

Hines Asia Property Partners

2023 ESG REPORT

Hines





Front cover image: Aquaria Tower, Yokohama

We are pleased to share with you our 2023 Fund ESG Report for Hines Asia Property Partners (HAPP or the Fund), in which we discuss our sustainability commitments, progress and priorities ahead.

At Hines, we strive toward sustainability through the lens of our commitment and responsibility for the assets we own, manage, and develop to create and protect value for our stakeholders. As conscientious stewards of our built environment, we believe that prioritizing ESG (Environmental, Social, and Governance) in our decision-making is essential. This is why we are committed to integrating ESG due diligence with our investment and underwriting process. With Hines’ dedicated global ESG resources and best practices, the Fund is well positioned to execute in Asia, a diverse region where ESG aspirations and practices vary across countries.

Over the past year, the Fund has made significant strides in implementing sustainability initiatives across our investments and operations.

Building on the progress made in 2022, HAPP completed its inaugural GRESB submission and reclassified as an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (SFDR). These frameworks and reporting disclosures help align HAPP with regulations, investor expectations, and industry best practices.

The Fund has also obtained Green Building Certificates (GBCs) for 31 properties, which represent more than 90% of the Fund’s Gross Asset Value (GAV) as of 2023. Notably, our teams achieved LEED O+M Gold and CASBEE Superior respectively for the Fund’s two renovated assets, Westgate Tower and Aquaria Tower Yokohama. We aim to secure GBCs for our entire portfolio by the end of 2024.

HAPP actively engaged tenants in decarbonization efforts, including integration of green lease clauses in new or renewal leases. To this end, the Fund has signed such leases representing 76,000 sqm or about 21% of its portfolio Net Lettable Area (NLA), which greatly

facilitates important collaboration between the Fund and its tenants as required to achieve our common ESG goals.

As we continue to grow the Fund’s portfolio, sustainability will be a core part of our investment strategy. Looking ahead, we remain focused on integrating ESG further into the Fund’s investment life cycle and adopting the best practices for decarbonization. Thank you for your support and we look forward to reporting on our future progress.

Simon Shen
Fund Manager
Hines Asia Property Partners

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ESG Strategy,
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About Hines Asia

HAPP Overview



HAPP Overview

Creating value across diverse market sectors

Hines Asia Property Partners FCP-RAIF (HAPP or the Fund) is an open-ended real estate fund targeting a diversified portfolio of office, industrial, living, and other asset classes across the Asia Pacific region.

Since 2021, the Fund has built on Hines' deep expertise in developing, operating, and managing buildings to reposition and enhance existing assets. ESG performance is a primary means of value creation and helps the Fund meet current and future market expectations.



HAPP AT A GLANCE

Fund Presence



Hines Asia offices by country

- Australia
- Greater China
- India
- Japan
- New Zealand
- Singapore
- South Korea
- Vietnam

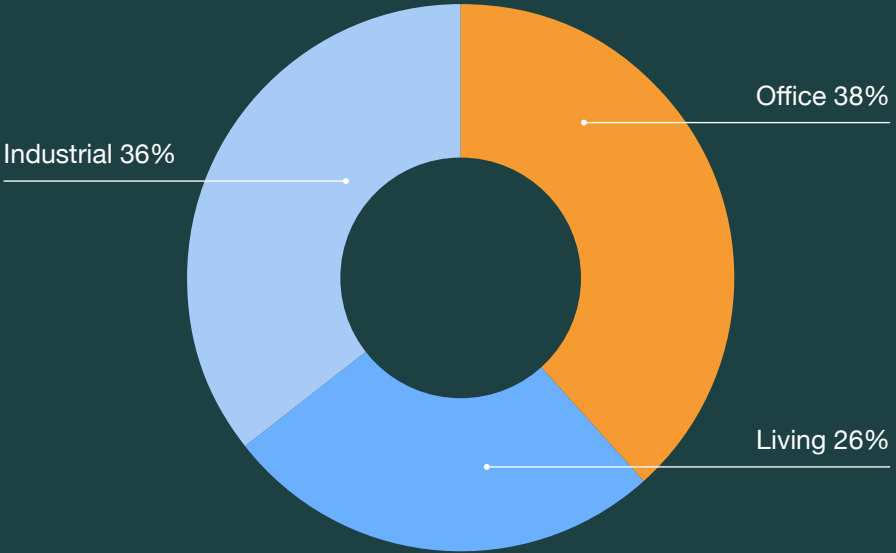
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HAPP assets by city

