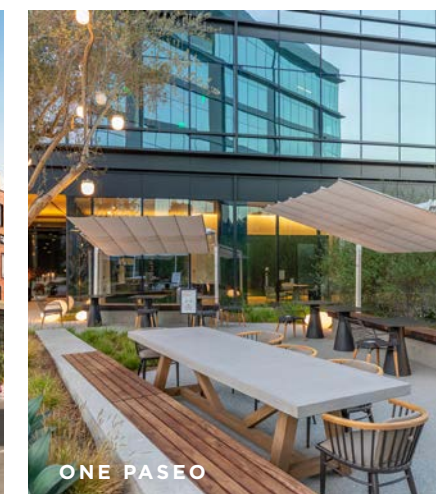
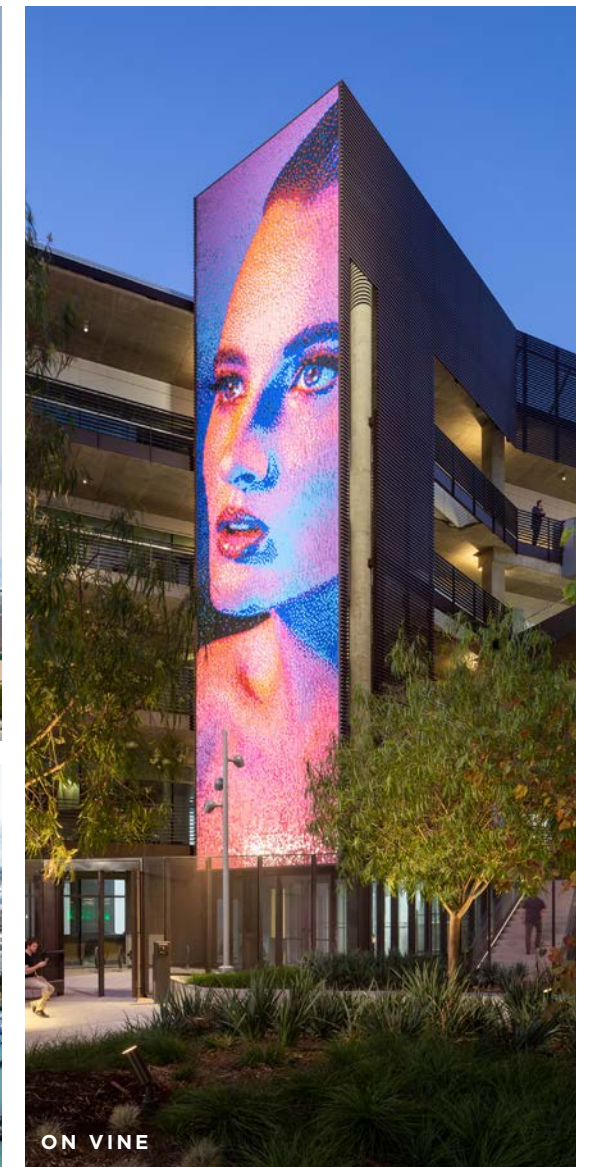
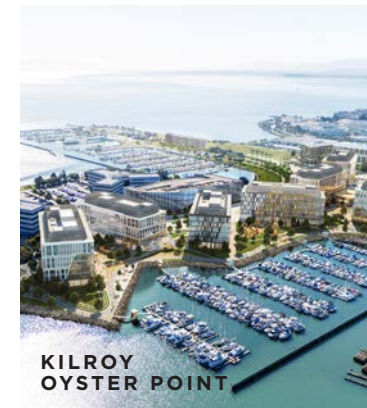
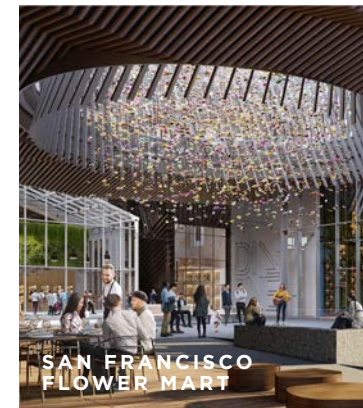
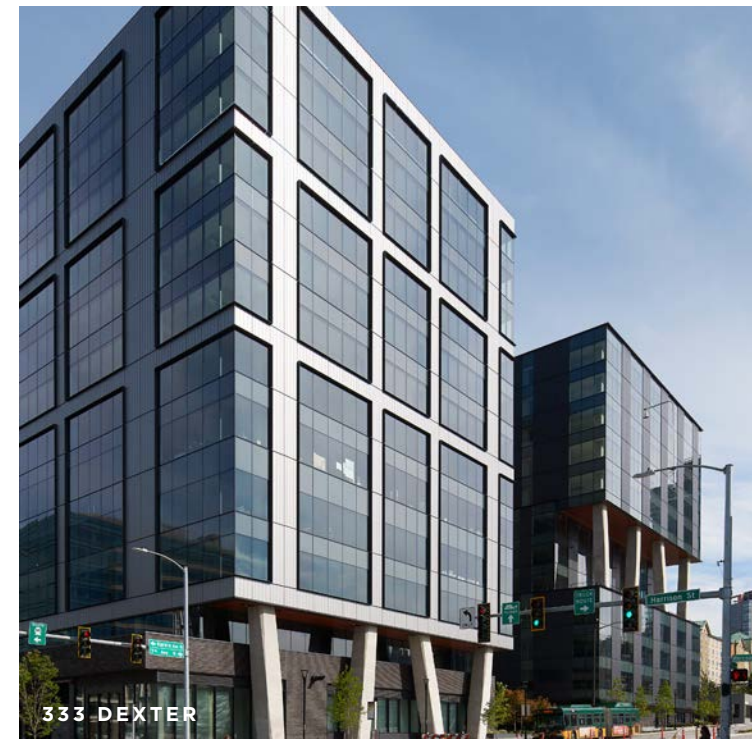
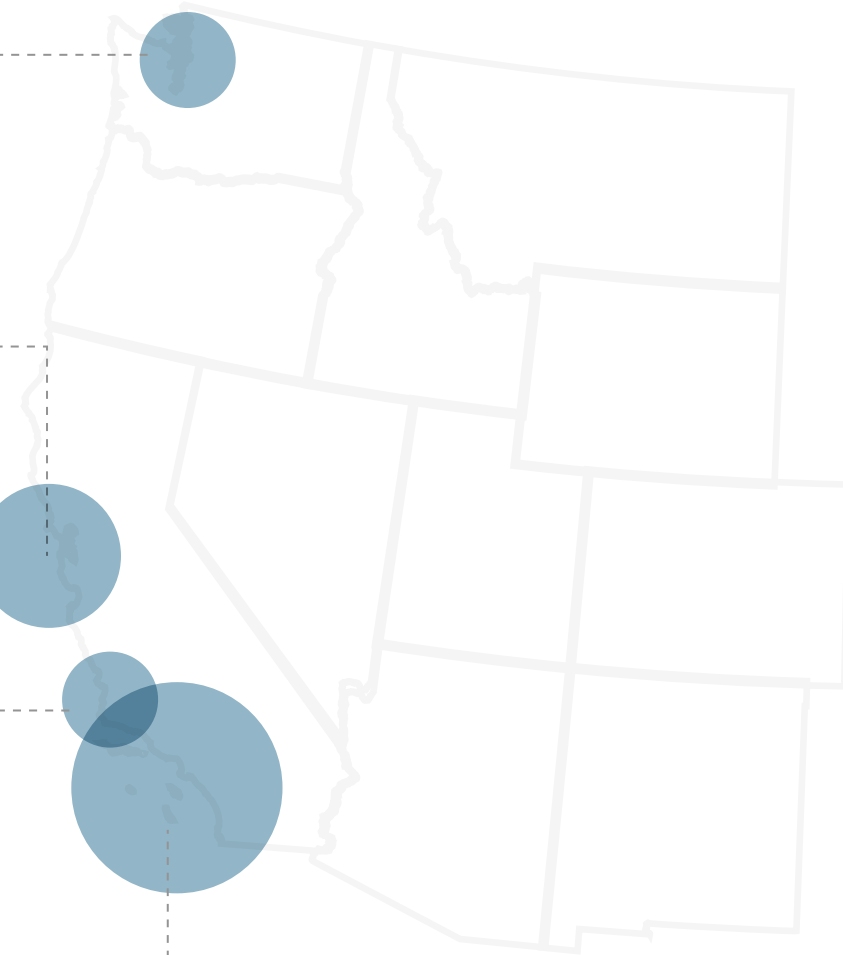
2100 KETTNER

TARGETING LEED PLATINUM

TARGETING WELL GOLD

ONE PASEOOFFICE BUILDINGS EARNED LEED GOLD, RESIDENTIAL EARNED NGBS SILVER,
CAMPUS EARNED FITWEL COMMUNITY, RESIDENTIAL TARGETING WELL GOLD**9455 TOWNE CENTRE**

TARGETING LEED PLATINUM



NEW DEVELOPMENT CASE STUDY

KILROY OYSTER POINT PHASE 1

Kilroy Oyster Point Phase I is a three-building, approximately 656,000 square foot, ground-up development designed to be a destination for progress and discovery in South San Francisco. The project will operate on a carbon-neutral basis and can accommodate a mix of laboratory and office uses. Its cutting-edge design offers an energizing environment with amenities that support wellness, sustainability, and productivity.

The project is designed to achieve a 35.5% reduction in energy consumption from a standard building through incorporation of onsite renewables, LED lighting, a reflective roof, and highly efficient HVAC equipment. The onsite renewable installation is a 234.6 kW solar PV array on the parking garage roof. This array is expected to generate 371,000 kWh each year, or 6% of the total expected energy use of the building. The remainder of the project's Scope 1 and Scope 2 emissions will be offset through our offsite solar power purchase agreement (more information on page 26) and VER-certified carbon offsets, allowing the building to achieve carbon-neutral operations.

The project's location helps it reduce future Scope 3 emissions from commuting. Kilroy Oyster Point Phase I is located within a half mile of a ferry, and in addition has connectivity to area bike lines. The project will feature electric vehicle charging stations and provides preferred parking for low-emitting vehicles.

Health was also a key focus for the design team. Health features include 30% more outside air than the ASHRAE standard, MERV 13 filters at all air handling units, a sitewide nonsmoking policy, a mechanical design emphasizing thermal comfort, and low-emitting materials. Building occupants have a direct line of sight to the outdoor environment in 90% of the regularly occupied spaces, and activated stairwells also provide an opportunity for physical activity while reducing crowding at elevators.

Kilroy Oyster Point Phase I's sitework and landscape also promote sustainability. Designing for resilience, the project team used year 2100 projections of potential sea level rise to determine the groundplane height. Over 25% of the project site is vegetated open space that incorporates pollinator-friendly plants, allowing occupants a connection to nature. In addition, the irrigation system was designed to reduce outdoor water consumption by 50% by incorporating native plants and smart irrigation. The project also reduced indoor water consumption by 37% by installing low-flow, water-efficient plumbing fixtures.

Finally, the project aligns with our goals to reduce embodied carbon in construction. Kilroy Oyster Point Phase I's embodied carbon has been benchmarked using the EC3 tool, which indicates an embodied carbon impact of 65.3 kg CO₂e/sf (more information page 44). The project reduced its embodied carbon through a thoughtful structural design and via sourcing 40% of its materials from recycled content and 20% of its materials from within 500 miles of the project site.



KILROY OYSTER POINT, PHASE 1 – SOUTH SAN FRANCISCO, CA // TARGETING LEED GOLD

RESPONSIBLE LAND USE

We recognize that our buildings have the potential to either benefit or detract from their local communities. To navigate these concerns, we created an in-house land use team in 2011. That team helps us create buildings that complement and benefit their neighborhoods. For example, at our future 1633 26th St redevelopment project, we have designed the building frontage to embrace the existing vibrant food truck community on one side of the property. Our 2100 Kettner project in San Diego built additional pedestrian improvements in response to a request from the local community group. In addition, we implement local community engagement and environmental impact assessment programs in all of our development projects. By square footage, our development programs comprise 12% of our operations.

- All development projects involve an assessment of the existing environmental conditions.
- Where needed, we create an Environmental Impact Report (EIR). EIRs are disclosed publicly as part of the entitlement process.
- We proactively engage local communities as part of our development process using a variety of forums, from town hall meetings to charrettes to open houses to websites that solicit feedback. The goal of these programs is to ensure that our development projects meet the needs of the local community.
- During construction, community members that have noise, traffic or pollution concerns are encouraged to bring those concerns to the relevant asset management or construction teams; in rare instances community members have contacted the appropriate city official to investigate a noise issue.
- For large development projects, a community hotline is prominently displayed on signs on active corners of the project site to provide community members information and an avenue to address concerns, such as noise. These signs also display the high-level construction activity schedule. Concerns brought to us via the hotline are addressed within 48 hours by the general contractor, and concerns that cannot be resolved by the general contractor are brought to the relevant Kilroy Realty construction team manager.

- Brownfield locations tend to be in attractive, dense urban areas so we embrace brownfield development, while some of our peers avoid brownfield sites because of remediation costs. Our newly LEED-certified projects 333 Dexter and the Exchange on Sixteenth are on former brownfields that we remediated. Also, Kilroy Oyster Point, located on a former contaminated manufacturing site, has required especially demanding remediation efforts.



333 DEXTER - SOUTH LAKE UNION SEATTLE, CA // LEED PLATINUM



MY FRIEND'S PLACE VOLUNTEER EVENT IN LOS ANGELES, CA

03 Social

- Diversity, Equity, and Inclusion
- Building Health
- Community




JANEL APELACIO - LOS ANGELES





Diversity, Equity, and Inclusion.

“
—

Kilroy is committed to cultivating a diverse culture of inclusion that makes a positive difference in its employee's lives, and the lives of those in our communities, by helping build meaningful relationships, dedicating ourselves to corporate social responsibility, and promoting wellness.

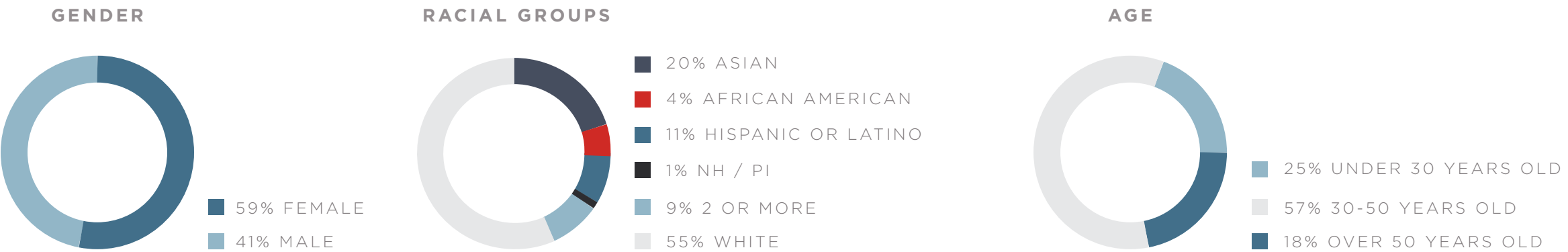
SOCIAL OBJECTIVES

UN SDG	OBJECTIVES	PROGRESS
12 RESPONSIBLE PRODUCTION & CONSUMPTION 	Evaluate all Tier 1 suppliers on their social and environmental practices by year-end 2020	Achieved for Tier 1 operational and development suppliers. In 2021 we will extend this process to transactional suppliers <div>COMPLETE</div>
03 GOOD HEALTH & WELL-BEING 	Maintain Fitwel certifications for 40% of our portfolio	39% of our portfolio achieved Fitwel certification in 2020. We own more Fitwel-certified buildings than any non-government owner <div>ALMOST COMPLETE</div>
11 SUSTAINABLE CITIES AND COMMUNITIES 	Completed development projects to earn a health certification within 12 months of full occupancy	<div>ON TRACK</div>
03 GOOD HEALTH & WELL-BEING 	Enhance employee satisfaction	We solicit feedback from employees periodically and modify our employee engagement programs as necessary. Our 2020 programs focused on maintaining our corporate culture through a variety of programs. More information on page 112 <div>ON TRACK</div>

UN SDG	OBJECTIVES	PROGRESS
03 GOOD HEALTH & WELL-BEING 	Enhance employee involvement	We conduct an employee wellness survey annually and modify our programs as a result <div>ON TRACK</div>
08 DECENT WORK & ECONOMIC GROWTH 	Continue to develop employee talent	We provided several training programs in 2020 focused on talent development. More information available on page 106 <div>ON TRACK</div>
11 SUSTAINABLE CITIES AND COMMUNITIES 	Engage our communities through service events	Each of our regions engaged in at least one community service event in 2020. More information on page 132 <div>ON TRACK</div>
11 SUSTAINABLE CITIES AND COMMUNITIES 	Engage our communities through strategic philanthropic giving	We conducted targeted giving in 2020 around our key topic areas of Healthy Environment and Strong Communities, and specifically focused on COVID-19 relief and social justice. More information on page 12 <div>ON TRACK</div>

GENDER AND DIVERSITY

ENTIRE COMPANY (252 EMPLOYEES)



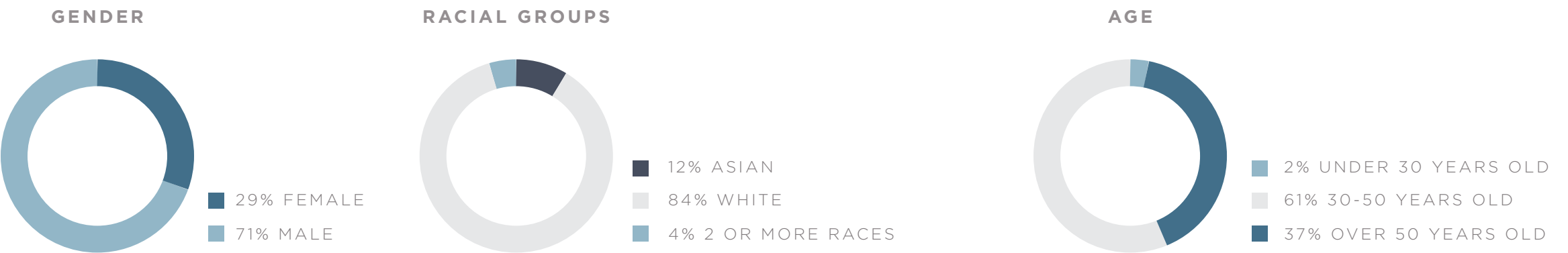
DIVERSITY AT KRC

46%⁽¹⁾
FEMALE
PROMOTIONS

72%⁽²⁾
FEMALE
HIRES

32%⁽³⁾
MULTICULTURAL
FEMALE EMPLOYEES

GOVERNING BODY (51 EMPLOYEES, VP & ABOVE)

