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**GREEN BOND  
FRAMEWORK**  
OCTOBER 2023

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# INTRODUCTION

## **SUSTAINABILITY AND IMPACT STRATEGY**

As the largest publicly traded developer, owner, and manager of premier workplaces in the United States, Boston Properties, Inc. ("BXP")<sup>1</sup> actively works to promote our growth and operations in a sustainable and responsible manner across our six regions. BXP's sustainability & impact strategy is to conduct our business and the development and operation of new and existing buildings in a manner that contributes to positive economic, social, and environmental outcomes for our customers, shareholders, employees, and the communities we serve.

Our investment philosophy is shaped by our core strategy of long-term ownership and our commitment to our communities and the centers of commerce and civic life that make them thrive. We are focused on developing and maintaining healthy, high-performance buildings, while simultaneously mitigating operational costs and the potential external impacts of energy, water, waste, greenhouse gas ("GHG") emissions, and climate change. BXP and its employees also make a social impact through charitable giving, volunteerism, public realm investments, and promoting diversity and inclusion at our workplace and in the community.

We continue to address the needs of our stakeholders by making efforts to improve our performance across three pillars: climate action, resilience, and social good. Through these efforts, we demonstrate that operating and developing commercial real estate can be conducted with conscious regard for the environment and wider society while mutually benefiting our stakeholders.

<sup>1</sup>BXP is the sole general partner and also a limited partner of Boston Properties Limited Partnership ("BPLP"), the issuer of the Green Bonds. As the sole general partner of BPLP, BXP has exclusive control of BPLP's day-to-day management. Therefore, unless stated otherwise or the context requires, references in this Framework to "BXP," "we" and "our" mean collectively BXP, BPLP, and their subsidiaries.

# GREEN BOND FRAMEWORK

BPLP may, from time to time, issue Green Bonds consistent with BXP's Green Bond Framework (the "Framework"). This Framework is intended to govern the terms applicable to our Green Bond issuance(s), including the manner in which we propose to allocate net proceeds to the financing and refinancing of "Eligible Green Projects," define "Eligible Green Projects," and the related tracking and reporting obligations.

Our Framework aligns with the June 2021 Green Bond Principles ("GBP") issued by the International Capital Markets Association ("ICMA"), which are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond.

Our Framework includes the following four core components of the June 2021 GBP:

- 1. USE OF PROCEEDS** - The utilization of the proceeds of the bond to "Eligible Green Projects" as defined on Page 4, that provide clear environmental benefits, which will be assessed and, where feasible, quantified by the issuer.
- 2. PROCESS FOR PROJECT EVALUATION AND SELECTION** - The issuer of a Green Bond should clearly communicate to investors:
  - The environmental sustainability objectives of the "Eligible Green Projects;"
  - The process by which the issuer determines how the projects fit within the "Eligible Green Projects" categories; and
  - Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s).
- 3. MANAGEMENT OF PROCEEDS** - The net proceeds of the Green Bond, or an amount equal to these net proceeds, should be tracked by the issuer and attested to by the issuer in a formal internal process linked to the issuer's lending and investment operations for "Eligible Green Projects." So long as the Green Bond is outstanding, the balance of the tracked net proceeds should be periodically adjusted to match allocations to eligible Green Projects made during that period. The GBP encourages a high level of transparency and recommends that an issuer's management of proceeds be supplemented by the use of an external auditor, or other third party, to verify the internal tracking method and the allocation of funds from the Green Bond proceeds.
- 4. REPORTING** - Issuers should make and keep readily available, up-to-date information on the use of proceeds, to be renewed annually until full allocation and on a timely basis in case of material developments. The annual report should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.

This Framework may be updated from time to time to, among other things, better align with our sustainability values and sustainable finance best practices, as each may evolve.

# GREEN BOND PRINCIPLES ALIGNMENT

## 1. USE OF PROCEEDS

BXP will allocate an amount equal to the net proceeds of Green Bond issuance(s) to one or more "Eligible Green Projects," as defined below. Pending such allocation to Eligible Green Projects, the net proceeds may initially be used for general corporate purposes, which may include the repayment of outstanding indebtedness and/or the funding of development or redevelopment projects or other investment opportunities.

"Eligible Green Projects" are defined as (i) investments in acquisitions of buildings; (ii) building developments or redevelopments; (iii) renovations in existing buildings; and (iv) tenant improvement projects, in each case, that have received, or are expected to receive, in the three years prior to the issuance of the notes or during the term of the notes, a LEED Gold or Platinum certification (or environmentally equivalent successor standards).

The objective of LEED-certified projects is to contribute to the reduction of GHG emissions and the conservation of resources. These projects provide clear environmental benefits, which will be assessed and, where feasible, quantified by BXP within "Green Bond Allocation Reports" as defined on Page 5.

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

To determine the allocation of net proceeds from an offering to Eligible Green Projects, our Sustainability department makes recommendations to our senior management, and our senior management team makes the final determination as to which Eligible Green Projects will be allocated all or a portion of the net proceeds from an offering and the amount of the net proceeds to be allocated to each Eligible Green Project selected. Per the GBP, green buildings that meet regional, national, or internationally recognized standards or certifications for environmental performance are an accepted Eligible Green Project category and the LEED Rating System meets this criterion.