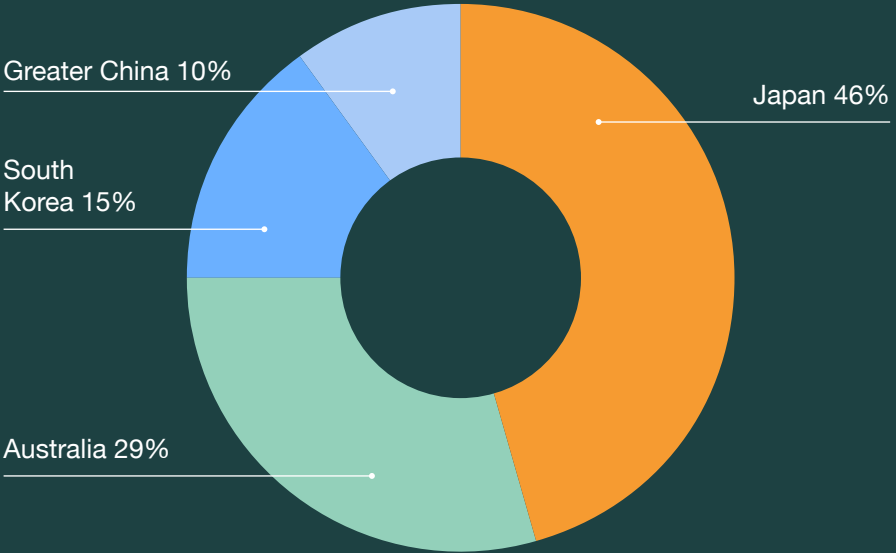
- | | |
|------------|-----------|
| Brisbane | Kuki |
| Fujimino | Kyoto |
| Fukuoka | Melbourne |
| Hanyu | Nagoya |
| Higashiōmi | Osaka |
| Hong Kong | Seoul |
| Kakegawa | Sydney |
| Kasukabe | Tokyo |
| Kazo | Yokohama |

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Asset Allocation by Sector



Asset Allocation by Country



GAV
in US dollars

\$1.4 B

Total Lettable Area (sqm)¹

331K

Occupancy¹

96%

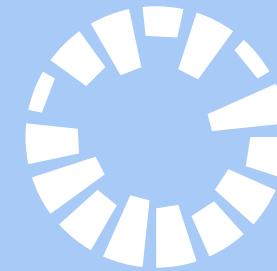
First-time Awards

- CASBEE** CASBEE Superior certification at Aquaria Tower
-  **LEED Gold** certification at Westgate Tower
-  **WELL Health-Safety Rating** for Dash Living on Prat and 50 Ann Street

Characterized as an **Article 8 Fund** under the SFDR

Signed **green leases** for 76K sqm of managed assets

31
green building
certifications,
covering
90%
of portfolio GAV



G R E S B
R E A L E S T A T E

Participated
in **GRESB**
submission
for the first
time

2021

Hines Asia Property Partners launches on April 21.

2022

ESG strategy and framework created and formally adopted for the Fund.

HAPP conducts a portfolio analysis to develop green building certification targets and carbon reduction pathways for select properties.

2023

HAPP completes the renovation at Aquaria Tower Yokohama and obtains the Fund's first CASBEE Superior certification.

The Fund submits to GRESB for the first time.

HAPP is reclassified as an SFDR Article 8 Fund.

HAPP completes the renovation at Westgate Tower in 2022 and obtains the Fund's first LEED Gold certification in March 2024.

The Fund obtains its first WELL Health-Safety Rating for Dash Living on Prat in 2023 and 50 Ann Street in January 2024.

Japan Residential Portfolio 3, Kyoto



ESG Strategy, Governance, and Priorities

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Our ESG Strategy

Integrating ESG across the asset life cycle

Our Fund team keeps ESG factors front of mind as we build out the HAPP portfolio and execute our business plans. Hines’ Global ESG resources and best practices help us consistently apply our comprehensive strategy across a region where ESG aspirations and practices vary widely.

We believe the built environment can fulfill the dual purpose of helping to mitigate climate impacts and serving as a platform for social value creation. We look to embed ESG considerations into our assets at every stage and engage partners to advance sustainable practices within our asset communities.



Westgate Tower, Seoul

ESG Alignment Across Our Firm

Revisiting Hines’ material areas and revising the global ESG framework

Like all Hines investment entities and funds, HAPP supports certain firm-wide ESG goals, objectives, and commitments. Our investment strategy reflects Hines’ Responsible Investment Statement, which ensures we consider ESG issues across our investment decisions. We are also committed to implementing the United Nations Principles for Responsible Investment (UN PRI), as Hines is a UN PRI signatory.

At the end of 2023, Hines conducted a double materiality assessment to revisit and realign sustainability priorities and ensure the firm’s business, stakeholder, and market expectations are being met – and exceeded. The Global ESG team is leveraging these results to refine our firm-wide sustainability strategy and build a new ESG framework that will guide sustainability efforts and priorities at Hines.

Learn more about the materiality and framework updates at [Hines.com/ESG](https://hines.com/ESG).



Our ESG Policy and EMS

The Fund, together with Hines’ Global ESG specialists and industry consultants, developed HAPP’s ESG strategy and implementation framework. This framework has been formalized and documented as the Fund’s Environmental Management System (EMS) aligned with ISO14001:2015 standard.

HAPP’s EMS has become an integral part of our Fund’s investment process, including new investment underwriting, due diligence, and implementation of major capital projects within our portfolio.

Together, our ESG strategy and EMS provide a foundation for clearly defining our commitments, responsibilities, and objectives and communicating them to our internal and external stakeholders.