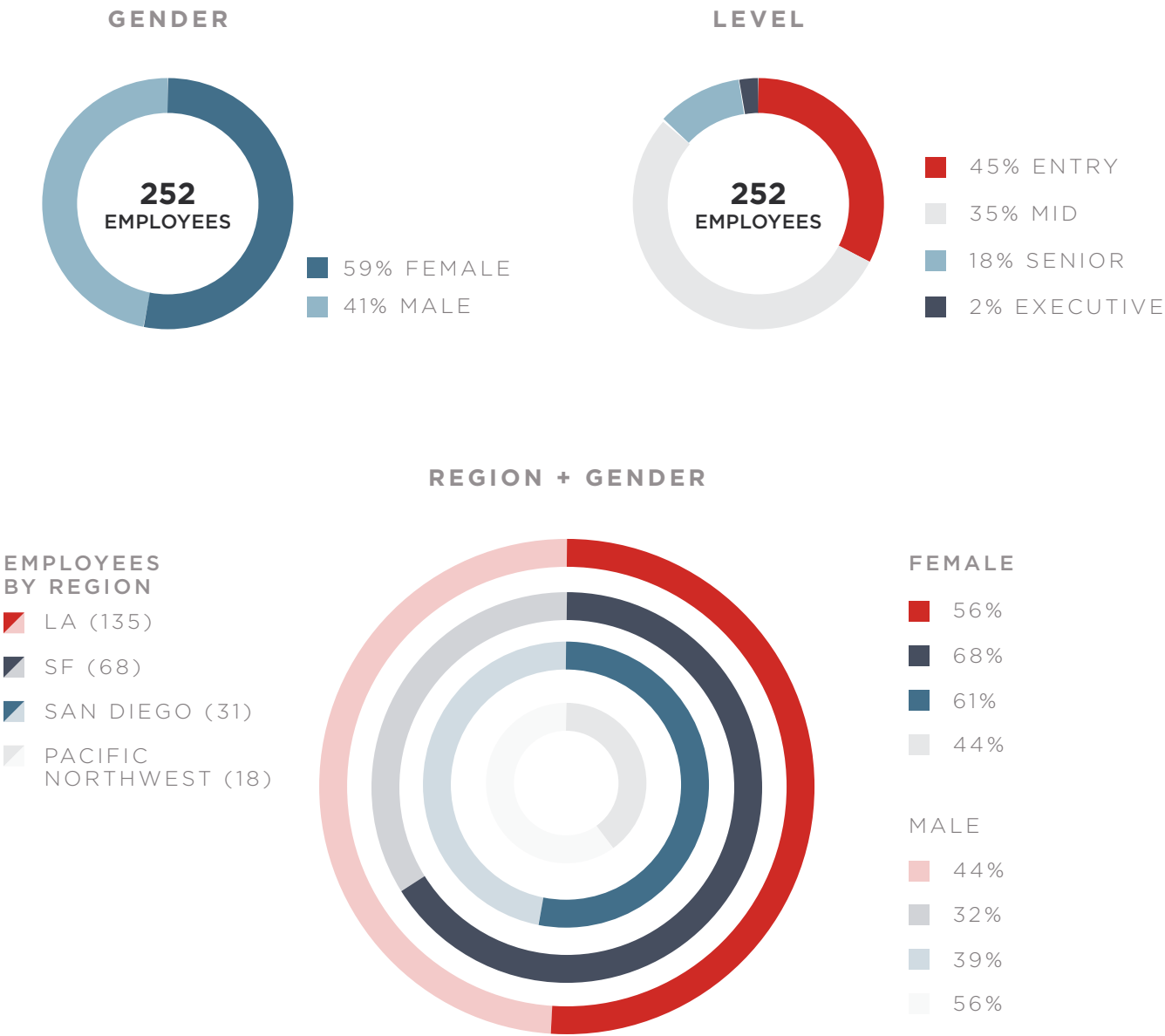


81%⁽⁴⁾
FEMALE
RETENTION

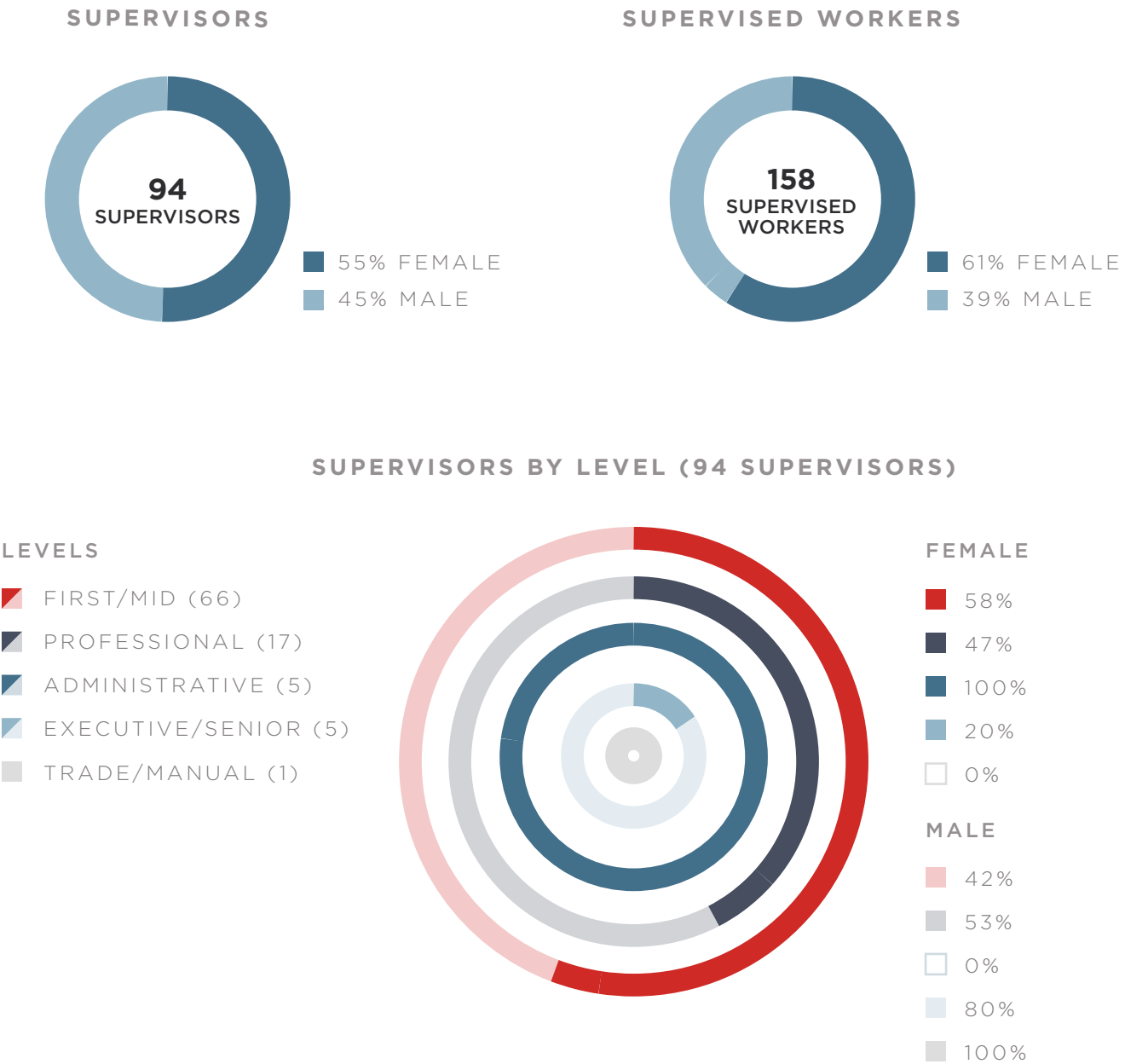
85%⁽⁵⁾
MALE
RETENTION

(1) 22/48 2020 promotions
(2) 23/32 2020 new hires
(3) 80/252 2020 employees
(4) 149 at end of 2020 – 23 new in 2020 / 156 at end of 2019
(5) 103 at end of 2020 – 9 new in 2020 / 111 at end of 2019

TOTAL WORKFORCE



SUPERVISION



Within the scope of this report, there is no substantial portion of our work that is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. We are not reporting on the work performed by third party vendors and contractors in the construction and operation of our buildings. We have had no significant variations in employment numbers. We have two part-time employees; all other employees work full-time. 1% of our total employees are covered by collective bargaining agreements.

EQUAL OPPORTUNITY

We are an equal opportunity employer that recruits, hires, trains, and promotes personnel for all areas of employment without regard to race, color, religious creed (including religious dress and grooming practices), sex (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender, gender identity, gender expression, national origin (including language use restrictions), ancestry, age (40 or over), physical or mental disability (including HIV and AIDS), medical condition (cancer and genetic characteristics), genetic information, Family and Medical Care Leave Status, California Rights Act Leave Status, denial of Family and Medical Care Leave, military or veteran status, or marital status, or any other status protected by federal, state or local laws. We had no incidents of discrimination reported during 2020.

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

- All of our employees receive an annual performance review in the same time frame as the review of annual incentive compensation. 100% of employees received performance reviews in 2020.
- One of the general factors on the performance appraisal form is 'Attendance/Adherence to Policy' which requires the supervisor to address whether the employee follows safety & conduct rules, other regulations and adheres to company policies.
- The CEO, President, and CFO, at their discretion, may also discuss performance expectations with respective employees either verbally and/or in written form.
- We cover the costs of sustainability education and credentialing for interested employees.

TRAINING AND EDUCATION

The COVID-19 pandemic has underscored the vital need to invest in human capital development and at KRC, we continue to support training and education programs that empower our employees to accelerate their growth.

In 2020, we ran corporate training programs that focused on health and wellness and workplace behavior and reflecting on our priority to provide employees a safe and healthy work environment. In addition, we made unconscious bias training mandatory for new hires; all existing employees underwent this training in 2019. 100% of employees received training and education in 2020 and on average received 15 hours of sustainability training and 19 hours of other training in 2020.

We will consider individual requests for job-related tuition reimbursement from employees who have completed at least one year of continuous service. We will reimburse the employee for their related expenses including travel, registration and testing fees, workbooks, lodging and meals not included in the registration fees. Approximately 32% of employees took advantage of this program in 2020.

- The time for employee's attendance and travel will be paid at the employee's normal rate of pay.
- The time spent by an employee in voluntarily attending any continuing education program covered by this policy is not regarded as hours worked and therefore is not calculated for purposes of overtime.

BLOOMBERG GENDER EQUALITY INDEX

We were selected for inclusion in the Bloomberg Gender-Equality Index (GEI) for the second year in a row. The GEI Index is comprised of 380 companies headquartered across 44 countries with a combined market capitalization of over \$14 trillion. The GEI measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand. The firms included in this year's index, such as ours, scored at or above a global threshold established by Bloomberg to reflect a high level of disclosure and overall performance across the framework's five pillars.

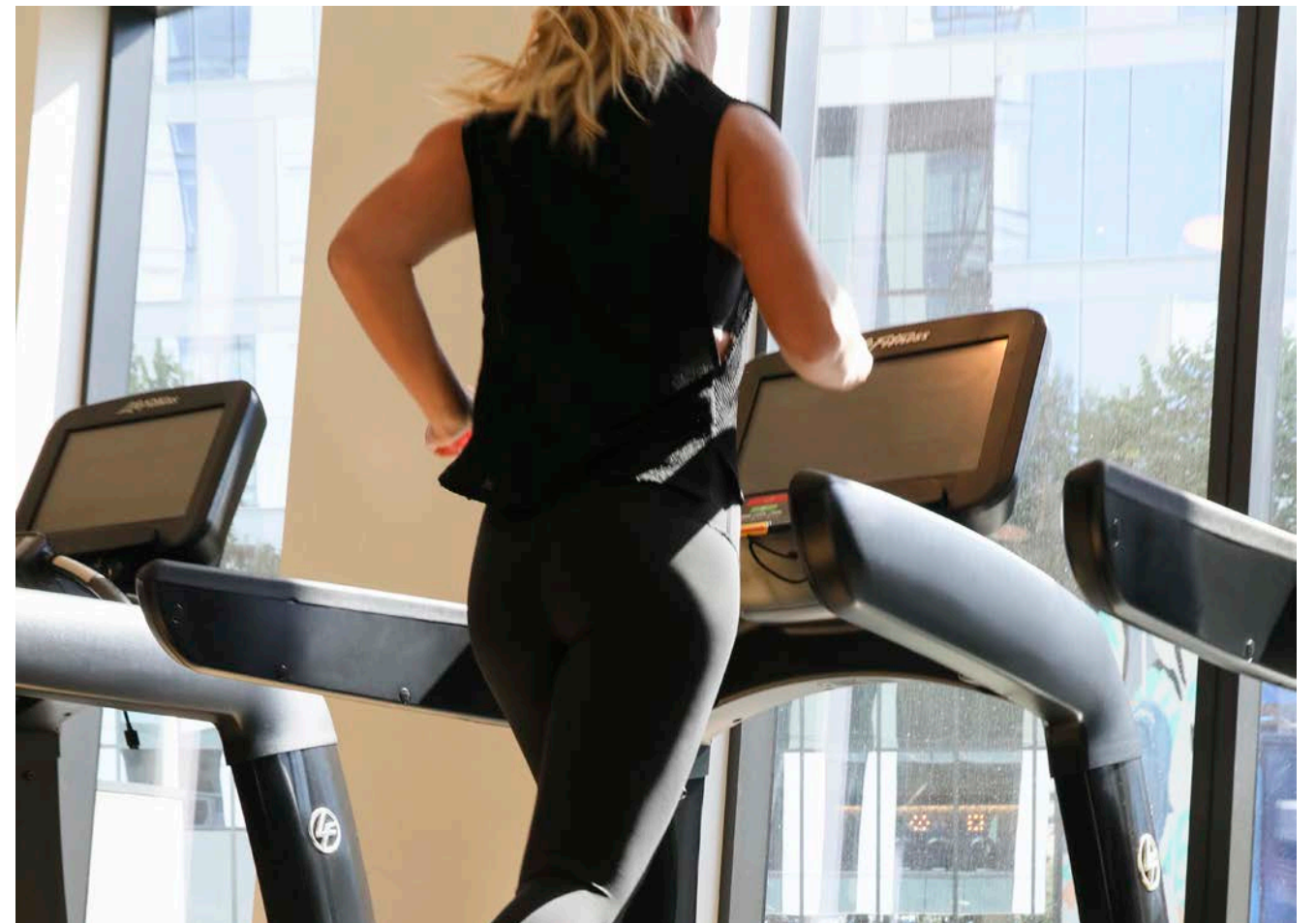


EMPLOYEE SPOTLIGHT

MICHELLE NGO

Michelle Ngo was appointed Chief Financial Officer in December 2020 after serving as Senior Vice President and Treasurer since 2009 with principal responsibility for capital markets, treasury, financial planning and analysis and investor relations. From 2006 to 2009, she was a Senior Associate, Corporate Finance and primarily focused on underwriting development opportunities.

Michelle has been a champion of KRC's sustainability programs during her entire tenure with our company. She led both of KRC's green bond offerings, and for many years has communicated the importance of sustainability to our investors and ratings agencies. She participates in the external assurance process for the annual sustainability report each year and continuously helps the sustainability team navigate investor disclosures. It is her work that has really helped embed sustainability into all aspects of our business.



FITNESS CENTER AT COLUMBIA SQUARE - HOLLYWOOD, LOS ANGELES, CA // LEED GOLD, ENERGY STAR, FITWEL

EMPLOYEE HEALTH

The health and wellness of our employees is of central importance to our culture, and we conduct an annual wellness survey to help us better tailor our employee health programs. The programs we had in place in 2020 included:

- Enhanced employer-paid maternity and paternity benefits beyond state requirements:
 - > Maternity - Paid Disability Leave: Up to 4 months, Baby Bonding Leave: Up to 12 weeks, KRC Full Salary Continuation of up to 12-weeks
 - > Paternity - Baby Bonding Leave: Up to 12 weeks, KRC Full Salary Continuation
- Fertility services, including egg freezing
- Discount shopping program (LifeMart)

- Discounted employee gym passes
- Enhanced Employee Assistance Program, services include:
 - > Work/life services
 - > Childcare and/or eldercare referrals
 - > Adoption, fertility and egg-freezing services
 - > Personal relationship information (marriage/family Issues)
 - > Health Information
 - > Fitness and exercise
 - > Legal consultations and licensed attorneys
 - > Financial planning assistance
 - > Stress management
 - > Weight management
 - > Mental illness
 - > Grief and loss
 - > Career development
 - > Alcohol/drug dependency
 - > Smoking cessation/nicotine replacement therapy
 - > Wellness coaching and online self-help programs
 - > Overall lifestyle improvement and support for chronic conditions
 - > Parenting tips to parents on parenting infants, childcare options, managing work and family, school options, summer care, and information on child health and safety. Additional resources for baby sleep, speech milestones for babies (newborn to 24/months), postpartum depression, preparing your older child for a new sibling, day care centers, family day care, in-home care agencies as well as day and residential camps.
- Commuter benefit with WageWorks encourages public and alternative transportation
- Mandatory CPR/AED/first-aid training for key teams/positions every other year
- Easily accessible automatic external defibrillators

- Healthy snacks
- Complimentary fitness and yoga classes
- Standing desks and other ergonomic desk requirements
- Enhanced employer paid PDL/FMLA/CFRA and FMLA/CFRA benefits
- Value-added programs provided by our medical benefits providers
 - Nippon provides:
 - > Medical PPO utilizing ASA Network
 - > Teladoc
 - > Prenatal program and breast pump
 - > Mail order pharmacy
 - > Chiropractic care
 - > Acupuncture
 - > Weight management, healthy eating and exercise
 - > (In)fertility treatment
 - > LabCard / Quest Diagnostics
 - > Wellness portal
 - > Mobile app
- Dental PPO
 - > Value add – discounts on hearing healthcare and LASIK
- Hearing and vision
 - > Savings on brand-name hearing aids
- Group life insurance: life, AD&D and LTD (employer paid)
 - > Voluntary term life & AD&D buy-up options
 - > UNUM travel assist
- UNUM life planning provided
- Parental leave coaching
- FSA – health and dependent care (to set aside pre-tax income for healthcare and daycare costs)

KILROY CULTURE CREW

Kilroy is committed to cultivating a diverse culture of inclusion that makes a positive difference in its employees' lives by helping build meaningful relationships, dedicating ourselves to corporate social responsibility, and promoting wellness. To that end, the Kilroy Culture Crew established a series of programs in 2020 designed to foster togetherness during a time of quarantine and separation. This created a haven to continue supporting creative collaboration, virtual socialization, and safe connection points.