Consideration for environmental and social risk associated with Eligible Green Projects is embedded into BXP's operations, as we strive to embed ESG in every aspect of our business:

- **OPERATIONS:** At our existing properties, property teams work together to improve energy, water, and waste consumption, while also monitoring indoor air quality, implementing healthy building strategies, and surveying for client satisfaction to drive environmental and social improvements at each property.
- **DEVELOPMENT:** We use our New Development Requirements and Tenant Design & Construction Requirements to guide the ESG objectives for every development, tenant improvement, and major repositioning project. For all development projects, BXP collects metrics on the social impacts and public benefits of our activities.
- **ACQUISITIONS:** We integrate ESG criteria into the due diligence and underwriting process through property condition assessments, phase 1 environmental site assessments, and climate risk scoring.

We will evaluate and select eligible projects in accordance with this Framework and in the context of our broader ESG monitoring and risk management approach.

# GREEN BOND PRINCIPLES ALIGNMENT (CONT.)

## 3. MANAGEMENT OF PROCEEDS

BXP will allocate an amount equal to the net proceeds from Green Bond issuances to Eligible Green Projects selected in accordance with the eligibility criteria and evaluation and selection process presented in this Framework. These projects may include the financing of new developments, acquisitions, redevelopments or renovations, and tenant improvement projects, as well as refinancing of such projects. As long as the notes are outstanding, internal records will show the allocation of the portion of the amount equal to the net proceeds from Green Bond issuances to Eligible Green Projects. As noted on Page 4, pending allocations to Eligible Green Projects, we may initially use the net proceeds from an offering for general corporate purposes. Net proceeds allocated to previously incurred costs associated with Eligible Green Projects are available for other uses.

Any payment of principal and interest on Green Bonds will be made from our general funds and will not be directly linked to the performance of any Eligible Green Projects.

BXP's allocation of proceeds will be supplemented by an external auditor to verify the internal tracking method and the proper allocation of funds from Green Bond proceeds.

## 4. REPORTING

During the term of the Green Bonds, BXP will publish an allocation report ("Green Bond Allocation Report") annually until all net proceeds have been allocated. The Green Bond Allocation Report will provide an update on the allocation of net proceeds for each Green Bond. We strive to publish each inaugural Green Bond Allocation Report within one year of the receipt of net proceeds from Green Bonds. The Green Bond Allocation Reports will include the following items:

- A list of Eligible Green Projects allocated;
- The total amount of allocated net proceeds;
- The balance of unallocated net proceeds.

In addition, the Green Bond Allocation Report will include the achieved or anticipated, as applicable, level of LEED certification and, where feasible, any impact metrics relevant to the Eligible Green Project(s) funded with the net proceeds from the offering, which may include quantifying the environmental results or savings (Key Performance Indicators, "KPIs") from the Eligible Green Project(s) on one or more of the following impact metrics: energy, carbon emissions and water. The definition, calculation, methodology, and reporting of KPIs will be at our sole discretion.

This post-issuance reporting information will be externally reviewed and will be publicly available on our web page at <https://www.bxp.com/commitment>.

# DISCLAIMERS

The information and opinions contained herein are provided as of the date of this Framework and are subject to change without notice. BXP does not undertake to update or revise any such statements. This Framework represents BXP's current policy, strategy, and intent and is not intended to create legal rights or obligations. This Framework may contain or incorporate by reference public information not separately reviewed, approved, or endorsed by BXP, and no representation, warranty, or undertaking is made by BXP as to the accuracy, reasonableness, or completeness of such information.

The commitments presented in this Framework are aspirational and not guarantees or promises that such commitments will be achieved. Further, historical, current, and forward-looking information included in this Framework may be based on standards and practices for measuring progress, internal controls, and other processes that continue to evolve, and assumptions that are subject to change. Therefore, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this Framework can or will be achieved.

This Framework 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, including statements related to BXP's sustainability strategies, initiatives, commitments, and targets. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with those safe harbor provisions, in each case, to the extent applicable.

All statements other than statements of historical or current facts, including statements regarding our plans, initiatives, projections, targets, goals, commitments, expectations, or prospects, are forward-looking. You can identify these statements by our use of the words "believe," "commit," "ensure," "expect," "goal," "intend," "may," "project," "target," "will" and similar expressions that do not relate to historical matters. These forward-looking statements reflect management's current expectations and are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, achievement, outcomes, or occurrences, which may be affected by known and unknown risks, trends, uncertainties, and factors that are, in some cases, beyond BXP's control. Should one or more of these known or unknown risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied by the forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, with respect to BXP's ability to successfully meet its goals, targets, and commitments (including within the expected timeframe): changes in laws, regulations, prevailing standards or public policy, the alignment of the scientific community on measurement and reporting approaches, the complexity of commodity supply chains and the evolution of and adoption of new technology, including traceability practices, tools and processes, evolving sustainability strategies, changes in carbon and renewable energy markets, and other changes in circumstances. Additional discussions of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements appear in BXP's filings with the Securities and Exchange Commission, including BXP's Annual Report on Form 10-K for the most recently completed fiscal year under the heading "Risk Factors" and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Forward-Looking Statements" and in subsequent quarterly reports on Form 10-Q. BXP does not undertake a duty to update forward-looking statements.





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