2023 HIGHLIGHT

Integrating ESG More Deeply into Our Investment Strategy

In 2023, HAPP collaborated with Hines’ Global ESG and country teams to drive ESG integration initiatives. We expanded our ESG training program to help our employees leverage firm-wide tools to integrate ESG considerations throughout the entire investment cycle.

As part of this effort, we utilized the firm’s newly enhanced **Investment Management ESG Template** to facilitate a more nuanced evaluation of ESG factors in our investment strategy. The template utilizes Hines’ **Carbon Impact Assessment Tool**, powered by the Carbon Risk in Real Estate Monitor (CRREM), which helps us understand stranding risk for HAPP assets. It also incorporates third-party research data and clarifies key ESG theses and quantitative metrics.

External ESG Frameworks, Alignment, and Achievements

HAPP utilizes external ESG governance frameworks and benchmarks to hold ourselves accountable, disclose our objectives, report our progress, and promote continuous improvement. We communicate our ESG targets and achievements to stakeholders through several channels including tenant and investor meetings, outreach, and events. Accountability has been embedded in our employee reviews which includes sustainability related KPIs. The Fund uses recognized industry initiatives including the Global Real Estate Sustainability Benchmark (GRESB) to benchmark performance. We completed our initial GRESB submission in June 2023 for the 2022 reporting period and are in the midst of submitting 2023 data.



Aligned with SFDR Article 8

The Sustainable Finance Disclosure Regulation (SFDR) is a transparency framework initiated by the European Union to provide a consistent structure for how investment entities disclose sustainability information, so investors can make informed choices about ESG-related factors in investments.

Previously classified as an Article 6 fund, HAPP became reclassified as an Article 8 fund under SFDR in 2023. This demonstrates our compliance with ESG disclosures and our commitment to transparent ESG reporting annually. The new characterization elevates our ESG commitment to include specific goals around key areas:

- Green leases
- Building certifications
- Operational carbon
- Embodied carbon
- Stakeholder well-being
- ESG benchmarking

This report is aligned with the European Association for Investors in Non-Listed Real Estate Vehicles’ (INREV) reporting guidelines.





Aligned with The UN SDGs

Like our firm, HAPP supports the ambitious vision of the United Nations’ Sustainable Development Goals (SDGs). We prioritize SDGs that align with our Fund and ESG strategies and join in the Hines corporate commitment to benefiting communities and delivering positive impact.

3GOOD HEALTH AND WELL-BEING

4QUALITY EDUCATION

5GENDER EQUALITY

7AFFORDABLE AND CLEAN ENERGY

8DECENT WORK AND ECONOMIC GROWTH

9INDUSTRY, INNOVATION AND INFRASTRUCTURE

11SUSTAINABLE CITIES AND COMMUNITIES

12RESPONSIBLE CONSUMPTION AND PRODUCTION

13CLIMATE ACTION

17PARTNERSHIPS FOR THE GOALS



Japan Residential Portfolio 2: Fukuoka

2023 ESG OBJECTIVES AND TARGETS²

Environmental

FOCUS AREA	2023 COMMITMENTS	2023 PROGRESS / OUTCOMES	2024 OBJECTIVES / TARGETS
Environmental Performance Data SDGs: 7, 12	Continue to obtain, manage and monitor utility consumption data (including energy, water and waste, where feasible).	<ul style="list-style-type: none"> Both data quality and coverage improved significantly across properties held in 2022 and across acquisitions made during the year. For Japan living assets in Tokyo, the HAPP team worked with external service providers to obtain whole building data for some of the properties to derive energy usage for tenant-controlled areas. The property-level data, including GHG emissions, have been externally reviewed and assured against AA1000AS v3 standard which ensures that the data are properly collected and accounted for. 	Continue to obtain, manage and monitor utility consumption data (including energy, water and waste, where feasible). Achieve 100% data coverage for landlord-controlled assets. Continue to explore opportunities to unlock data coverage and improve data quality for tenant-controlled assets.
Renewable Energy SDGs: 7, 13	Review opportunities for on-site renewables energy systems.	<ul style="list-style-type: none"> The Fund completed its purchase on Ormeau Cold Storage which has installed on-site solar system with approximately 200 kW capacity. The operational system yielded close to 14% of the tenant's energy consumption during the year. Part of the plans for Stapylton, the industrial property in Brisbane, would include providing an addition 1.5MW of solar power in line with the re-letting of the space in the next 2 years. 	Continue to review opportunities for on-site renewable energy, especially logistics assets with significant roof space. Engage with tenants to encourage them to convert to green tariffs for their leased spaces. Increase coverage of renewable energy for all landlord-procured electricity where commercially feasible.
Building Certifications SDGs: 9, 11, 12, 13	Seek and obtain green building certificates for our existing properties where feasible.	<ul style="list-style-type: none"> There was no green building certificates in the portfolio as the end of 2022. The HAPP team included green building certificates targets into refurbishment roadmaps and standing properties. 31 out of 39 properties were certified across various schemes, including LEED, CASBEE and WELL-HSR. An ongoing assessment for Australia industrial assets was conducted to explore feasible certifications as some properties undergo stabilization or under transition. 	Develop certification roadmap for all new acquisitions and obtain 100% portfolio coverage for all assets where feasible. Maintain or upgrade existing building certificates where possible.
Climate Risk and Resilience SDG: 13	Assess standing investments & new acquisitions for both transitional and physical climate risks.	<ul style="list-style-type: none"> Climate risk assessment was conducted for all 39 properties in the portfolio. This includes scenario analysis for the portfolio based on RCP 8.5 scenario which consider physical risks identified through data obtained from IPCC, WRI amongst others. The transition risks are assessed with reference to TCFD framework including policy and legal risks, technology risks, market risks and product risks. 	Conduct climate risk assessment for all new acquisition and/or update when a material change has occurred, not less than every 3 years.