We established an internal internet site site for shared resources on navigating COVID-19, as well as tips for keeping up team spirit, self care, and managing parenting and caretaking responsibilities as we work together to maintain a sense of community and support.

Reunited, Reimagined

The Culture Crew established Reunited, Reimagined, a multi-theme internal campaign to collectively share information, content, humor, camaraderie, and resources as we all begin to make the cautious, yet optimistic transition back to our physical workspaces. Themes are inspired by connecting with our peers in meaningful ways, and include:

— The Art of Smizing

This program is about connecting with our colleagues in non-verbal ways, and expressing our enthusiasm through smiling with our eyes. We created a video series showcasing our smizers throughout the company.

— The Dance Greet

The Dance Greet is an interactive challenge that will begin in 2021 as we all make the transition back into the workplace. The Kilroy Culture Crew released a Dance Greet trailer during our 2020 Holiday at Home virtual event to inspire employees to start brainstorming bold ways to move and groove back into the office.

— Balance is Balancing

The Kilroy Culture Crew regularly shares resources that promote self-care, mindfulness, and whole-body balance. Programs include tools, tips, wellness activities, outdoor workout classes, and in-person workshops.





— Craving Connection

As our regions open up, the Kilroy Culture Crew is offering safe and meaningful activities to bring colleagues together. Activities include outdoor hosted lunches, happy hours, themed events, and outdoor philanthropic opportunities.

— #OneKilroy Challenge

As a way to maintain a sense of unity and connection with our Kilroy Community, the Culture Crew launched a weekly photo/video challenge with a new “QuaranTheme” every week. Employees were encouraged to share favorite songs, inspirational quotes, and fond travel memories as a way to bring levity to the work day and remind us that we are all in this together.

Culture Crew Clubs

— Book Club

Our book club kicked off in March 2020 and chooses books in a variety of genres, including novels, scientific nonfiction, and more. In 2020, the book club chose to read a book focused on racial justice, and we brought in a moderator with expertise in facilitating difficult and important conversations to help us have a meaningful discussion.

— Fitness Club

Weekly virtual workout classes offer a variety of training styles including full-body, HITT, yoga, and Pilates, and are led by employee-recommended instructors.

— Cooking Club

Cooking events, tutorials, and cook-a-longs provide employees with creative outlets for swapping recipes, learning new techniques, and having fun in the kitchen.

— Corporate Challenges

Our first event of many was led up in conjunction with Open Enrollment, and featured a step challenge to encourage regular walking, step-tracking, and a little friendly competition.



2100 KETTNER - SAN DIEGO, CA // TARGETING LEED PLATINUM, WELL PLATINUM

Building Health

- Janitor Infectious Disease Program
- Harvard Study
- Building Health Certifications

HEALTH AND WELLNESS TOUR

In addition to our pandemic response programs (more information on page 12), we have a robust building health platform focused on great indoor air quality and active design features that help our building occupants stay physically active.

1. INDOOR AIR QUALITY TESTING

To verify the quality of our indoor air, we conducted indoor air quality testing in 3.7 million square feet across 18 buildings in 2020, or 25% of our portfolio. All buildings received certificates verifying their performance and compliance with CDC and WHO viral mitigation guidelines.

2. GREEN CLEANING

See page 84.

3. LOW EMITING MATERIALS

Our building standards prohibit the use of high VOC adhesives, sealants, paints, and coatings as well as products containing added urea formaldehyde. In 2020, all projects met this standard.

4. MERV FILTERS

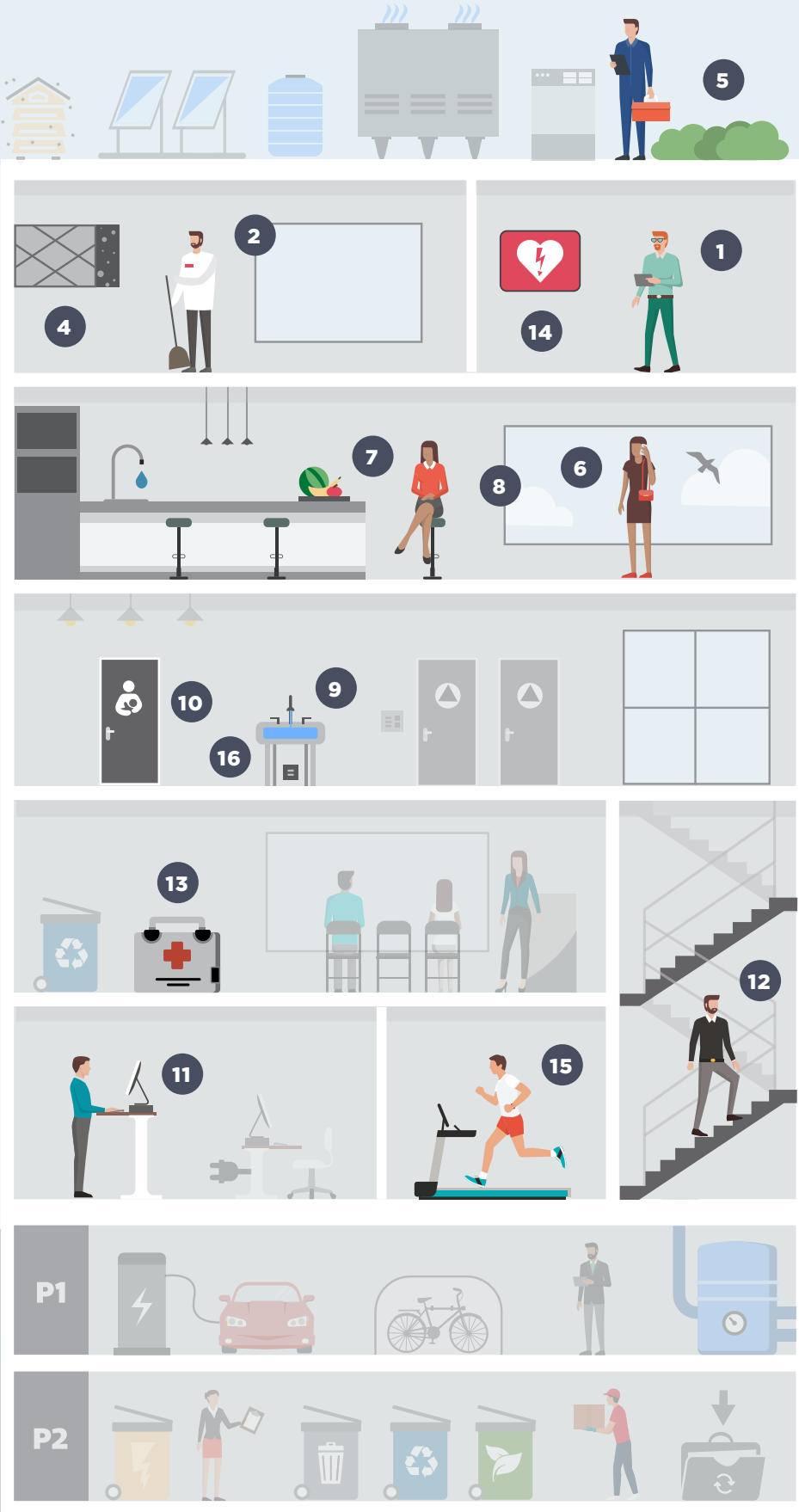
The average MERV rating in our portfolio is 12.1, an increase from 10.2 in 2019.

5. RESTORATIVE ROOF GARDENS

Landscape amenities can improve mental health and reduce stress.

6. DAYLIGHT AND VIEWS

Access to daylight and views may improve mental and physical health, as well as performance in the workspace.



7. HEALTHY SNACKS

Access to healthy food and beverages can increase wellbeing, as well as decrease obesity and related diseases.

8. BREAK AREAS

The ability to take a break away from the workstation can increase the likelihood of eating healthier foods and increase productivity.

9. ACCESS TO WATER

Readily accessible drinking water may decrease consumption of sugar-sweetened beverages.

10. MOTHER’S ROOMS

A dedicated lactation room can increase productivity, decrease health claims, and reduce absenteeism for sick children.

11. ACTIVE WORKSTATIONS

Active workstations may decrease sedentary time and increase physical activity.

12. ACTIVE STAIRWELLS

Taking two flights of stairs a day can help prevent most typical adult weight gain.

13. COMPREHENSIVE EMERGENCY PREPAREDNESS PROGRAMS

Our emergency preparedness programs increase employee and tenant safety during emergency situations.

14. AEDS

Readily accessible and tested AED can increase response time for negative cardiac events.

15. FITNESS

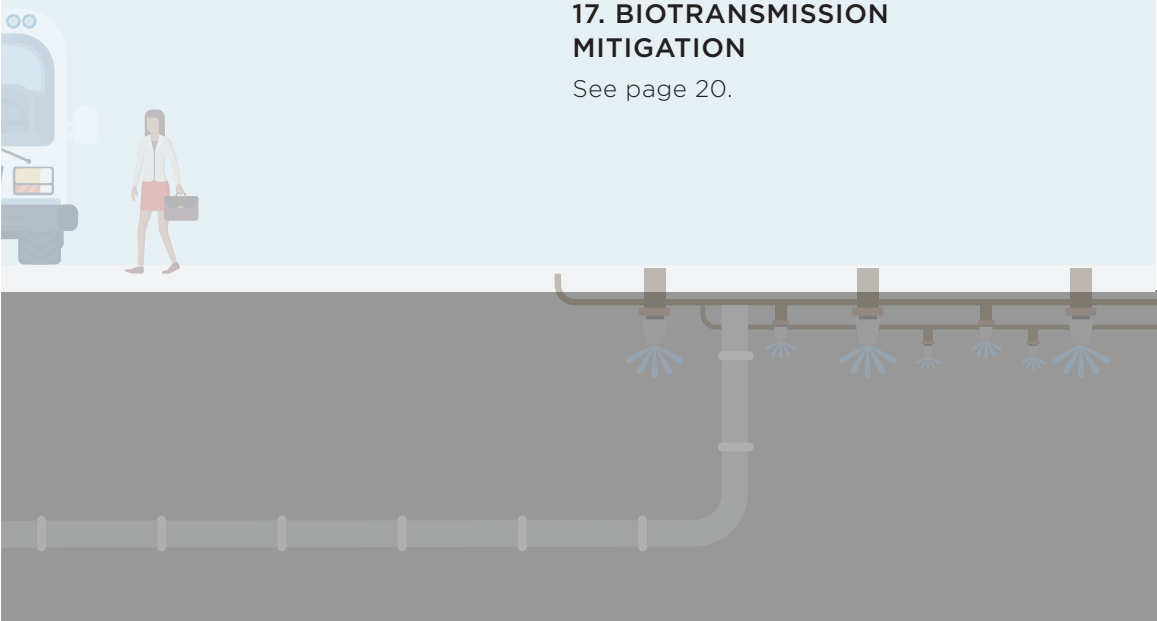
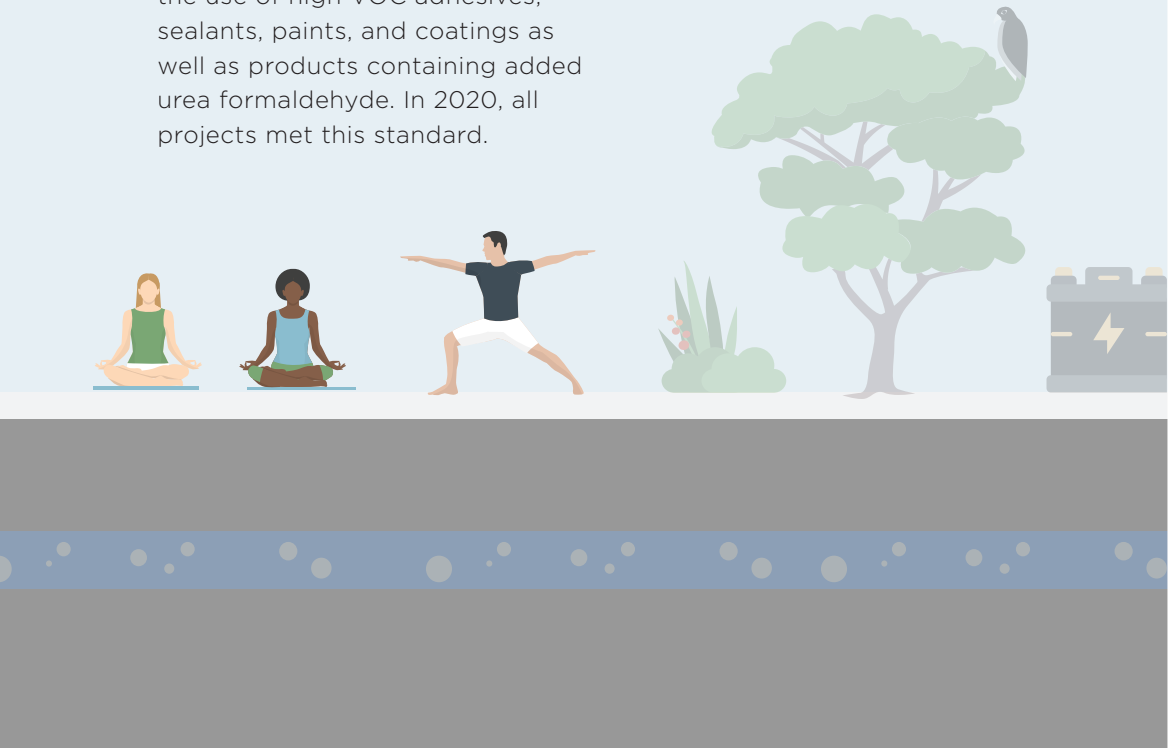
Fitness centers and areas can increase employee well-being and decrease absenteeism due to sickness.

16. LEAK DETECTION

Our leak detection procedures help prevent mold growth.

17. BIOTRANSMISSION MITIGATION

See page 20.