2023 ESG OBJECTIVES AND TARGETS²

Social

FOCUS AREA	2023 COMMITMENTS	2023 PROGRESS / OUTCOMES	2024 OBJECTIVES / TARGETS
Tenant Engagement SDGs: 12, 17	<p>Incorporate green lease clauses into tenancy agreements and engage with tenants on the benefits of reducing consumption of finite resources.</p> <p>Conduct tenant surveys to gauge their satisfaction to promote health, safety, well-being and productivity among building users.</p>	<ul style="list-style-type: none"> A Green Lease Template was rolled out to support asset and property managers in communicating ESG considerations with prospective and existing tenants. By end of year, approximately 21% of the net lettable area (NLA) of the portfolio have green clauses within the leases. Conducted tenant surveys across all commercial, industrial and living properties. The response rate for the commercial and industrial properties was 97%. Following feedback review, follow up plans were designed to improve or address tenant concerns. Client engagement guide was rolled out which included guidance on green fit-out guide to tenants. 	<p>Continue to integrate green lease provisions into leases where new or renewal opportunities arise.</p> <p>Continue to share green fit-out guide with tenants in advance of fit-outs.</p> <p>Survey tenants to gauge their satisfaction. Tenant satisfaction survey last issued in Q4 2023.</p>
Employee Engagement SDGs: 4, 8	<p>Continue to embed ESG objectives into performance reviews.</p> <p>Promote our people practices by adopting workplace policies that achieve greater equity, retention, and representation.</p> <p>Continue to deliver ESG-focused training.</p>	<ul style="list-style-type: none"> Investment Management and country teams have ESG considerations and performance embedded in their annual objectives. Hines employees received internal ESG training sessions throughout the year, including Carbon 101 and ESG 101 trainings. DEI trainings were also provided and conducted. 	<p>Continue to embed ESG objectives into performance reviews.</p> <p>Promote our people practices by adopting workplace policies that achieve greater equity, retention, and representation.</p> <p>Continue to deliver ESG-focused training.</p>

Governance

FOCUS AREA	2023 COMMITMENTS	2023 PROGRESS / OUTCOMES	2024 OBJECTIVES / TARGETS
GRESB SDGs: 8, 13, 17	<p>Benchmark Fund ESG performance annually via the GRESB assessment in the pursuit of continuous improvements.</p>	<ul style="list-style-type: none"> The Fund completed its inaugural GRESB submission for 2022 performance period. 	<p>Continued participation in GRESB and seek to improve score to support benchmarking and communication of ESG performance to management, investors and other stakeholders.</p>
Acquisition Due Diligence	<p>Seek to standardize the Fund's ESG approach to risk/opportunity assessment throughout the investment lifecycle, including acquisitions, refurbishment/development, and asset ownership/operation.</p>	<ul style="list-style-type: none"> ESG Acquisition Due Diligence checklist was rolled out with trainings conducted for acquisition teams. New, more rigorous Investment Committee memo template launched. 	<p>Complete ESG Due Diligence checklist for all new acquisitions</p> <p>Review checklist in line with industry best practices</p> <p>Regularly train and update the teams on ESG Due Diligence guidance</p>

Westgate Tower, Seoul



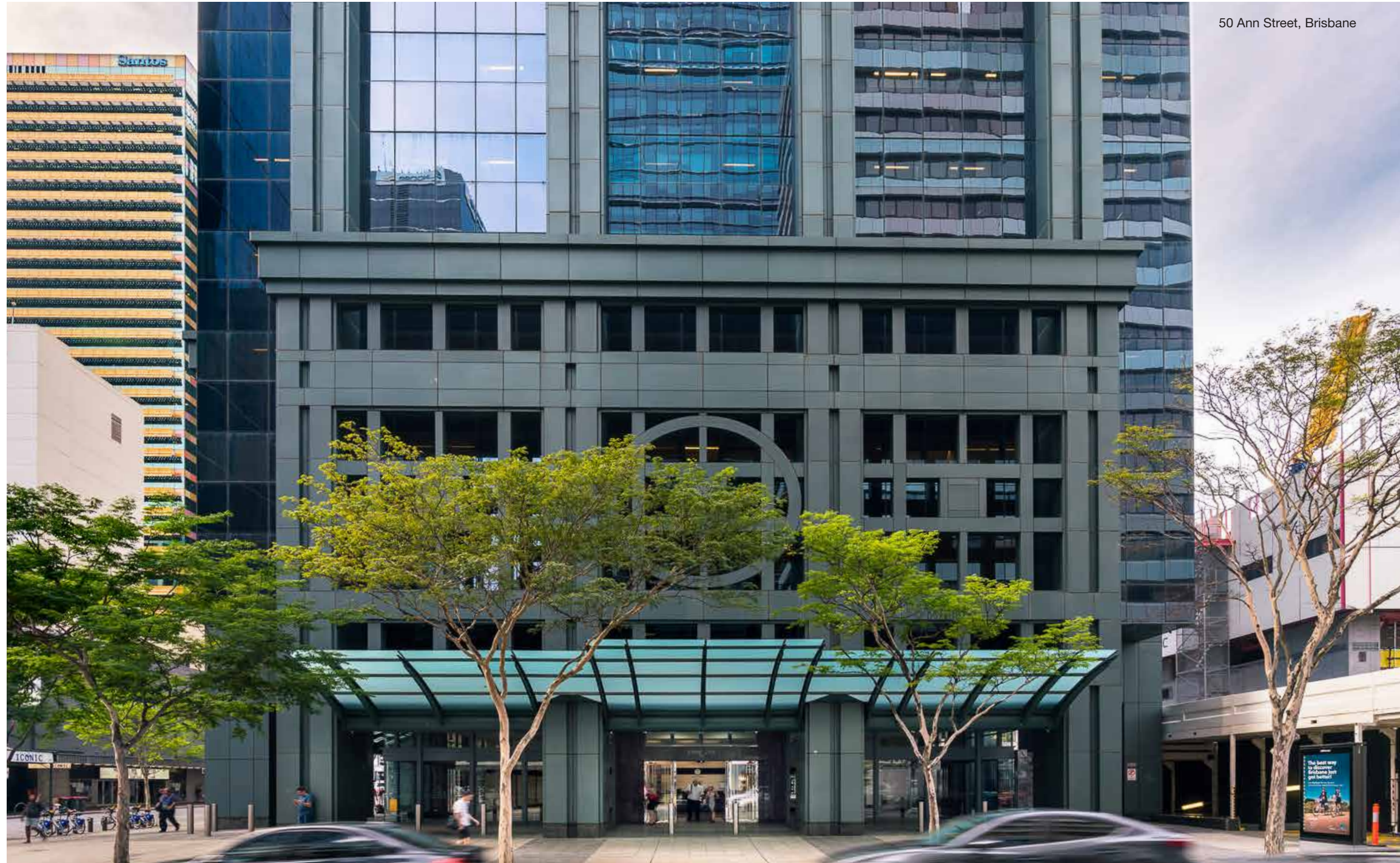
Environmental Stewardship

3

Sustainability Measurement and Management

Minimizing environmental impact through ESG strategy and performance

HAPP strives to minimize the environmental impact of our buildings, with a focus on responsibly managing our carbon emissions. We believe integrating ESG performance into both long-term strategies and day-to-day management enhances risk-adjusted returns and brings value to our portfolio.



50 Ann Street, Brisbane

2023 ENVIRONMENTAL PERFORMANCE

HAPP tracks and reports on environmental metrics where the Fund or its subsidiaries have substantial operational control. In 2023, we are reporting annual data for the first time to identify opportunities for improvement and begin benchmarking progress year on year.

2023 Data for 50 Ann Street, Westgate Tower, and Aquaria Tower Yokohama

16,693

Electricity consumption
(MWh)

7,030

Greenhouse gas
emissions (tCO₂e)

64,363

Water (m³)



Japan Residential Portfolio 3: Kyoto

Notes on Data Reported

In 2023, the Fund acquired 15 properties bringing our total to 39 properties by the end of the year. These investments include Stapylton, Japan Residential Portfolios 3 and 4, Japan Industrial Portfolio 1, and Zenith Minami Shinjuku. No divestments were made during the year.

We are reporting annual data for 50 Ann Street, Westgate Tower, and Aquaria Tower Yokohama – which we have now held for a full year and include landlord-controlled areas – to be transparent, identify areas for improvement, and benchmark year-on-year. Collectively, these three properties represent 53% and 45% of the portfolio electricity consumption and greenhouse gas emissions respectively. Zenith Minami Shinjuku is excluded, as the investment was completed in December 2023. Most of the remaining properties are tenant-controlled assets.

Greenhouse gas emissions figures were prepared in accordance with the emission factors provided by the Carbon Risk Real Estate Monitor (CRREM) and are reported in line with the GHG Protocol Corporate Accounting and Reporting Standard. The three figures (electricity, greenhouse gas emissions and water) have undergone an external review and assurance process in accordance with the AA1000 Assurance Standard v3, conducted by an independent third party.

Promoting Operational Efficiency Across the Asset Life Cycle

HAPP strives to prioritize energy efficiency, pursue opportunities for on-site and off-site renewable energy, and manage our carbon footprint across the whole asset life cycle, including reducing embodied carbon through design and material choices. As assets transition across the stages of their business plans, we aim to minimize the performance gap between design intent and operational performance.