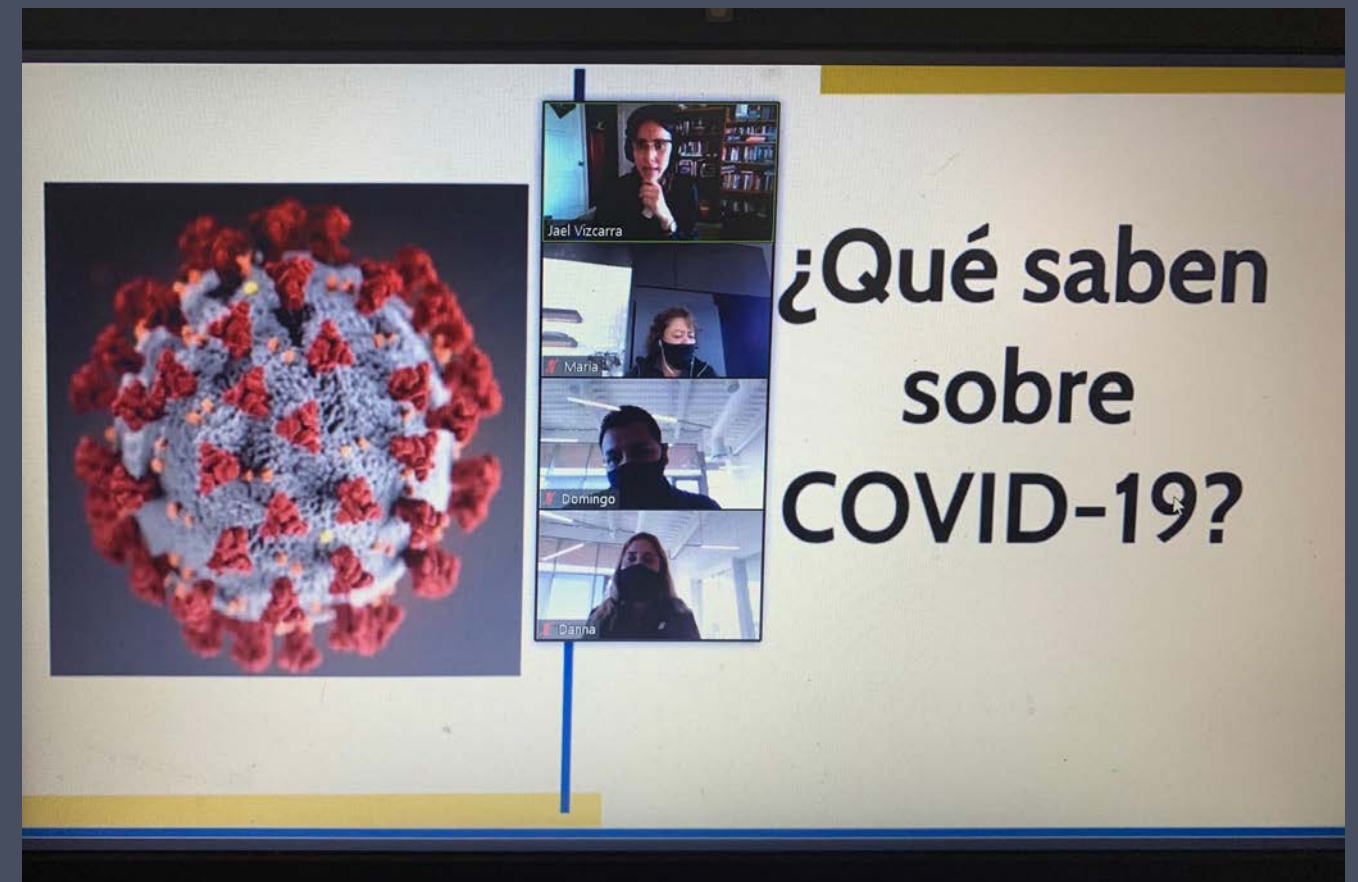
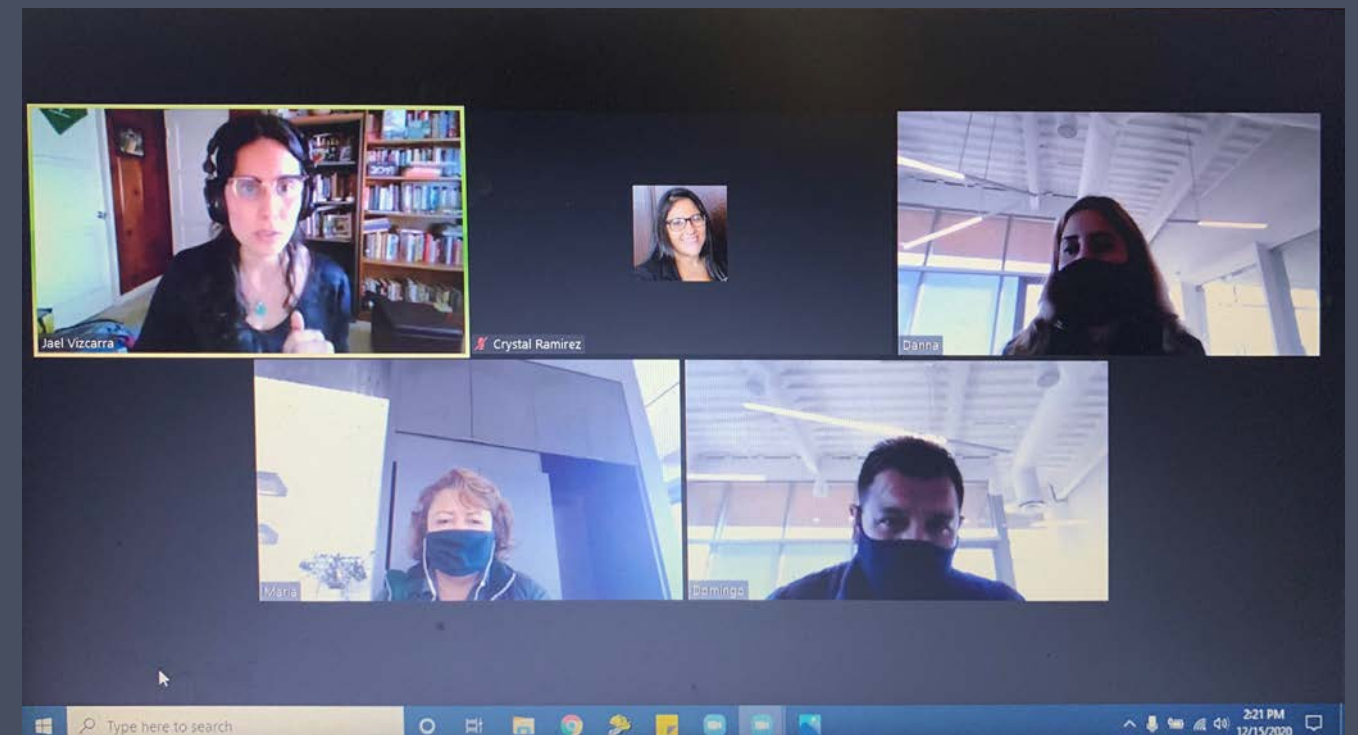


BUILDING HEALTH SPOTLIGHT

JANITOR INFECTIOUS DISEASE CERTIFICATION PROGRAM

We are proud that all of our eligible custodial staff, 96 janitors across 37% of our portfolio, have gone through the Green Janitor Education Program. The US Green Building Council Los Angeles Chapter (USGBC-LA), Building Owners and Managers Association of Greater Los Angeles (BOMA-GLA), Building Skills Partnership (BSP), and the Service Employees International Union (SEIU) created the Green Janitor Education program to provide training on sustainability topics like vampire power, waste diversion, turning off lights, and reporting leaks.

Building on this work, in 2020 we partnered with BSP again to provide their Infectious Disease Certification Program for our janitors. With the guidance of its partners, including SEIU, responsible janitorial employers, and workers, BSP created the Infectious Disease Certification Program to equip property service workers with the knowledge to protect their own health and safety and that of building occupants. The Infectious Disease Certification Program is a 12-hour training comprised of 8 modules. After a successful launch of the Infectious Disease Certification Program in 2020 for our janitors in San Diego, we will extend the training to all of our eligible janitors in 2021.



JANITORS IN SAN DIEGO PARTICIPATING IN THE INFECTIOUS DISEASE CERTIFICATION PROGRAM

HARVARD STUDY

Between 2019 and 2020 we were selected to be the North American REIT participant in the third Harvard T.H.

Chan School of Public Health Study on the link between green buildings and cognitive function. The first two studies found that improved indoor environmental quality doubled occupants' cognitive function test scores. Additionally, the first two studies found that occupants in high-performing, green-certified buildings had higher cognitive function scores than occupants in similarly high-performing, non-certified buildings.

The third Harvard study aimed to create the first-ever cohort of buildings for a comprehensive, year-long study of the specific factors in the built environment that influence human health and productivity. KRC employees volunteered to participate in the study. The participants were provided a sensor to track indoor environmental conditions at their desks and wearable devices to track sleep and physical activity. These devices integrate with the study's app, which allowed study participants to complete surveys and cognitive tests.

"The groundbreaking work that has come out of the Harvard T.H. Chan School of Public Health has already changed the global conversation around the impact of buildings on public health, and we are excited to be partners in their third study," said Sara Neff, Senior Vice President, Sustainability at KRC. "We hope that our participation in this study will further scientific understanding of those impacts, and how to improve health outcomes through the built environment."

"We are trying to unlock the secrets of how buildings can be leveraged to further promote human health and productivity," said Joseph Allen, assistant professor and Director of the Healthy Buildings program at Harvard T.H. Chan School of Public Health. "We can't do this type of research without outstanding corporate partners like Kilroy and study participants who donate their time. We're grateful for their support as we collectively work to advance the science on healthy buildings for all."



THE IMPACT OF GREEN BUILDINGS ON
COGNITIVE FUNCTION
STUDY 3: GLOBAL BUILDINGS



CROSSING 900 - REDWOOD CITY, CA // LEED GOLD, ENERGY STAR, FITWEL

FITWEL

We ended 2020 with 21 Fitwel certifications, including six recertifications and one Fitwel for Communities certification. This is the greatest number of certifications of any non-government real estate owner in the world, for which the Center for Active Design awarded us the Fitwel Excellence Award as part of its Best in Building Health Awards for the third year in a row. We will continue to focus on incorporating active design features into all of our projects, both development and existing, to increase our Fitwel portfolio further.



COLUMBIA SQUARE - HOLLYWOOD, LOS ANGELES, CA // LEED GOLD, ENERGY STAR, FITWEL

FITWEL CERTIFICATIONS

SEATTLE

- KEY CENTER**
488,470 SF
- SKYLINE TOWER**
428,557 SF
- WESTLAKE TERRY**
320,399 SF
- 401 TERRY**
140,605 SF

SAN FRANCISCO BAY AREA

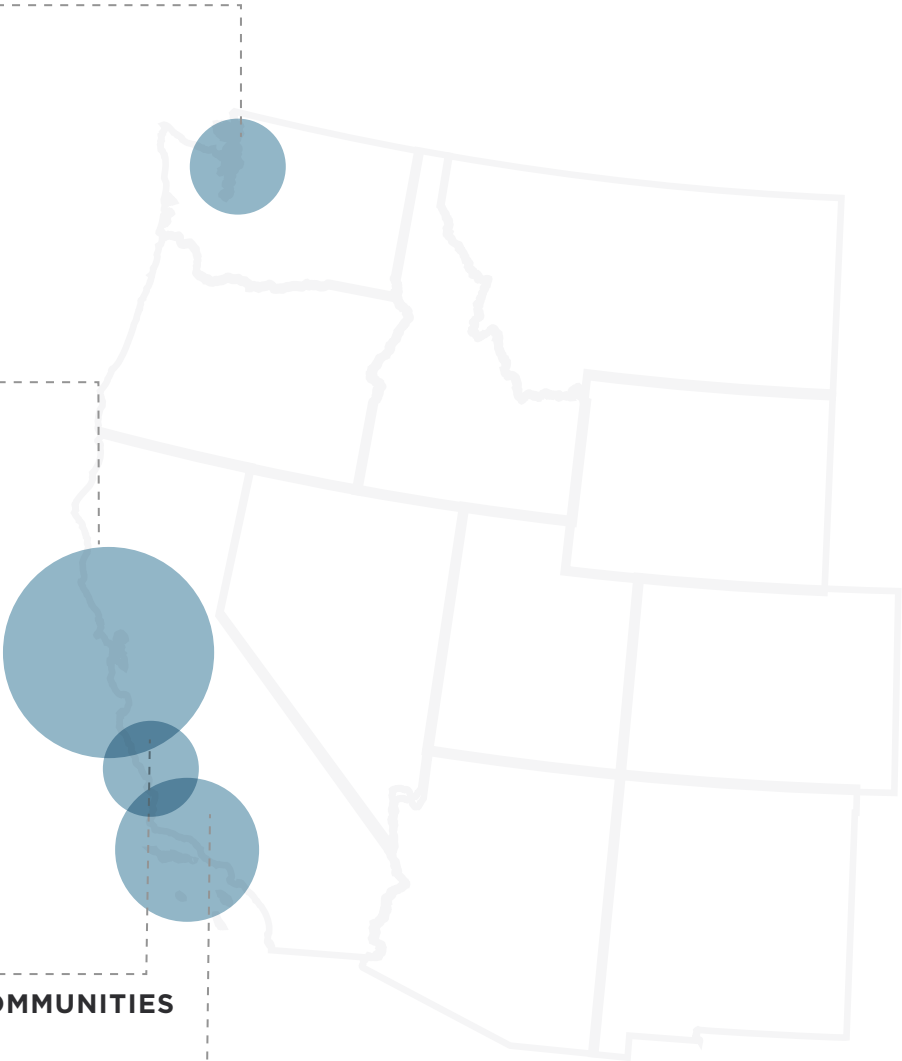
- 350 MISSION**
455,340 SF
- 360 THIRD ST**
429,796 SF
- 333 BRANNAN**
185,602 SF
- 303 SECOND ST**
784,658 SF
- 201 THIRD ST**
346,538 SF
- 100 FIRST ST**
480,457 SF
- CROSSING 900**
347,269 SF

SAN DIEGO

- ONE PASEO - FITWEL FOR COMMUNITIES**
23.6 ACRES

GREATER LOS ANGELES

- COLUMBIA SQUARE**
6121 W SUNSET - 91,173 SF
1525 N GOWER - 9,610 SF
1575 N GOWER - 251,245 SF
1500 N EL CENTRO - 104,504 SF
- 12100 W. OLYMPIC**
152,048 SF
- 12200 W. OLYMPIC**
150,832 SF
- SUNSET MEDIA CENTER**
323,920 SF
- TRIBECA WEST**
151,029 SF
- 501 SANTA MONICA**
76,803 SF



Total Fitwel Certified - 5,718,855 SF
% Certified - 39%

FITWEL SPOTLIGHT

501 SANTA MONICA

501 Santa Monica, a 76,803 square foot office building located in the heart of downtown Santa Monica, CA, earned its first Fitwel Certification in 2020. With an impressive Walk Score of 94, tenants enjoy all that the vibrant community has to offer, including a weekly outdoor farmer's market, bike share program, access to public transit and a short walk to the world-famous Santa Monica Beach and Pier. In addition, occupants have access to onsite amenities such as a fully equipped state-of-the-art gym, lockers, showers, and active stairwells, further promoting the active lifestyle that is the hallmark of Santa Monica.



501 SANTA MONICA - LOS ANGELES, CA // LEED GOLD, ENERGY STAR, FITWEL

FITWEL SPOTLIGHT

ONE PASEO

In 2019, we became one of the nine companies who agreed to participate in the Fitwel Community pilot, and in 2020, our One Paseo project in San Diego became one of the first projects in the world, and the first in California, to earn Fitwel Community certification. Fitwel Community is a new standard for optimizing holistic health benefits in neighborhood-scale projects. One Paseo earned Fitwel Community certification because of its strong performance in the seven health impact categories: Increases Physical Activity, Promotes Occupant Safety, Reduces Morbidity and Absenteeism, Supports Social Equity for Vulnerable Populations, Instills Feelings of Well-Being, Impacts Surrounding Community Health, and Enhances Access to Healthy Foods. Project features that contributed included One Paseo's clustered amenities, public transit connection, green spaces, inclusive design, free cultural events, and more.

The strategies within the Fitwel Community Scorecard were identified based on an analysis of 5,000+ research studies, as well as a significant number of evidence-based resources, and each strategy included in the Community Scorecard reflects the strongest research available linking design with health.

The Fitwel Community Pilot deeply benefitted from our leadership and expertise, which helped to ensure that the Community Scorecard is scalable and includes feasible and impactful strategies. We were pleased to join a diverse group of pilot companies all unified in a common commitment to fostering equitable access to a vibrant public realm via health-supportive streets, parks, plazas, and social gathering spaces.



ONE PASEO - DEL MAR, SAN DIEGO, CA // LEED GOLD, FITWEL FOR COMMUNITIES

SUPPLY CHAIN

We recognize that much of the environmental footprint of our operations lies in our supply chain. This spans all of the services and products we procure to construct and operate our buildings and the services and products that those suppliers in turn procure.

Last year, we surveyed our critical tier 1 operational suppliers, those for whom a disruption would immediately impact our day-to-day operations. We determined that our Engineering, Janitorial, Security, Landscaping, and Parking suppliers fall into this critical tier 1 category. We sent our Supplier Survey to these critical tier 1 suppliers in 2019 and analyzed and published the results, the first time a North American REIT had done so.

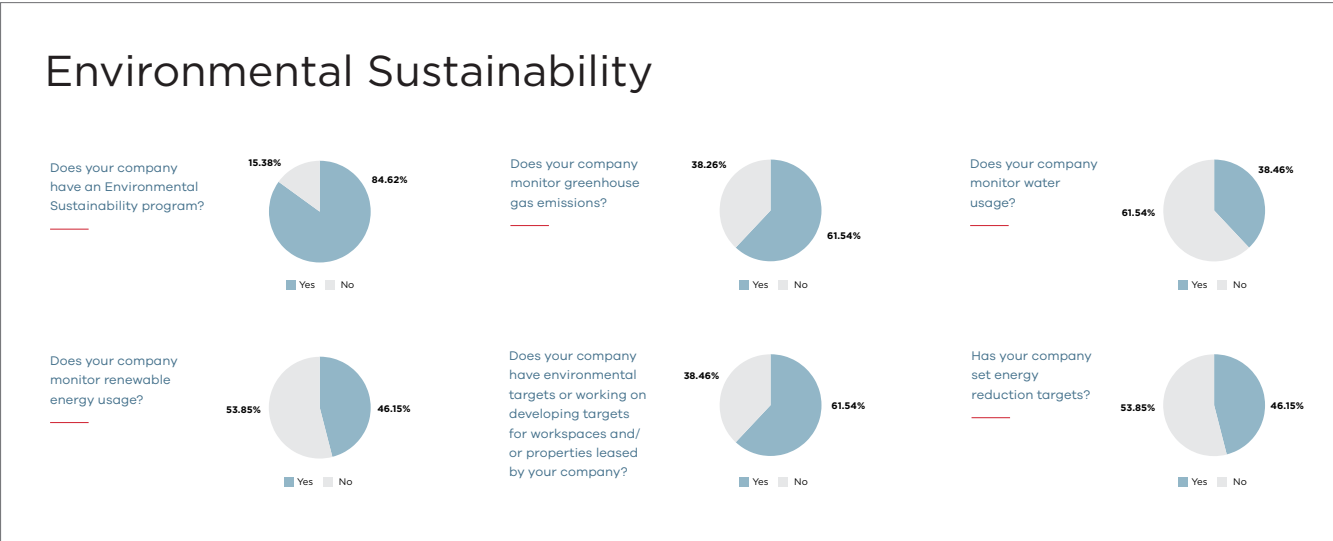
This year, we expanded this work into our development activities. We identified our critical tier 1 development suppliers as our architects, engineers, and general contractors. We then surveyed these suppliers on their ESG practices, and those results are contained in this report. Each critical tier 1 supplier has been given a personalized report of these results with specific recommendations for improvement, and in this way we hope to influence environmental and social outcomes in our supply chain. By surveying our suppliers and providing them feedback for improvement, we hope to influence environmental and social outcomes in our supply chain.

These results, in contrast with our 2019 results, indicate that our development suppliers have made more progress on achieving environmental than social goals. Helping suppliers improve both social and environmental performance will be a priority in 2021. We look forward to expanding this important work in 2021, when our focus will be tier 1 transactional suppliers.

VENDOR CODE OF CONDUCT

Operating a successful real estate development and management company intrinsically relies on outsourcing services or business processes to optimize innovation and value. Our business partners help to enhance the product we offer, and enhance our corporate responsibility programs. Via our Vendor Code of Conduct, which is incorporated into our contracts, we require that our vendors demonstrate a commitment to ESG

in their operations, workforce relations, and environmental practices. Our Preferred Vendor Conduct Policy can be found on pages 69-71 of our EMS, available here: <https://kilroyrealty.com/sites/default/files/2019%20Kilroy%20Environmental%20Management%20System%20%28EMS%29.pdf>



SUPPLIER ENVIRONMENTAL RESPONSES ANALYSIS



SUPPLIER SOCIAL RESPONSES ANALYSIS

Full survey report can be found at: https://kilroyrealty.com/sites/default/files/201117_KRC_Sustainability_Supplier%20Excellence%20Survey%20Results.pdf

Community

The COVID-19 Pandemic has had a devastating impact on our communities, with vulnerable populations the most effected. Coupled with social unrest stemming from racial inequity, our responsibility as environmental and social stewards is more crucial than ever. Though we remain socially distant, we continue to make a difference providing much-needed resources to the community. Our employee volunteerism and philanthropy programs have two core areas of focus: Strong Communities and Healthy Planet. As individual employees, regional groups, and as a company, those concepts inspire our volunteerism and philanthropy initiatives.