PROJECT HIGHLIGHT

Pursuing Renewable Energy at Ormeau Cold Storage

Location: Brisbane, Australia
Acquired: 2023

In January 2023, HAPP acquired Ormeau Cold Storage, the Fund's first property featuring an integrated solar photovoltaic (PV) system. The acquisition marks a significant milestone in our path toward renewable energy.

With a capacity of close to 200 kW of installed power, the PV system converts sunlight into high-quality usable electricity for the property and exports excess clean energy to the grid. Between its startup in March 2023 and the end of the year, the system:

- Yielded close to 215 MWh of renewable energy, accounting for approximately 14% of the tenant's energy consumption
- Contributed to more than 150 t CO2e reduction in carbon emissions
- Saved our tenant more than AU\$50,000 in energy costs



We continue to explore solar feasibility and business models for applicable properties across our portfolio and plan to add another 1,650 kW of solar power in the next two to three years to meet tenant needs and our collective commitment to sustainability.





CASE STUDY

Aquaria Tower Yokohama

Location: Yokohama, Japan
Acquired: 2021

Constructed in 1988, Aquaria Tower Yokohama (formerly known as New Stage Yokohama) features a NLA of approximately 31,300 square meters across 18 floors above ground and one floor underground. The office building is located in the Yokohama submarket in Japan’s Kanagawa Prefecture.

HAPP acquired Aquaria Tower in late 2021 and completed a full renovation in 2023 with significant ESG improvements to provide high-quality office space in an area with increasing research and development demand. The renovation includes new tenant and community amenities, a waste management



plan, and operational and efficiency enhancements.

Health and Well-Being

Activated tenant spaces and landscape design with extensive greenery provide comfortable, engaging indoor and outdoor environments for both tenants and the community.

New seating areas with approximately 200 seats bring tenants and the neighboring residential community together to enjoy meals and gatherings.



The refurbishment refreshed indoor dining areas and also added exercise machines for community use.

Waste Management

HAPP intends to implement a waste management system to monitor and reduce operational waste at the asset.

Operational Sustainability

The HAPP team conducted simulations to optimize lighting and water fixtures and analyze airflow and temperature at the asset. Following this analysis, we replaced the building’s cooling tower and installed LED lights, water-efficient fixtures, sunshades, and sun-blocking films. These measures have improved building efficiency while enhancing comfort and indoor air quality.

Aquaria Tower achieved the Japan Sustainable Building Consortium’s CASBEE Superior rating in November 2023.

CERTIFICATION

CASBEE
Existing Buildings
Superior





PROJECT HIGHLIGHT

Driving Value with Green Building Certifications

HAPP created a green building certification roadmap to pursue both globally recognized and locally reputable certifications that align building quality with widely recognized standards that benefit our stakeholders.

The Fund began 2023 with no green building certificates and made notable progress during the year. More than 90% of the portfolio’s GAV were certified through these leading organizations:



Leadership in Energy and Environmental Design (LEED®) The world’s most widely used green building rating system, LEED provides a framework for healthy, highly efficient, and cost-saving green buildings. LEED awards four levels of sustainability certification: Certified, Silver, Gold, and Platinum.



WELL Health-Safety Rating (WELL-HSR) This globally recognized rating system empowers workplace leaders, owners, and operators to prioritize the health and safety of their employees, staff, visitors, and other stakeholders.



Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Japan’s industry-standard evaluation and rating system spans diverse quality criteria including energy and resource savings, recycling performance, and other comfort and landscape considerations. CASBEE uses a five-tier ranking system of C, B-, B+, A, and S.



Arc Skoru is a globally used performance platform from Green Business Certification, Inc. and the U.S. Green Building Council that recognizes operational performance in five categories: improvement in energy, water, waste, transportation, and human experience.



Japan Residential Portfolio 3: Nishi Ojima



ASSET SNAPSHOT

Westgate Tower

Location: Seoul, South Korea
Asset type: Office
Certifications: LEED (O+M) Building Gold



As part of the asset’s refurbishment, HAPP conducted a decarbonization study and a comprehensive energy audit. The Fund also revitalized common areas, activated the lobby, and sought to reduce carbon emissions through measures such as upgrading lighting with LED fittings, installing an energy management system, and replacing the lobby façade with low-emissivity glass.



ASSET SNAPSHOT



Dash Living on Prat

Location: Hong Kong

Asset type: Living

Certifications: WELL HSR Rating



50 Ann Street

Location: Brisbane, Australia

Asset type: Office

Certifications: NABERS Energy: 4.5 stars, WELL HSR Rating



Australia Industrial Portfolio 1

Location: Brisbane and Sydney, Australia

Asset type: Industrial | **Number of properties:** 4

Certifications: ARC Performance



Australia Industrial Portfolio 2

Location: Melbourne, Australia

Asset type: Industrial | **Number of properties:** 2

Certifications: ARC Performance



Ormeau Cold Storage

Location: Brisbane, Australia

Asset type: Industrial

Certifications: ARC Performance



Stapylton

Location: Brisbane, Australia

Asset type: Industrial | **Number of properties:** 2

Certifications: ARC Performance



Aquaria Tower Yokohama

Location: Yokohama, Japan

Asset type: Office

Certifications: CASBEE Superior



Zenith Minami Shinjuku

Location: Tokyo, Japan

Asset type: Office

Certifications: CASBEE Very Good



ASSET SNAPSHOT

**Triumph****Location:** Kakegawa, Japan**Asset type:** Industrial**Certifications:** ARC Performance**Recaro****Location:** Higashiōmi, Japan**Asset type:** Industrial**Certifications:** ARC Performance**Japan Industrial Portfolio 1****Location:** Various, Japan**Asset type:** Industrial | **Number of properties:** 5**Certifications:** CASBEE Very Good, CASBEE (targeting)**Japan Residential Portfolio 1****Location:** Nagoya and Tokyo, Japan**Asset type:** Living | **Number of properties:** 7**Certifications:** CASBEE Very Good**Japan Residential Portfolio 2****Location:** Fukuoka and Tokyo, Japan**Asset type:** Living | **Number of properties:** 3**Certifications:** CASBEE Superior, Very Good**Japan Residential Portfolio 3****Location:** Kyoto and Tokyo, Japan**Asset type:** Living | **Number of properties:** 3**Certifications:** CASBEE Very Good, CASBEE (targeting)**Japan Residential Portfolio 4****Location:** Osaka and Tokyo, Japan**Asset type:** Living | **Number of properties:** 4**Certifications:** CASBEE (targeting)**Garden Hills****Location:** Tokyo, Japan**Asset type:** Living**Certifications:** ARC Performance

Social Impact



4



Ormeau Cold Storage, Brisbane

Tenant Collaboration

Partnering with the people in our buildings

HAPP is committed to creating prime experiences in our spaces. We closely collaborate with our tenants to meet their expectations and utilize tenant survey feedback to enhance engagement and satisfaction across our assets.



2023 HIGHLIGHT

ESG Collaboration

Tenants play an important role in reaching our firm- and Fund-wide ESG targets. We collaborate with our tenants to understand their sustainability aspirations and share ours, so we can work toward common goals.

Leveraging Green Lease Language

In 2023, we rolled out a new green lease template for the country teams. The green clauses in the template help us integrate ESG more deeply into our leasing agreements and facilitate greater collaboration on sustainability improvements at HAPP assets by encouraging:

- Data sharing
- Right of access and metering
- Renewable energy procurement
- Enabling works
- Certification
- Sustainability procurement



Japan Residential Portfolio 3: Azabudai

The new template also requires tenants to designate a sustainability contact to work directly with our team on key ESG initiatives and provides a split-incentive clause to share savings related to ESG CapEx investments. Our goal is to incorporate green clauses into all new and renewal leases.



HAPP's green lease coverage rose from zero green lease coverage in the first quarter of 2023 to 76K square meters – or 20.8% of the portfolio – at the start of 2024.



Aquaria Tower, Yokohama

Engagement with Tenants Around Decarbonization

Hines developed the Client Engagement for Decarbonization Guide in 2023 to better share carbon-reduction strategies with clients at equity and third-party properties. The guide complements our green lease template and represents an important element of our tenant engagement strategy.

Full of best practices and lessons learned from Hines properties across the globe, the guide explains how to engage clients in decarbonizing their spaces through two key elements of collaboration:

- **Communication:** Fostering an ongoing conversation about decarbonization
- **Integration:** Including decarbonization in leasing documents, building rules and regulations, and fit-out guidelines

We use the guide to discuss our clients' carbon ambitions early in the leasing relationship and to keep decarbonization top-of-mind throughout their lease.

About Hines Asia



5

Employee Engagement

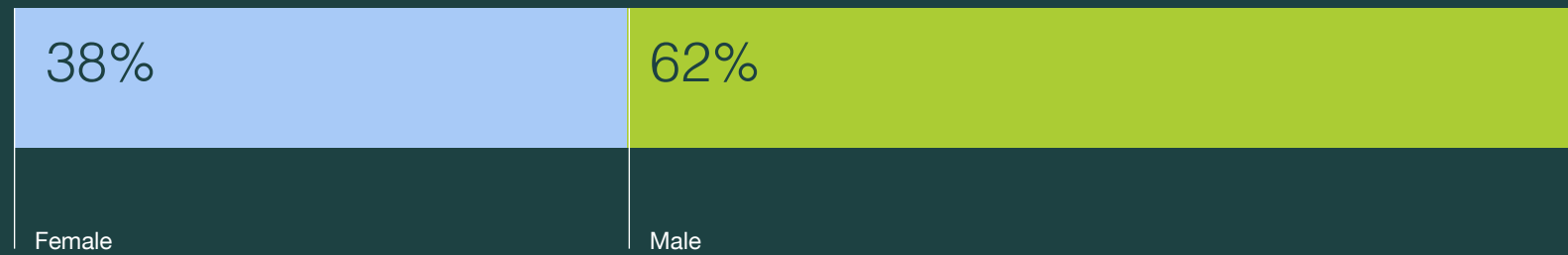
Investing in our most important asset

Hines operates as a global team on a local scale. Our firm strives to provide a consistent, positive experience for employees around the world while supporting the regional and cultural flexibility unique to each Hines office.