EMPLOYEE VOLUNTEERISM

Though we faced unprecedented challenges in 2020, we never wavered in our commitment to employee volunteerism. However, to prioritize the safety of our employees, we reduced in-person events and ramped up efforts to donate food and supplies in all of our regions. Each region organized multiple events ranging from food drives to charity walks that support the muscular dystrophy research and St. Jude's Research Hospital to providing support to schools adapting to the pandemic. In addition, we contributed 107 volunteer hours and donated meals, supplies, and significant funds to San Diego school districts, above and beyond our philanthropic endeavors. Here are some highlights of 2020 events:

1. Operation Love

- Benefitting Org: 3FN (Faith Foster Families Network)
- Donated: meals to foster families in need

2. Back 2 School Drive Thru

- Benefitting Org: Special Needs Network
- Donated: school supplies to special needs children and families in underserved communities

3. Meals for Homeless Youth in Hollywood

- Benefitting Org: My Friend's Place
- Donated: 300 Thanksgiving meals+ a week worth of meals from Dec 1-7, and additional funding



ALEXANDRA STOELZLE DONATING MEALS TO FAMILIES IN NEED DURING AN 'OPERATION LOVE' EVENT



KILROY VOLUNTEERS WORKING WITH MY FRIEND'S PLACE, PROVIDING MEALS FOR HOMELESS YOUTH IN HOLLYWOOD

PHILANTHROPY

We also provide financial support to charitable organizations focused on Strong Communities and Healthy Planet and have a matching gift program to match employee contributions to 501(c)(3) nonprofit organizations, schools and universities. Our philanthropic philosophy is to provide unrestricted grants to allow the organizations we believe in to execute their programs most efficiently. We supported 79 nonprofits through these efforts in 2020.

NAACP Environmental and Climate Justice

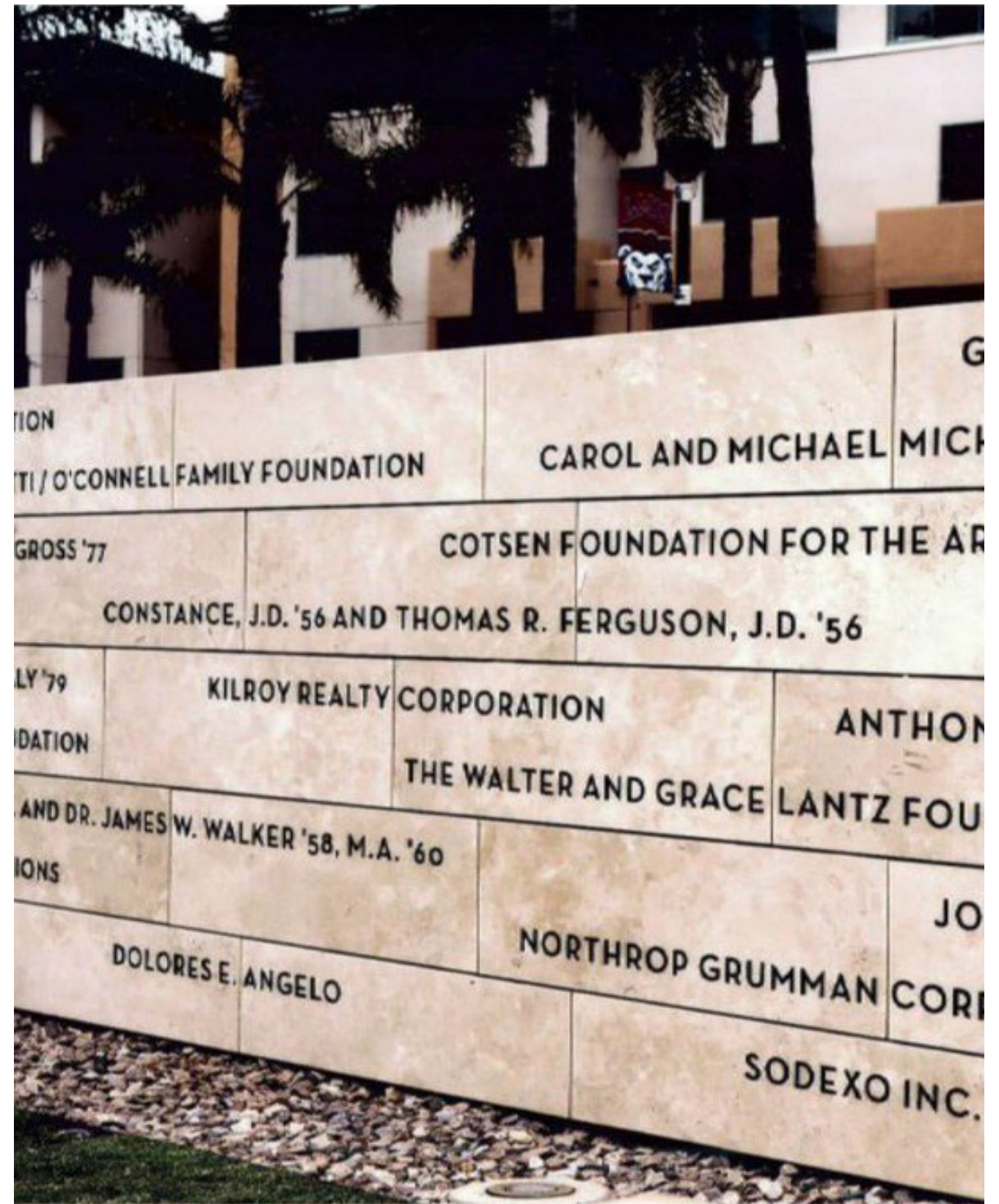
Since 2018, we have funded and participated in the NAACP's Centering Equity in the Sustainable Building Sector initiative and in 2020 we boosted our donations to support their Environmental and Climate Justice program. This program was created to address the disproportional impact that climate change has on low-income communities and communities of color by advocating for three main objectives: reduce harmful emissions, advance energy efficiency and clean energy, and strengthen community resilience and livability. The NAACP's mission strongly aligns with our approach to sustainable building and community engagement and we are proud to support their efforts.

Sunnydale Hub

In San Francisco's Sunnydale neighborhood, kids lack basics and too often do not flourish. That is why we are participating in Mercy Housing and Related California's effort to transform Sunnydale through the creation of new housing and neighborhood amenities. We are contributing \$5 million toward the Sunnydale Hub, which will include a childcare center, a Boys & Girls Club, vibrant community spaces, and a full-service recreation center. For the first time, kids and families in Sunnydale will have safe spaces in which to thrive together. The Hub will become the physical heart this community has never had.

Kilroy Environmental Scholarship at Loyola Marymount University

In recognition of John B. Kilroy, Sr.'s unique and longstanding role as chairman of Kilroy Realty, we established the Kilroy Scholarship at Loyola Marymount University (LMU) in 2013 with a gift of \$100,000 each year for 10 years. The Kilroy Scholarship supports undergraduate students in the Frank R. Seaver College of Science and Engineering who are pursuing a degree in Environmental Science.



LOYOLA MARYMOUNT UNIVERSITY

04 Governance

- Board of Directors ESG Oversight
- Policies
- Green Bond
- Stakeholder Engagement



SUNSET MEDIA CENTER - HOLLYWOOD, LOS ANGELES, CA // LEED GOLD, ENERGY STAR, FITWEL

Board of Directors ESG Oversight

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE

Our Board of Directors established a Corporate Social Responsibility and Sustainability Committee in 2018. Their charter charges them with oversight of environmental and social issues at KRC, including climate change. Its role is to oversee and advance our corporate social responsibility and sustainability initiatives in recognition that community engagement and sustainable operations benefit all of our stakeholders and are key to preserving our value and credibility. The committee provides both input on social and environmental issues based on committee members' broad market experience as well as provide strategic guidance around employee initiatives in these areas. Jolie Hunt serves as chair of the committee, which is also comprised of Peter Stoneberg and our CEO, John Kilroy. An internal KRC team that spans sustainability, legal, human resources, administration, and marketing meets regularly to discuss initiatives and progress around social and environmental issues, and the Senior Vice President, Sustainability Sara Neff reports to the Board CSR&S Committee multiple times a year.



Jolie
Hunt



Peter
Stoneberg



John
Kilroy

Biographies for the CSR&S Committee members can be found on page 17 of our 2021 proxy statement available here: <http://investors.kilroyrealty.com/FinancialDocs>

ESG IN NAMED EXECUTIVE OFFICE COMPENSATION

An ESG-focused metric is included in our annual cash incentive plan performance measurement framework, with a 15% weighting within the overall framework for determining cash bonus payouts. Accordingly, the Executive Compensation Committee of our Board of Directors considers our achievement of certain sustainability disclosures and ESG-initiatives, including achievement of minimum LEED certifications on new development, progress on human capital initiatives (such as employee engagement, talent development, and diversity), and shareholder outreach when determining the annual cash bonus payout levels for our executive management team.

More information on our executive compensation program can be found in our proxy statement: <https://investors.kilroyrealty.com/financial-reports/annual-reports-and-proxy-statements/default.aspx>



SABRE SPRINGS - SAN DIEGO, CA // LEED SILVER, ENERGY STAR, FITWEL

Policies

1. SUSTAINABLE SITES POLICY
Effective April 19, 2010

2. BIODIVERSITY AND HABITAT POLICY
Effective May 5, 2016

3. SOLID WASTE MANAGEMENT POLICY
Effective July 7, 2013

4. CONSTRUCTION WASTE POLICY
Effective August 2, 2010

5. REFRIGERANT MANAGEMENT POLICY
Effective July 7, 2013

6. GREENHOUSE GAS (GHG) MANAGEMENT POLICY
Effective April 17, 2013

7. CLIMATE CHANGE POLICY
Effective August 2, 2010

8. ENERGY POLICY
Effective April 17, 2013

9. ENERGY MANAGEMENT POLICY
Effective April 17, 2013

10. INDOOR AIR QUALITY (IAQ) POLICY
Effective July 7, 2013

11. ENVIRONMENTAL TOBACCO SMOKE (ETS) CONTROL POLICY
Effective January 1, 1995

12. IAQ MANAGEMENT FOR FACILITY ALTERATIONS AND ADDITIONS POLICY
Effective July 7, 2013

13. INTEGRATED PEST MANAGEMENT (IPM) POLICY
Effective July 7, 2013

14. BUILDING EXTERIOR AND MAINTENANCE POLICY
Effective July 7, 2013

15. GREEN CLEANING POLICY
Effective January 12, 2011

16. HEALTH AND SAFETY POLICY
Effective July 7, 2013

17. CONSTRUCTION MATERIALS DESIGN CRITERIA AND BUILDING STANDARDS POLICY
Effective August 2, 2010

18. VENDOR CODE OF CONDUCT
Effective December 15, 2016

19. SUSTAINABLE PURCHASING POLICY
Effective July 7, 2013

20. BUILDING MATERIALS POLICY
Effective March 20, 2012

21. WATER MANAGEMENT POLICY
Effective July 2, 2014

22. PLUMBING FIXTURE REPLACEMENT POLICY
Effective July 2, 2014

23. CALIFORNIA DROUGHT POLICY
Effective January 21, 2014

24. RESILIENCE POLICY
Effective December 2, 2013

25. HUMAN RIGHTS POLICY
Effective December 15, 2016

26. PHILANTHROPY POLICY
Effective December 15, 2016

27. GREEN OFFICE POLICY
Effective September 23, 2019
- Full sustainability policy text can be found at: <https://kilroyrealty.com/commitment-sustainability> under ‘Action Plan’

SUSTAINABILITY ACROSS KRC

BOARD OF DIRECTORS CSR&S Committee, TCFD Oversight, ESG in Executive Compensation	SENIOR MGMT Report Assurance, Project Approval	FINANCE Green Bonds, Offsite PPA Structure
LEGAL Green Leases, Offsite PPA, Performance Contracting, Vendor Code of Conduct Implementation, Sustainability Disclosures in the Proxy Statement	ASSET MGMT Tenant Engagement, Project Implementation	RISK MGMT Climate Change Factors in Standard Operating Procedure and Emergency Manuals, Project Approval
DEVELOPMENT Execution of Sustainability Strategy for Development Projects, Sustainability in Tenant Fit Out Standards	ACCOUNTING Sustainability Disclosures in 10-K	IT Controls Projects, IoT Deployments
ENGINEERING Implementation of Efficiency Projects	STANDARDS Sustainability Information on Tenant Portals	MARKETING Sustainability Information in Marketing Materials
SUSTAINABILITY Coordination and Execution of Sustainability Programs	OPERATIONS Creation of Sustainability Budget	GOV AFFAIRS Local Community Engagement

Green Bond

On August 3, 2020, we announced that our operating partnership, Kilroy Realty, L.P. priced an underwritten public offering of \$425 million aggregate principal amount of 2.500% senior notes due 2032 with a commitment to allocate the proceeds from these bonds to one or more Eligible Green Projects. This is our second green bond offering. We allocated the entirety of the proceeds to two LEED projects: 50% to 100 Hooper, which achieved LEED Platinum certification in 2020, and 50% to On Vine, which achieved LEED Gold certification in 2020. This is our second green bond that has been certified by the Climate Bonds Initiative, which is the only global certification body for green bonds. This means our use of proceeds verification has been subject to tougher qualification criteria than other green bond issuers and has achieved a higher benchmark. Our first green bond, issued in 2018, was the first Climate Bonds Certified green bond allocated to green buildings in the United States. Both of our Climate Bond Verification and Assurance Opinion letters can be found starting on page 170, and our Green Bond Framework can be found at <https://kilroyrealty.com/sites/default/files/Green%20Bond%20Framework.pdf>.



100 HOOPER - SAN FRANCISCO, CA // LEED PLATINUM



ON VINE - HOLLYWOOD, LOS ANGELES, CA // LEED GOLD

Stakeholder Engagement Matrix

STAKEHOLDER GROUP	ENGAGEMENT APPROACH	MATERIAL ASPECTS AND TOPICS OF DISCUSSION
Employees	<ul style="list-style-type: none">— Annual kickoff calls with sustainability team— Employee satisfaction survey— Training programs and support— Annual performance reviews— Intranet site for internal communications— Whistleblower mechanism— Collaboration on projects and certifications— Regional Culture Club teambuilding events— Regional Culture Club service events— Town hall meetings— Employee wellness programs	Energy, Water, Effluents/Waste, Product and Service Labeling, Resilience, Awards, Training and Education, Health and Wellness, Diversity and Equal opportunity, Nondiscrimination
Tenants	<ul style="list-style-type: none">— (See Tenant Engagement Matrix on page 68)	

STAKEHOLDER GROUP	ENGAGEMENT APPROACH	MATERIAL ASPECTS AND TOPICS OF DISCUSSION
Investors	<ul style="list-style-type: none">— TCFD/SASB-aligned disclosures in the Annual Financial Report filed with the SEC, the Proxy and the Sustainability Report— Dedicated investor disclosures— Quarterly earnings calls including Q&A with senior management— Dedicated investor relations team— Investor meetings and investor events— Questionnaires and surveys— Property tours (suspended during COVID-19)— Green bond disclosures	Economic Performance, Anti-Corruption, Anti-Competitive Behavior, Product and Service Labeling, GRESB Participation, Transparency, Emissions, Governance, Energy, Water, Building Certifications, Community Relations, Resilience, Health and Wellness
Government	<ul style="list-style-type: none">— Advocacy related to specific development projects— Engagement with government representatives on sustainability issues— Working group/committee participation for the development of new legislation on local, state and federal level— Attendance at sustainability hearings— Collaboration throughout the permitting process— Speaking at government-focused events— Participation in government-run sustainability programs	Materials, Emissions, Energy, Water, Public Policy, Transit-Oriented Development, Transparency, Barriers to Utility Data Access, Benchmarking Ordinances, Compliance, Environmental Grievance Mechanisms

Stakeholder Engagement Matrix (continued)

STAKEHOLDER GROUP	ENGAGEMENT APPROACH	MATERIAL ASPECTS AND TOPICS OF DISCUSSION
Brokers	<ul style="list-style-type: none">— Broker green leasing collaboration— Award application collaboration— Regional broker appreciation events (suspended during COVID-19)— Attendance and hosting of various broker meetings (suspended during COVID-19)— Panel discussions/webinars	Product and Service Labeling, Green Leasing, Utility Disclosure, Green Building Standards
NGOs	<ul style="list-style-type: none">— Leadership, membership and employee participation in NGO activities— Attendance at conferences and other industry events— Employee volunteerism— Corporate philanthropy— Strategic partnerships	Transparency, Product and Service Labeling, Energy, Water, Emissions, Effluents and Waste, Emissions, Smart Growth, District Energy Systems, Health and Wellness
Industry Associations	<ul style="list-style-type: none">— Active participation at conferences and meetings— Participation on committees such as NAREIT Real Estate Sustainability Council— Partnerships	Energy, Water, Transparency, Product and Service Labeling, Resilience, Reporting Frameworks, Health and Wellness

STAKEHOLDER GROUP	ENGAGEMENT APPROACH	MATERIAL ASPECTS AND TOPICS OF DISCUSSION
Contractors, Vendors, and Suppliers	<ul style="list-style-type: none">— Supplier Excellence Survey participation— Attendance at conferences and other industry events— Contract development and interaction throughout duration of service— One-on-one meetings and calls	Materials, Energy, Water, Procurement practices, Effluents and Waste, EV Charging Infrastructure, Transparency, Health and Wellness
Media	<ul style="list-style-type: none">— Press releases— Interviews with media regarding KRC operations and sustainability— Events around significant achievements, such as groundbreakings (virtual during COVID-19)— Social media	Energy, Water, Transparency, Tenant/Broker/Investor Engagement, Health and Wellness
Communities	<ul style="list-style-type: none">— Hosting community events, such as emergency preparedness awareness events (suspended during COVID-19)— Interaction with communities throughout the development process, such as town hall meetings (virtual during COVID-19)— Social media— Community engagement websites	Resilience, Energy, Water, Smart Growth, Transit, Economic Development

PARTNERSHIPS AND INDUSTRY ASSOCIATIONS



National

- ENERGY STAR Partner
- U.S. Green Building Council (USGBC) Corporate Gold Member
- NAREIT Real Estate Sustainability Council
- GRESB
- Center for Active Design Leadership Advisory Board Member
- Urban Land Institute (ULI) Greenprint member
- NAACP Centering Equity in the Sustainable Building Sector Working Group member
- Institute of Real Estate Management (IREM)
- International Facility Management Association (IFMA)
- National Association of Industrial and Office Properties (NAIOP)
- Young Professionals in Energy (YPE)
- Hawthorn Club

Local

- U.S. Green Building Council Los Angeles Partner
- San Diego, San Francisco and Seattle 2030 Districts member
- BOMA San Diego, Los Angeles, San Francisco, Seattle
- ULI Los Angeles District Advisory Council
- Young Professionals in Energy Los Angeles

ADVOCACY

- Participated on Los Angeles Mayor Eric Garcetti's Sustainability Taskforce to promote the decarbonization of the Los Angeles built environment
- Participated in the NAACP Centering Equity in the Sustainable Building Sector (CESBS) Initiative (more information on page 134)
- Joined the Advisory Board of The CLEEN Project to provide policy expertise to the incoming Biden Administration
- Collaborated with the state legislative office on reducing barriers to building electrification



OUR SVP, SUSTAINABILITY AT PLENARY PANEL WITH OBAMA'S FORMER CHIEF SUSTAINABILITY OFFICER - JANUARY 2020

ETHICS

Obeying the law, both in letter and in spirit, is the foundation on which our ethical standards are built. Each employee has an obligation to comply with federal laws and the laws of the states, counties, and cities in which we have properties and operate our business. We will not tolerate any activity that violates any laws, rules or regulations applicable to us. This includes, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets.

This policy is addressed in the corporate Code of Conduct each employee is given upon their hiring, is available on our public website and internal intranet, and is additionally sent out once a year to all employees via email from our Human Resources. Additionally, all employees of the Company certify and affirm that they have received, read and understood the terms of and have fully complied with the Code of Conduct on an annual basis. Employees who become aware of noncompliance with our Code of Conduct are encouraged to make use of our Conduct Hotline if they do not feel comfortable bringing up the issue with a supervisor or Human Resources. Vendors and contractors are asked to bring any issues to their building management team. The Code of Conduct applies to our directors, officers, employees, agents, and consultants, and is posted on our public website. Under the Code of Conduct, all consultants have a duty to report any known or suspected violations of the Code of Conduct to a representative of our company, who will investigate the consultant's concern and follow the applicable procedures set forth in the Code of Conduct to disclose the issue to the necessary party, including the Board of Directors or a committee thereof, as appropriate. If our representative does not satisfactorily address the issue or the consultant does not feel comfortable discussing the matter with the representative, the consultant is to report the matter to the Audit Committee of the Board of Directors through its anonymous and confidential Conduct Hotline.

We did not have any significant bribery, fraud or corruption issues in 2020 or in any prior reporting years. In addition, we had no legal actions for anticompetitive behavior, anti-trust, or monopoly practices in 2020 or any prior reporting years.

We subscribe to the precautionary principle, which we interpret by assuming that the construction and operation of our buildings has the potential to threaten the environment and the health of building occupants and those in our supply chain. We believe that environmental and health-focused building certifications help us avoid materials and practices that may cause these negative impacts, which is why all our new construction and eligible existing buildings pursue these certifications. In addition, we are constantly working to stay abreast of industry best practices in procurement and incorporating these practices into our projects.

CYBERSECURITY

We recognize the importance of investing to strengthen the cybersecurity posture of our networks, systems, and applications. Historically, when it comes to protecting our assets, physical security is usually the first thing that comes to mind. As the business world changes and with technology being a key part of our lives, protecting our assets on the cybersecurity front is crucial to our business. In a world where connectivity becomes more prevalent each and every day, the risk of potential cyberattacks and intrusions via malware, phishing, ransomware, and many other forms that could cause disruptions in our business operations increases. The general increase in volume and level of sophistication of potential cyber intrusions has grown over time. With the increase awareness of potential cyber risks and disruptions, we adopt a robust enterprise wide cybersecurity program and strategy that encompasses security expertise, technical protections, monitoring solutions, and awareness training to mitigate risks and disruptions.







ENVIRONMENTAL GRIEVANCES

The concept of formal environmental grievance mechanisms as contemplated by GRI is not applicable to us as a REIT. However, we have procedures in place for responding to environmental incidents, and our focus on developing urban core brownfield sites requires us to have expertise in coordinating environmental remediation. Examples of environmental issues that can arise at an existing property include water intrusion, mold, air quality or water quality issues, leaking underground storage tanks or pipes, and the presence of asbestos-containing materials or lead-based paint. Examples of environmental issues that may at our urban development sites include contaminated soil, soil vapor, and groundwater, underground storage tanks, and encountering unknown structures and materials. We did not have any significant fines or non-monetary sanctions regarding environmental compliance in 2020. We had no significant spills in 2020. We had no grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.

ENTITIES

No entity included in our consolidated financial statements (<https://investors.kilroyrealty.com/financial-reports/annual-reports-and-proxy-statements/default.aspx>) is excluded from coverage in this sustainability report. We are headquartered in Los Angeles, California.

2020 Disclosure Scorecard

	#1 Ranking in the Americas, Listed 2020 Global Sector Leader, Listed Office 2020 Disclosure Score: A
	One of 7 American Real Estate Companies named to the Dow Jones Sustainability World Index
	Listed on Bloomberg Gender-Equality Index
	ISS Quality Score Environmental: 2 Social: 2 (Scale: 1-10, 1 is highest possible score)
	Score: A
	Score: B. Within the 33% highest scoring companies



ONE PASEO - DEL MAR, SAN DIEGO, CA // TARGETING LEED GOLD, FITWEL COMMUNITY

05 Wrap Up

- Materiality
- Third Party Validation
- Conclusion
- Global Reporting Initiative
- Independent Assurance Statement

Materiality

To define our report content, we use GRI’s Principles for Defining Report Content. These help us identify the most relevant environmental, social, and governance impacts as they pertain to our business and stakeholders. This includes all information required for the GRI Standard: Core option as well as additional information relevant to our stakeholders. To accomplish this, the sustainability team conducts a thorough Materiality assessment every year. The team surveyed 20 people who represent a cross section of both our own employees and our external stakeholders. We then shared this process with DNV, the third party who is verifying our sustainability report, and refined our disclosures based on their findings. Several issues increased in importance according to our stakeholder survey respondents, especially the social topics of diversity and equal opportunity, nondiscrimination, gender pay equity, and anti-harassment. Water decreased in importance, potentially because other factors related to the COVID-19 pandemic and carbon emissions increased in importance.

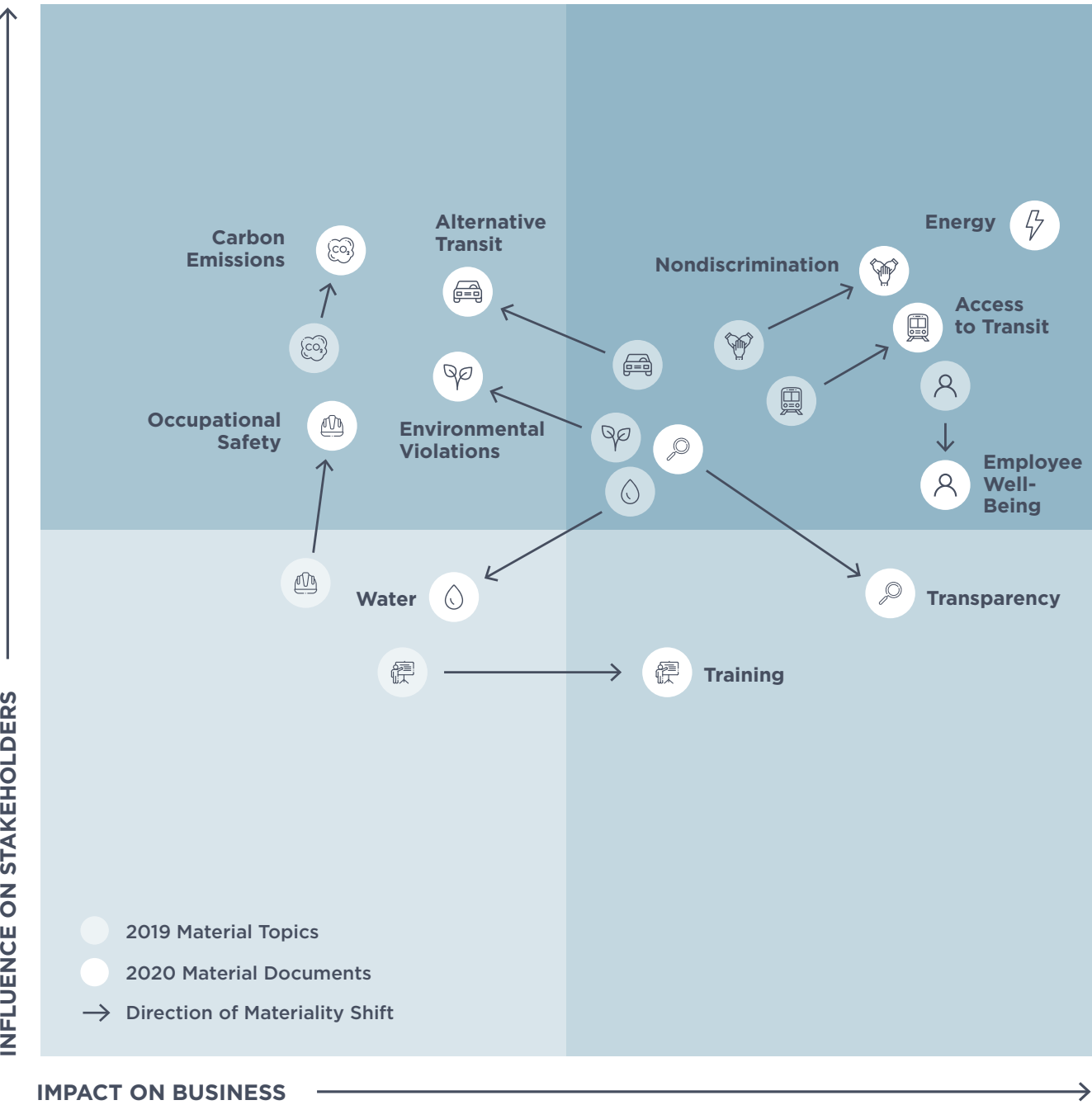
External Stakeholder Group

- Architect
- Investor
- Competitor
- Media
- Consultant
- NGO
- Engineer
- Product
- General Contractor
- Ratings Organization
- Higher Education
- Technology
- Industry Association: Real Estate
- Tenant
- Industry Association: Sustainability
- Utility

Internal Stakeholder Group

- Accounting
- Government Affairs
- Architecture
- IT
- Asset Management (all regions)
- Leasing
- Construction
- Legal
- Corporate Services
- Marketing
- Development
- Operations
- Engineering
- Residential
- Finance
- Retail
- Financial Reporting
- Risk Management
- Human Resources
- Tax

MATERIALITY MATRIX



Third Party Validation

CHARTERS, PRINCIPLES, INITIATIVES

- Kilroy Realty has sought third-party assurance of the company’s annual GRI report to confirm the quality and completeness of the disclosure for the eighth time this year.
- This is the third year Kilroy Realty is using the GRI Standards: Core option guidelines for its report. For the previous six years, we used the GRI G4 standards.
- This sustainability report has been externally assured by DNV Business Assurance USA, Inc. Their Independent Assurance Statement can be found on page 166. DNV is Third-Party assurance provider, unaffiliated with us. DNV also performed the assurance of the use of our Green Bond proceeds, and this assurance can be found on page 172.
- To ensure that our reporting meets the highest standards for transparency, this report is externally audited in accordance with the AccountAbility 1000 Assurance Standard (AA1000AS 08).
- Our senior management team was involved in the external assurance process, which included interviews with senior management and representatives of several departments including the executive team, finance, risk management, sustainability, and government affairs.

Conclusion

Thank you for reading our tenth annual sustainability report, which was prepared by Sara Neff (Senior Vice President, Sustainability), Vaishali Sampat (Director, Sustainability) and Jasmine Lomax (Sustainability Manager). We attest that the information contained in this report is accurate and addresses all aspects of our sustainability programs material to our stakeholders. Special thanks to the following team members for their help in the preparation of this report:

Kellie Aquino	Sarkis Hakopyan	Katy Mansoor	Samantha Roldan
Carlos Alvarez	Keely Hale	Dawn Mariano	Laura Romer
Stephanie Ang	Scott Halfwassen	Marina Martos	Tyler Rose
Robert Berube	Liz Howeth	Lala Montano	Heidi R. Roth
Doug Bettisworth	Pauline Hudson	Natalia Morales	Jenna Sahn
Amanda Burkey	Chris Johannsen	Heidi Ng	Sarah Santos
James Choi	Helen Joo	Michelle Ngo	Lauren Stadler
Allison Colberg	John Jr. Kilroy	Khanh Nguyen	Samantha Suon
Brae Dowling	Alexander King	Antonisha	Phil Tate
Milea Fagar	Shannon Knuth	Pinckney	Nancy Vashon
Chelsea Fischer	Eileen Kong	Megan Pusateri	Renato Vazquez
Josh Garza	Candace Lee	Jay Rey-Hipolito	Sara Westing
Kayla Gonzalez	Bayron Lopez	Scott Ritto	Nini Yacob
David Hajnal	Christine Luong		

We value your feedback and welcome any questions, comments, or suggestions on this report and our performance.

For any questions pertaining to this report, please contact Sara Neff at (310) 481-8449 or sneff@kilroyrealty.com. More information about our sustainability programs and corporate responsibility practices is available on our website at <http://kilroyrealty.com/commitment-sustainability> and on Twitter @kilroygreen.



Sara Neff
SVP, Sustainability



Vaishali Sampat
Director, Sustainability



Jasmine Lomax
Manager, Sustainability

Global Reporting Initiative



GRI 102: GENERAL DISCLOSURES

GRI Standard	Disclosure		Externally Assured	Page #/Link
General Disclosures	102-1	Name of the organization		24
General Disclosures	102-2	Activities, brands, products, and services		24
General Disclosures	102-3	Location of headquarters		24
General Disclosures	102-4	Location of operations		24
General Disclosures	102-5	Ownership and legal form		24
General Disclosures	102-6	Markets served		24
General Disclosures	102-7	Scale of the organization		24
General Disclosures	102-8	Information on employees and other workers		102-103
General Disclosures	102-9	Supply chain		130
General Disclosures	102-10	Significant changes to the organization and its supply chain		130
General Disclosures	102-11	Precautionary Principle or approach		150
General Disclosures	102-12	External initiatives		134
General Disclosures	102-13	Membership of associations		145
General Disclosures	102-14	Statement from senior decision-maker		8-11
General Disclosures	102-15	Key impacts, risks, and opportunities		35-39
General Disclosures	102-16	Values, principles, standards, and norms of behavior		150

General Disclosures	102-18	Governance structure		see Proxy Statement
General Disclosures	102-40	List of stakeholder groups	Yes	144-147
General Disclosures	102-41	Collective bargaining agreements		105
General Disclosures	102-42	Identifying and selecting stakeholders	Yes	156
General Disclosures	102-43	Approach to stakeholder engagement	Yes	144-147
General Disclosures	102-44	Key topics and concerns raised	Yes	156-157
General Disclosures	102-45	Entities included in the consolidated financial statements		148
General Disclosures	102-46	Defining report content and topic Boundaries	Yes	4
General Disclosures	102-47	List of material topics	Yes	157
General Disclosures	102-48	Restatements of information		165
General Disclosures	102-49	Changes in reporting		165
General Disclosures	102-50	Reporting period		165
General Disclosures	102-51	Date of most recent report		165
General Disclosures	102-52	Reporting cycle		165
General Disclosures	102-53	Contact point for questions regarding the report		159
General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards		165
General Disclosures	102-55	GRI content index		160
General Disclosures	102-56	External assurance		166-169



GRI 201: ECONOMIC PERFORMANCE

Economic Performance	103-1	Explanation of the material topics and its boundaries	Link
Economic Performance	103-2	The management approach and its components	Link
Economic Performance	103-3	Evaluation of the management approach	Link
Economic Performance	201-1	Direct economic value generated and distributed	Link
Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	35-39



GRI 205: ANTI-CORRUPTION, GRI: ANTI-COMPETITIVE BEHAVIOR

Anti-corruption	103-1	Explanation of the material topics and its boundaries	150
Anti-corruption	103-2	The management approach and its components	150
Anti-corruption	103-3	Evaluation of the management approach	150
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	150
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	150
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	150



GRI 301: MATERIALS

Materials	301-2	Recycled input materials used	54
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GRI 302: ENERGY

Energy	103-1	Explanation of the material topics and its boundaries		182
Energy	103-2	The management approach and its components		54-55
Energy	103-3	Evaluation of the management approach		147
Energy	302-1	Energy consumption within the organization	Yes	147
Energy	302-4	Reduction of energy consumption	Yes	147



GRI 303: WATER AND EFFLUENTS

Water and Effluents	103-1	Explanation of the material topics and its boundaries		183
Water and Effluents	103-2	The management approach and its components		72-73
Water and Effluents	103-3	Evaluation of the management approach		183
Water and Effluents	303-3	Water withdrawal	Yes	183
Water and Effluents	303-5	Water consumption	Yes	183



GRI 304: BIODIVERSITY

Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		78
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GRI 305: EMISSIONS

Emissions	103-1	Explanation of the material topics and its boundaries		180
Emissions	103-2	The management approach and its components		64-65

Emissions	103-3	Evaluation of the management approach		35
Emissions	305-1	Direct (Scope 1) GHG emissions	Yes	180
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Yes	180
Emissions	305-5	Reduction of GHG emissions	Yes	180

**GRI 306: EFFLUENTS & WASTE**

Effluents and Waste	306-2	Waste by type and disposal method	Yes	184
Effluents and Waste	306-3	Significant spills		153
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations		153

**GRI 404: TRAINING AND EDUCATION**

Training and Education	404-1	Average hours of training per year per employee		107
Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs		107
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews		107

**GRI 405: DIVERSITY AND EQUAL OPPORTUNITY**

Diversity and Equal Opportunity	103-1	Explanation of the material topics and its boundaries		107
Diversity and Equal Opportunity	103-2	The management approach and its components		107
Diversity and Equal Opportunity	103-3	Evaluation of the management approach		102-105

Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees		102
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**GRI 406: NON-DISCRIMINATION**

Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		107
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**GRI 413: EMPLOYMENT**

Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs		68
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WHEN TRUST MATTERS

Independent Assurance Statement

DNV Business Assurance USA, Inc. (DNV) was commissioned by Kilroy Realty Corporation (KRC) to conduct independent assurance of its 2020 Sustainability Report (the Report), for the year ended 31 December 2020, as published on the company’s website at: <https://kilroyrealty.com/commitment-sustainability>



Our Opinion: On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe KRC’s adherence to the Principles described below. In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. In our opinion, the Report provides sufficient information for readers to understand the company’s management approach to its most material issues and impacts.

Without affecting our assurance opinion, we also provide the following observations:

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

We found evidence that KRC has established an effective process for ongoing stakeholder engagement related to its sustainability commitments. The viewpoints and concerns of a range of internal and external stakeholders are disclosed in the Report including through case studies and the discussion of emerging issues and priorities in the reporting year. We commend KRC for continuing to engage stakeholders across the company’s operations including tenants, employees, and suppliers and demonstrating its commitment to addressing stakeholder priorities such as Health & Wellbeing, Diversity & Inclusion, and Carbon Emissions.

Materiality

The process for determining the issues that are most relevant to an organisation and its stakeholders.

The company conducted a materiality assessment in 2021 which has informed the report content. KRC has a systematic process for integrating non-financial risks and opportunities into decision-making and reporting. The assessment process, including an overview of the stakeholder groups engaged, is described in the report narrative and includes identification of how issue prioritization has shifted in the reporting year. In our opinion, the Report addresses the most material sustainability issues facing the company and its stakeholders

Sustainability context

The presentation of the organization’s performance in the wider context of sustainability.

KRC’s reporting has remained current by aligning with global frameworks such as The Task Force on Climate-related Financial Disclosures (TCFD) and Sustainable Development Goals (SDGs). Furthermore, the information and data presented within the Report adequately reflect the strategy, commitments, and activities carried out by the company in the reporting year. Given KRC’s sector and operational impacts, we consider the disclosures within the Report to be suitable for its sustainability context.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported.

The Report is comprehensive and provides insight on how the company is continuing to manage and monitor its most material issues appropriately. The company has followed good practice in disclosing the impact of the significant events of 2020 on its operations and has excluded, where appropriate and noted, 2020 performance in claiming achievements towards goals and targets (e.g. reductions in water consumption as a result of decreased occupancy rates).

Reliability and quality

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

Overall, we have confidence in the processes in place to ensure reasonable accuracy for the information presented in the Report and data management systems. Goals and performance data are presented objectively, with a clear, comprehensive, and balanced representation of 2020 performance. Given the impact of COVID-19 on occupancy rates of Office Buildings, we recommend that KRC document all calculations and estimations made in the reporting year to ensure continued understanding of year-over-year performance trends and need to re-baseline for sustainability commitments as occupancy resumes to more normal rates.

Our review of the specified data presented in the report resulted in minimal technical errors being identified based on our sampling. These errors have been corrected for the final report.

Based on the processes and procedures conducted with a limited assurance, there is no evidence that the GHG assertions and environmental footprint data are not materially correct, are not a fair representation of GHG and environmental data and that information has not been prepared with the calculation method referenced.



WHEN TRUST MATTERS

Scope and approach

We performed our work using DNV’s assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 (“ISAE 3000”), and the Global Reporting Initiative (“GRI”) Sustainability Reporting Guidelines.

We evaluated the Report for adherence to the VeriSustain™ Principles (the “Principles”) of stakeholder inclusiveness, materiality, sustainability context, completeness, and reliability. We used the Global Reporting Initiative (GRI) Quality of Information Principles (Balance, Clarity, Accuracy, Reliability, Timeliness and Comparability) as criteria for evaluating performance information, together with Lockheed Martin’s data protocols for how the data are measured, recorded and reported. The reporting criteria against which the GHG verification was conducted is the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) Greenhouse Gas – Corporate Accounting Standard.

We understand that the reported financial data and information are based on data from KRC’s 2020 Annual Report which is subject to a separate independent audit process. The review of financial data taken from the company’s Annual Report is not within the scope of our work.

The organizational boundaries are all global sites under KRC’s operational control except where noted. All data were verified for the period between 1 January 2020 to 31 December 2020.

2020 Data In Scope

- Energy consumption, greenhouse gas (GHG) Scope 1, 2, and 3 (Category 13) emissions, waste generated, and water use assertions, as reported in the Performance Tables in Section 6: Appendix, and related claims.
- GRI Indicators
 - 102-40: List of Stakeholder Groups; 102-42: Identifying and Selecting Stakeholders; 102-43: Approach to Stakeholder Engagement; 102-46: Report Content & Boundaries; 102-47: Material Topics
 - 302-1: Energy Consumption; 302-4: Reduction of Energy Consumption
 - 303-5: Water Consumption
 - 305-1: Direct GHG Emissions; 305-2: Indirect GHG Emissions; 305-3: Other Indirect GHG Emissions; 305-5: Reduction of GHG Emissions
 - 306-2: Waste

Data Verified

The environmental footprint claims for KRC’s whole portfolio which includes managed assets, indirectly managed assets, and Life Science assets are listed below.

2020 Greenhouse Gas Emissions

- | | |
|--|----------------------------|
| ▪ Scope 1 Emissions | 3,000 MtCO ₂ e |
| ▪ Scope 2 Emissions (Location-Based) | 23,122 MtCO ₂ e |
| ▪ Scope 2 Emissions (Market-Based) | 0 MtCO ₂ e |
| ▪ Scope 3 Emissions – Downstream Leased Assets (Category 13) | |
| ○ Scope 1 | 10,589 MtCO ₂ e |
| ○ Scope 2 (Location-Based) | 20,667 MtCO ₂ e |
| ○ Scope 2 (Market-Based) | 13,847 MtCO ₂ e |

2020 Energy

- | | |
|---------------------------------|-------------|
| ▪ 2020 Total Energy Consumption | 257,113 MWh |
|---------------------------------|-------------|

2020 Waste

- | | |
|------------------------------|------------|
| ▪ 2020 Total Waste Generated | 5,433 tons |
|------------------------------|------------|

2020 Water

- | | |
|--------------------------|--------------|
| ▪ 2020 Water Consumption | 174,103 kgal |
|--------------------------|--------------|

Responsibilities of Kilroy Realty Corporation and of the Assurance Providers

KRC has sole responsibility for preparation of the Report and selected performance indicators in accordance with the reporting criteria.

In performing our assurance work, our responsibility is to the management of KRC. Our statement, however, represents our independent opinion and is intended to inform all KRCs stakeholders. DNV was not involved in the preparation of any statements or data included in the Report, except for this Assurance Statement. This is our eighth year of providing assurance for KRC’s Report, Energy, Water, and Waste data and fifth year providing assurance for GHG emissions .

Level of Assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a ‘**limited level**’ of assurance. A ‘reasonable level’ of assurance would have required additional work at headquarters and site levels to gain further evidence to support the basis of our assurance opinion.

Independence

DNV’s established policies and procedures are designed to ensure that DNV its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We adopt a balanced approach towards all stakeholders when performing our evaluation.



WHEN TRUST MATTERS

2020 Like-for-Like (LFL): (Buildings are excluded from the LFL portfolio if they were bought or sold within the 2019 or 2020 reporting period, or stabilized in the 2020 reporting period)

Greenhouse Gas Emissions

Scope 1 Emissions	2,627 MtCO ₂ e
Scope 2 Emissions (Location-Based)	19,395 MtCO ₂ e
Scope 2 Emissions (Market-Based)	0 MtCO ₂ e
Scope 3 Emissions - Downstream Leased Assets (Category 13)	
o Scope 1 Emissions	9,273 MtCO ₂ e
o Scope 2 Emissions (Location-Based)	18,026 MtCO ₂ e
o Scope 3 Emissions (Market-Based)	13,359 MtCO ₂ e

Energy

Energy Consumption	238,291 MWh
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Water

Water Consumption	155,279 kgal
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Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at headquarters. We undertook the following activities:

- Review of the current sustainability issues that could affect KRC and are of interest to stakeholders;
- Review of KRC’s approach to stakeholder engagement and recent outputs;
- Review of information provided to us by KRC on its reporting and management processes relating to the Principles;
- Conduct interviews with the Executive Vice President and Chief Financial Officer; Executive Vice President and Chief Administrative Officer; Vice President Risk Management; Director of Planning; and Senior Vice President Sustainability. They are responsible for areas of management and stakeholder relationships covered by the Report. The objective of these discussions was to understand top level commitment and strategy related to corporate responsibility and KRC’s governance arrangements, stakeholder engagement activity, management priorities, and systems;
- Assess documentation and evidence that supported and substantiated claims made in the Report;
- Review the specified data collated at the corporate level, including data gathered by other parties, and statements made in the Report. We interviewed managers responsible for internal data validation, reviewed their work processes, and undertook sample-based audits of the processes for generating, gathering, and managing the quantitative and qualitative sustainability data;
- Provide feedback on a draft of the report based on our assurance scope.

Inherent Limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.




WHEN TRUST MATTERS

In addition, the following methods were applied during the verification of KRC’s GHG Scope 1, 2 and 3 emissions:

- Review of documentation, data records and sources relating to GHG emissions assertions and claims;
- Review of the processes and tools used to collect, aggregate and report on all GHG data and information;
- Assessment of environmental information systems and controls, including:
 - Selection and management of all relevant GHG data and information;
 - Processes for collecting, processing, consolidating, and reporting the relevant environmental data and information;
 - Design and maintenance of the GHG information system;
 - Systems and processes that support the GHG information system.
- Performed sample-based audits of the processes for generating, gathering and managing GHG data;
- Examination of all relevant environmental data and information to develop evidence for the assessment of the GHG claims and assertions made;
- Confirmation of whether or not the organization conforms to the verification criteria.

For and on behalf of DNV GL Business Assurance USA, Inc.
Oakland, CA
7 April, 2021


Natasha D’Silva
Sr. Consultant and Lead Assuror


Shaun Walden
Technical Reviewer

DNV GL Business Assurance

DNV Business Assurance is a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

<https://www.dnv.com/assurance/>



350 MISSION – SOMA, SAN FRANCISCO, CA // LEED PLATINUM, ENERGY STAR, FITWEL

06 Appendix

- Green Bond Documentation
- Carbon Neutrality Statement
- Performance Tables



WHEN TRUST MATTERS

KILROY REALTY CORPORATION GREEN BOND

DNV ASSURANCE OPINION

Scope and objectives

Kilroy Realty Corporation ("KRC" or "Issuer") has issued a \$425 million bond in USD with ISIN: US49427RAQ56 (henceforth referred to as "BOND") and has achieved Pre Issuance Certification against the Climate Bonds Standard (CBS). KRC has submitted the BOND to DNV Business Assurance USA, Inc. ("DNV") for Pre and Post Issuance Verification.

KRC intended to use the proceeds of the BOND to finance a nominated projects and assets falling under the following categories:

- Buildings – Commercial

DNV has been commissioned by KRC to provide verification of the BOND as an independent and approved verifier under the Climate Bonds Standard. Our criteria and information covered to achieve this is described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the BOND, the value of any investments in the BONDS, or the long term environmental benefits of the transaction. Our objective has been to provide an assessment that the BOND has met the criteria of the Climate Bonds Standard and the associated Technical Criteria on the basis set out below.

The scope of this DNV opinion is limited to the Climate Bond Standard Version 3.0 and the following associated Sector Technical Criteria:

- Buildings – Commercial

Responsibilities of the Management of KRC and DNV

The management of KRC has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform KRC management and other interested stakeholders in the BOND as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by KRC. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by KRC's management and used as a basis for this assessment were not correct or complete.



WHEN TRUST MATTERS

Basis of DNV's opinion

DNV has conducted the verification against the CBS v3.0 and associated Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirements of the CBS v3.0 and the associated Sector Technical Criteria. The detail of areas covered in the DNV verification is summarized in Schedule 2 below.

Work undertaken

Our work constituted a high level review of the available information, based on the understanding that this information was provided to us by KRC in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation and execution of a Climate Bonds Standard Protocol, adapted to include the relevant Sector Technical Criteria for the BOND nominated projects and assets, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by KRC on the BOND and supplemented by a high-level desktop research, meetings and correspondence for documentation review and interviews with key personnel from the issuer KRC. These checks refer to current assessment best practices and standards methodology;
- Discussions with KRC management, and review of relevant documentation;
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.



WHEN TRUST MATTERS

Findings and DNV’s opinion

DNV has performed the Pre and Post Issuance Verification of the KRC Green Bond with ISIN: US49427RAQ56. It is DNV’s responsibility to provide an independent verification statement on the compliance of the KRC Green Bond with the Climate Bonds Standard.

DNV conducted the verification in accordance with the Climate Bonds Standard Version 3.0 and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Climate Bonds Standard were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV’s verification approach draws on an understanding of the risks associated with conforming to the Climate Bonds Standard and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the KRC Green Bond meets the requirements of the Climate Bonds Standard.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the KRC Green Bond is not, in all material respects, in accordance with the Pre and Post Issuance requirements of the Climate Bonds Standard Version 3.0 and Associated Buildings - Commercial Criteria.

for DNV Business Assurance USA, Inc

Oakland, CA
2 April 2021

Natasha D’Silva
Sr. Consultant, Sustainability & Supply Chain Services
DNV – Business Assurance

Mark Robinson
Manager, Sustainability Services
DNV – Business Assurance

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers’ decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.



WHEN TRUST MATTERS

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS

Eligible Projects & Assets Category	Sub category	Project name	Emissions Intensity Benchmark Limit (kg CO ₂ e/m ² /yr)	Emissions Intensity Performance (kg CO ₂ e/m ² /yr)	KRC exposure as at 31 March 2021 (\$m)
Buildings	Commercial Low Carbon Buildings	100 Hooper	8.65 ¹	3.94	\$273m
Buildings	Commercial Low Carbon Buildings	On Vine	12.56 ²	2.01	\$241m
Total					\$514m

¹ San Francisco CBI Baseline (base building) for Bond term of 2020 – 2032 <https://www.climatebonds.net/standard/buildings/commercial/calculator>

² Los Angeles CBI Baseline (base building) for Bond term of 2020 – 2032 <https://www.climatebonds.net/standard/buildings/commercial/calculator>



WHEN TRUST MATTERS

SCHEDULE 2: VERIFICATION CRITERIA

Summary criteria for assertions of compliance with the Climate Bonds Standard v3.0

The criteria against which KRC and its nominated projects and assets have been reviewed prior to inclusion in the Bond are grouped under the requirements as detailed within the Climate Bonds Standard Version 2.1 including:

Part A: General Requirements

Area	Requirement
Project Nomination	The Climate Bond issued must specify the project collateral or physical assets with which it is associated
Use of Proceeds	Proceeds must be allocated to Nominated Project(s)
Non-Contamination	Issuers are permitted a grace period to allocate or re-allocate funds to Nominated Project(s)
Confidentiality	The information disclosed to the Verifier and the Climate Bonds Standards Board may be subject to confidentiality arrangements
Reporting	Reporting on use of proceeds and nominated projects and assets

Part B: Low Carbon Contribution - Eligible projects and physical assets

Nominated projects and assets include financing of or investments in equipment and systems which enable the mitigation of greenhouse gasses, as detailed in Appendix B.

Area	Requirement
Low Carbon Buildings (Commercial)	<p>If a city baseline is available for setting emissions intensity performance benchmarks for Green Buildings, that option must be used to demonstrate compliance.</p> <p>For San Francisco, the emissions intensity performance benchmark (base building) for a Bond term of 2020 to 2032 is 8.65 kgCO₂e/m²/yr as per the CBI Low Carbon Buildings Calculator. To qualify, the nominated projects and assets must have an emissions intensity below this benchmark.</p>

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	For Los Angeles, the emissions intensity performance benchmark (base building) for a Bond term of 2020 to 2032 is 12.56 kgCO ₂ e/m ² /yr as per the CBI Low Carbon Buildings Calculator. To qualify, the nominated projects and assets must have an emissions intensity below this benchmark.
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Part C: Bond structures

Area	Requirement
Project Holding	The issuer of a Corporate Climate Bond with Nominated Projects linked to a portfolio of assets must continue to hold eligible assets at least equal to the Fair Market Value at the time of issuance of the original principal
Settlement Period	Climate Bond issuing entities must demonstrate that the proceeds of a Climate Bond have been allocated to the Nominated Project(s) within 24 months after the bond is issued
Earmarking	The Issuer of the bond shall maintain the earmarking process to manage and account for funding to the Nominated Projects & Assets

Available on our website at: https://kilroyrealty.com/sites/default/files/Kilroy%20Green%20Bond%20-%20DNV%20GL%20Assurance%20Opinion_Pre%20%2B%20Post%20Issuance%20v1-1.pdf



6 April 2021

Sara Neff
SVP, Sustainability
Kilroy Realty Corporation
12200 W Olympic Blvd, Suite 200, Los Angeles, CA 90064
United States of America

Dear Sara,

Re: Confirmation of approval for request for Climate Bonds Standard Certification

I'm very pleased to inform you that on 6 April 2021, the Climate Bonds Standard Board approved the Pre and Post Issuance Certification of the proposed 2.500% Green Bond Due 2032 (the bond), as per the application documents and verification report provided by Kilroy Realty, LP. That Certification comes into force once the bond is placed on offer.

Members of the Climate Bonds Standard Board are:

- California State Treasurer Fiona Ma, represented by Deputy Treasurer Tim Schaefer
- Institutional Investors Group on Climate Change (IIGCC), represented by Eric Borremans, of Pictet Asset Management
- International Cooperative and Mutual Insurance Federation, represented by Shaun Tarbuck, CEO
- Investor Group on Climate Change, represented by Talieh Williams of VFMC
- Ceres Investor Network, represented by Peter Ellsworth
- Natural Resources Defense Council, represented by Douglass Sims

I also confirm that the text of the Certification Agreement between the Climate Bonds Standard Board and Kilroy Realty, LP has been agreed.

Accordingly, I confirm that Kilroy Realty, LP may use the “Climate Bond Certified” logo in its information materials about the proposed bond, and we will ensure the bond is identified as a Climate Bond in all listings we manage. Attached for your reference is a guide to usage of the “Climate Bond Certified” logo.

Congratulations and best wishes,

Sean Kidney
CEO, Climate Bonds Initiative

Disclaimer: The Climate Bonds Standard Board operates legally as an advisory committee of the Climate Bonds Initiative Board and oversees the development of the Climate Bonds Standard. Neither the Climate Bonds Standard Board nor any organisation, individual or other person forming part of, or representing, the Climate Bonds Standard Board (together, "CBSB") accepts or owes any duty, liability or responsibility of any kind whatsoever to any issuer which wishes to apply for any of its bonds to be certified under the Climate Bonds Certification Scheme ("Scheme"), or to any issuer whose bonds may at any time be certified under the Scheme or to any other person or body whatsoever, whether with respect to the award or withdrawal of any certification under the Scheme or otherwise. All advice or recommendations with respect to any certification under the Scheme or otherwise that CBSB provides to the Climate Bonds Initiative Board is provided to it in an advisory capacity only and is not to be treated as provided or offered to any other person

72 Muswell Hill Place, London N10 3RR United Kingdom | www.climatebonds.net

The Climate Bonds Initiative is a not-for-profit company registered in the United Kingdom. Companies House number 7455730



WHEN TRUST MATTERS

Independent Limited Assurance Report

to the Management of Kilroy Realty Corporation

Kilroy Realty Corporation (KRC) commissioned DNV Business Assurance USA, Inc (“DNV”, “us” or “we”) to conduct a limited assurance engagement over the declaration of carbon neutrality in the **Qualifying Explanatory Statement** (the “Report”) for **Kilroy Realty Corporation (NYSE: KRC)** for the achievement period ending 31, Dec 2020.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Report is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. This conclusion relates only to the Report, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained below.

Scope of work

The scope and boundary of our work is restricted to assessing that KRC’s preparation of the declaration of carbon neutrality presented in the Report, is in accordance with the Publicly Available Specification (PAS) 2060:2014 Demonstration of Carbon Neutrality (the “Criteria”).

The Scope of the Carbon Neutrality claim is for the organization of **Kilroy Realty Corporation (NYSE: KRC)** based in United States of America.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on KRC’s websites for the current reporting period or for previous periods. Our work also excluded assessing the reliability of the inputs of the carbon footprint model.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Report; our work included, but was not restricted to:

- Conducting interviews with KRC’s management to obtain an understanding of the key processes, systems and controls in place to generate and produce the content of the Report;
- Conducting interviews with the third party in charge of maintaining and updating the carbon footprint model, used in the production of the Report;
- Assessing whether the standards and methodologies used in the carbon footprint model met the Criteria;
- Performing limited substantive testing of the carbon footprint model to check that its data and underlying assumptions had been appropriately measured, recorded and reported; and
- Reviewing that the evidence, calculations and the context provided in the Report is prepared in line with the Criteria.

Our competence, independence and quality control

DNV’s policies and procedures are designed to ensure that DNV, its personnel and others where applicable, are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where necessary by relevant ethical requirements. This engagement was carried out by an independent team of sustainability assurance professionals. DNV holds other contracts with KRC, none of which conflict with the scope of this work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by KRC have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.



WHEN TRUST MATTERS

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

DNV Business Assurance Services USA, Inc

Houston, TX
7 April 2021

Lead Verifier
(Shruthi Poonacha Bachamanda)

Technical Reviewer
(Shaun Walden)

Responsibilities of KRC Management and DNV

The Management of **KRC** have sole responsibility for:

- Preparing and presenting the Report in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Report that is free from material misstatements;
- Measuring and reporting the Report’s data based on the established Criteria; and
- Contents and statements contained within the Report.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Report has been prepared in accordance with the Criteria and to report to KRC in the form of an Independent Limited Assurance Report, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV Business Assurance

DNV Business Assurance Services USA, Inc is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

2020 EMISSIONS PERFORMANCE

SCOPE 1 AND SCOPE 2 EMISSIONS

Office	Absolute Consumption ¹					Like-for-Like Consumption		
	2019	2020				2019	2020	
	Emissions (Tonnes)	Emissions (Tonnes)	Data Coverage (sf)	Max Coverage (sf)	Total Coverage	Emissions (Tonnes)	Emissions (Tonnes)	Like-for-Like Change (%)
Scope 1 ²	3,383	2,961	6,532,698	6,532,698	100%	3,085	2,707	-12.24%
Scope 2 (Location-Based) ³	27,756	22,263	9,135,475	9,135,475	100%	23,944	18,617	-22.25%
Scope 2 (Market-Based) ⁴	22,204	20,215	9,135,475	9,135,475	100%	21,494	16,795	-21.85%

Life Sciences	Absolute Consumption					Like-for-Like Consumption		
	2019	2020				2019	2020	
	Emissions (Tonnes)	Emissions (Tonnes)	Data Coverage (sf)	Max Coverage (sf)	Total Coverage	Emissions (Tonnes)	Emissions (Tonnes)	Like-for-Like Change (%)
Scope 1	78	39	114,175	114,175	100%	39	78	99.24%
Scope 2 (Location-Based)	962	859	114,175	114,175	100%	859	962	11.93%
Scope 2 (Market-Based)	962	859	114,175	114,175	100%	859	962	11.93%

Whole Portfolio	Absolute Consumption					Like-for-Like Consumption		
	2019	2020				2019	2020	
	Emissions (Tonnes)	Emissions (Tonnes)	Data Coverage (sf)	Max Coverage (sf)	Total Coverage	Emissions (Tonnes)	Emissions (Tonnes)	Like-for-Like Change (%)
Scope 1	3,461	3,000	6,646,873	6,646,873	100%	3,124	2,786	-10.84%
Scope 2 (Location-Based)	28,718	23,122	9,249,650	9,249,650	100%	24,803	19,579	-21.06%
Scope 2 (Market-Based)	21,768	-	9,249,650	9,249,650	100%	20,956	-	-100.00%

Total Carbon Emissions Whole Portfolio (Scope 1 + Scope 2 market-based)	25,229	3,000	9,249,650	9,249,650	100%	24,080	2,786	-88.43%
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¹The absolute portfolio includes all buildings owned for any portion of 1/1/2019-12/31/2019. These assets total 14,656,725 square feet. Of these assets, 63.9% are directly managed office assets and 26.6% are indirectly managed office assets. The remaining 9.2% are life science assets, of which 8.5% are directly managed and 91.5% are indirectly managed. Buildings are excluded from the like for like portfolio if they were bought or sold within the current or previous reporting period, or stabilized in the reporting period.

²Scope 1 emissions are related to the natural gas consumption of our directly managed properties. Scope 2 emissions are related to the electricity consumption of our directly managed properties. The energy consumption of our indirectly managed properties is part of our Scope 3 emissions, which are not included in this report.

³We utilize the EPA guidelines, via Energy Star Portfolio Manger’s Reporting tool, to generate location-based Scope 1 and Scope 2 emissions data. Full details on how Portfolio Manager calculates greenhouse gas emissions can be found here: <https://www.energystar.gov/buildings/facility-owners-and-managers/existing-buildings/useportfolio-manager/understand-metrics/how>.

⁴We calculate market-based GHG emissions by subtracting the following from our scope 2 location-based emissions: 1) the emissions of any directly-managed building enrolled in a Green-e certified utility program providing a higher proportion of renewable energy and 2) the value of any Green-e certified Renewable Energy Certificates purchased in the reporting year. Green-e® certified renewable energy and carbon offset products meet the most stringent environmental and consumer protection standards in North America. More information is available at [www. green-e.org](http://www.green-e.org).

SCOPE 3 EMISSIONS

Office, Retail, Residential	Absolute Consumption					Like-for-Like Consumption		
	2019	2020				2019	2020	
	Emissions (Tonnes)	Emissions (Tonnes)	Data Coverage (sf)	Max Coverage (sf)	Total Coverage	Emissions (Tonnes)	Emissions (Tonnes)	Like-for-Like Change (%)
Emissions Associated with Natural Gas Consumption	4,846	5,393	4,443,336	4,793,552	93%	4,382	4,077	-6.96%
Emissions Associated with Electricity Consumption without offsets	14,288	13,457	5,225,065	5,227,640	100%	13,100	10,816	-17.43%
Emissions Associated with Electricity Consumption with offsets	7,221	6,638	5,255,065	5,227,640	100%	7,221	6,149	-14.85%

Life Sciences	Absolute Consumption					Like-for-Like Consumption		
	2019	2020				2019	2020	
	Emissions (Tonnes)	Emissions (Tonnes)	Data Coverage (sf)	Max Coverage (sf)	Total Coverage	Emissions (Tonnes)	Emissions (Tonnes)	Like-for-Like Change (%)
Emissions Associated with Natural Gas Consumption	4,918	5,196	966,209	966,209	100%	4,918	5,196	5.65%
Emissions Associated with Electricity Consumption without offsets	7,226	7,210	966,209	966,209	100%	7,226	7,210	-0.22%
Emissions Associated with Electricity Consumption with offsets	7,226	7,210	966,209	966,209	100%	7,226	7,210	-0.22%

Whole Portfolio	Absolute Consumption					Like-for-Like Consumption		
	2019	2020				2019	2020	
	Emissions (Tonnes)	Emissions (Tonnes)	Data Coverage (sf)	Max Coverage (sf)	Total Coverage	Emissions (Tonnes)	Emissions (Tonnes)	Like-for-Like Change (%)
Emissions Associated with Natural Gas Consumption	9,764	10,589	5,409,545	5,759,761	94%	9,300	9,273	-0.29%
Emissions Associated with Electricity Consumption without offsets	21,514	20,667	6,191,274	6,193,849	100%	20,325	18,026	-11.31%
Emissions Associated with Electricity Consumption with offsets	14,447	13,847	6,191,274	6,193,849	100%	14,447	13,359	-7.53%

2020 ENERGY PERFORMANCE

Managed Assets			Absolute Consumption				Like-for-Like Consumption¹		
			2019	2020			2019	2020	
			Consumption (MWh)	Consumption (MWh)	Data Coverage (sf)	Max Coverage (sf)	Consumption (MWh)	Consumption (MWh)	Like-for-Like Change (%)
Whole Building	Combined Consumption Common Area & Tenant Space	Fuels	18,662	16,334	6,314,941	6,314,941	18,662	16,334	-12.47%
		District Heating & Cooling	73,508	59,383	4,678,191	4,678,191	73,508	59,383	-19.21%
		Electricity	43,926	35,250	5,171,634	5,171,634	43,924	36,294	-17.37%
Total Energy Consumption Managed Office Assets			136,096	110,967			136,093	112,012	-17.69%

Indirectly Managed Assets		Absolute Consumption				Like-for-Like Consumption		
		2019	2020			2019	2020	
		Consumption (MWh)	Consumption (MWh)	Data Coverage (sf)	Max Coverage (sf)	Consumption (MWh)	Consumption (MWh)	Like-for-Like Change (%)
Whole Building	Fuels	26,722	29,770	4,539,722	4,795,097	24,162	22,452	-7.07%
	Electricity	60,080	56,429	5,149,111	5,227,640	54,229	43,881	-19.08%
Total Energy Consumption Indirectly Managed Office Assets		86,803	86,200			78,391	66,333	-15.38%
Total Energy Consumption Whole Office Portfolio		222,898	197,167			214,484	178,345	-16.85%

Life Science Assets		Absolute Consumption				Like-for-Like Consumption		
		2019	2020			2019	2020	
		Consumption (MWh)	Consumption (MWh)	Data Coverage (sf)	Max Coverage (sf)	Consumption (MWh)	Consumption (MWh)	Like-for-Like Change (%)
Whole Building	Fuels	27,562	28,881	1,080,384	1,080,394	27,562	28,881	4.79%
	Electricity	31,395	31,065	1,080,384	1,080,384	31,395	31,065	-1.05%
Total Energy Consumption Life Science Assets (Directly & Indirectly Managed)		58,957	59,946			58,957	59,946	1.68%
Total Energy Consumption Whole Office Portfolio		281,855	257,113	16,079,320	16,157,849	273,441	238,291	-12.85%

¹Energy consumption is calculated via utility bills by our third party utility billing vendor, Goby, or internally by KRC team members. Energy reductions are calculated via comparing the January-December bills for the like for like portfolio. Buildings are excluded from the like for like portfolio if they were bought or sold within the current or previous reporting period, or stabilized in the reporting period.

2020 WATER PERFORMANCE

Managed Assets		Absolute Consumption				Like-for-Like Consumption ¹		
		2019	2020			2019	2020	
		Consumption (kgal)	Consumption (kgal)	Data Coverage (sf)	Max Coverage (sf)	Consumption (kgal)	Consumption (kgal)	Like-for-Like Change (%)
Whole Building	Combined Potable Consumption Common Areas + Tenant Space	120,715	80,833	10,044,392	10,044,392	118,976	76,005	-36.1%
Total Potable Water Consumption Whole Building		120,569	80,650	10,044,392	10,044,392	118,830	76,005	-36.0%
Total Reclaimed Water Consumption Managed Assets		146	183			146		
Total Water Consumption Managed Assets ²		120,715	80,833	10,044,392	10,044,392	118,976	76,005	-36.1%

Indirectly Managed Assets		Absolute Consumption				Like-for-Like Consumption		
		2019	2020			2019	2020	
		Consumption (kgal)	Consumption (kgal)	Data Coverage (sf)	Max Coverage (sf)	Consumption (kgal)	Consumption (kgal)	Like-for-Like Change (%)
Whole Building	Potable Common Areas	53,963	33,450	5,074,187	5,074,187	45,852.10	22,591	-50.7%
	Potable Outdoor/Exterior Areas/ Parking	30,850	35,782	5,074,187	5,074,187	26,899	32,645	-21.4%
Total Potable Water Consumption Indirectly Managed Assets		80,476	66,326	5,074,187	5,074,187	68,082	52,331	-23.1%
Total Reclaimed Water Consumption Indirectly Managed Assets		4,337	2,905			4,670	2,905	-37.8%
Total Water Consumption Indirectly Managed Assets		84,813	69,232	5,074,187	5,074,187	72,751	55,236	-24.1%

Total Potable Water Consumption Whole Office Portfolio	201,044	146,977			186,911	128,336	-31.3%
Total Reclaimed Water Consumption Whole Office Portfolio	4,483	3,089			4,816	2,905	-39.7%
Total Water Consumption Whole Office Portfolio	205,527	150,065			191,727	131,241	-31.5%

Life Science		Absolute Consumption				Like-for-Like Consumption		
		2019	2020			2019	2020	
		Consumption (kgal)	Consumption (kgal)	Data Coverage (sf)	Max Coverage (sf)	Consumption (kgal)	Consumption (kgal)	Like-for-Like Change (%)
Whole Building	Potable Common Areas	28,793	20,394	1,501,982	1,501,982	28,781	20,394	-29.1%
	Potable Outdoor/Exterior Areas/Parking	3,376	3,644	1,501,982	1,501,982	3,376	3,644	7.9%
Total Potable Water Consumption Life Science Assets (Directly & Indirectly Managed)		32,169	24,038	1,501,982	1,501,982	32,157	24,038	-25.2%

Total Water Usage Whole Portfolio	237,696	174,103	16,620,561	16,620,561	223,884	155,279	-30.6%
Total Reclaimed Water Percentage Whole Portfolio	1.95%	1.77%					

¹Water consumption is calculated via utility bills by our third party utility billing vendor, Goby and Codegreen, or by the internal KRC team. Water reductions are calculated via comparing the January-December bills for the like-for-like portfolio. Buildings are excluded from the like-for-like portfolio if they were bought or sold within the current or previous reporting period, or stabilized in the reporting period.

²In both 2019 and 2020, our reported reclaimed water was all municipally-supplied and the information on the amount of reclaimed water was taken from our utility bills. We are currently unable to track the volume of our two onsite rainwater collection systems.

2020 WASTE PERFORMANCE

		Absolute Measurement ¹	
		2019 Weight (Tons)	2020 Weight (Tons)
Office Managed Assets	Total Weight of All Waste (tons)	5,044	2,857
	Total Diverted	52.2%	49.6%
	% Managed portfolio covered		100.0%
Office Indirectly Managed	Total Weight of All Waste (tons)	2,589	2,002
	Total Diverted	32.4%	30.7%
	% Indirectly Managed portfolio covered		86.3%

		Absolute Measurement	
		2019 Weight (Tons)	2020 Weight (Tons)
Life Science	Total Weight of All Waste (tons)	704	574
	Total Diverted	34.6%	27.9%
	% Life Science Portfolio Covered		100.0%

Proportion of waste by disposal route (% of total by weight)

Whole Portfolio	Total Weight of All Waste (tons)	8,337	5,433
	Landfill	55.5%	59.7%
	Total Diverted	44.5%	40.3%
	Diverted - Recycling	23.6%	22.8%
	Diverted - Compost	20.7%	17.5%
	% Whole Portfolio Covered		95.26%

¹ We utilize the EPA guidelines, via their WasteTracker tool, for the estimated weight of trash, recycling and composting bins. The EPA guidelines can be found here: https://www.epa.gov/sites/production/files/2016-04/documents/volume_to_weight_conversion_factors_memo_randum_04192016_508fml.pdf