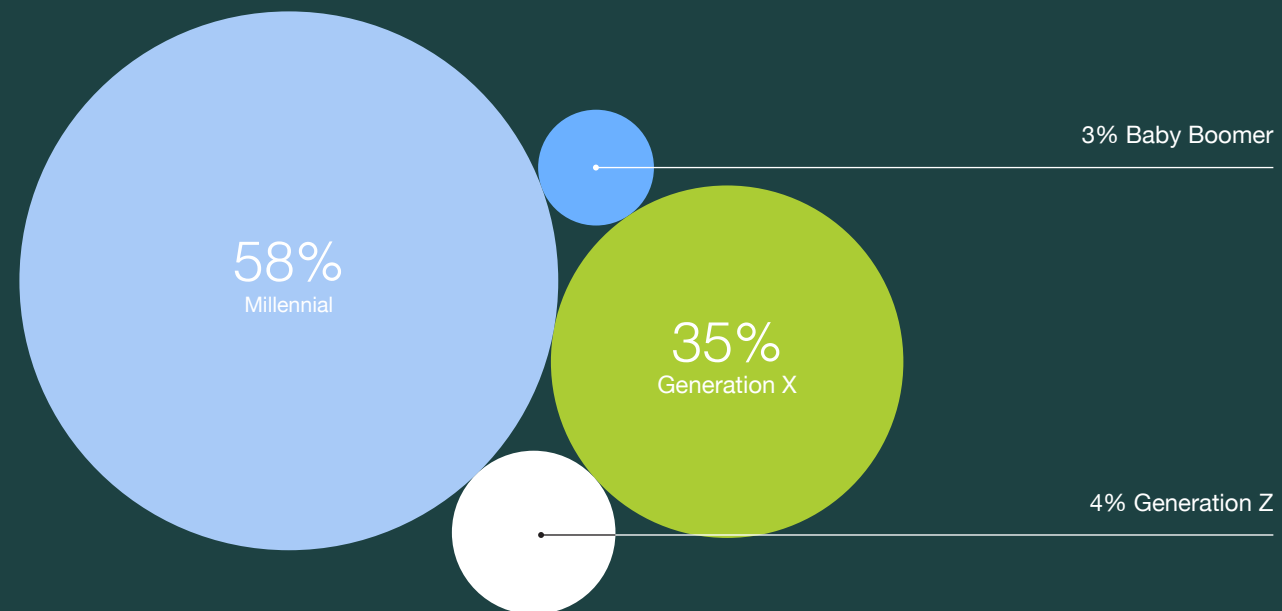
Like all Hines employees, members of the Hines Asia team enjoy excellent health and wellness benefits, opportunities for learning and career growth, and programs that foster well-being and belonging. Our team participates in firm-wide employee satisfaction surveys every three years – plus more frequent “pulse” surveys around timely issues – and has access to EthicsPoint to confidentially raise issues of concern.



Gender Diversity



Generational Diversity



Employees

244

Employees by Geography



49



128



16



15



2



33



1

APAC ESG League

Hines has formed ESG leagues in the United States, APAC, and Europe over the past several years to integrate and coordinate ESG initiatives within business regions. These groups are made up of representatives from each country or geographic area in the region and include a mix of asset, development, ESG, and communications managers.

The APAC ESG League meets regularly to align and set priorities, share experiences and best practices, discuss trends and timely topics, and drive ESG implementation across our regional assets. The league also helps to shape ESG strategy at the Fund and asset level and keep ESG at the forefront of investment decisions for HAPP.



ESG Upskilling and Training

All Hines employees participate in ESG training to better understand and support the firm’s Global ESG Strategy and sustainability goals. Investment management employees have specific ESG targets tied into their annual objectives and reflected in performance reviews.

In 2023, the firm launched two new training programs: ESG 101 and Carbon 101. These modules educate employees about Hines’ Global ESG and Carbon strategies and associated reporting requirements.

Hines Asia Diversity, Equity and Inclusion (DEI) education builds on firm-wide training and initiative to foster inclusion and belonging:

Our 2023 training topics included:

- DEI & Me workshop to promote conscious inclusion
- OneHines Women’s Network event to support male allyship
- DEI Master Class to build cultural intelligence for career progression



Investing in Community

Giving back to people and places

The Hines Asia team supports community initiatives, charitable programs, and volunteer efforts.

Employee Volunteering

Employees across the Asia region celebrated Hines’ third annual Founder’s Day – our firm’s worldwide day of service – by supporting local community organizations.

Singapore (previous page) | Our team organized a beach cleanup, collecting litter and debris at East Coast Park. This initiative showcased the importance of preserving and conserving our natural surroundings and fostered a sense of community responsibility and environmental stewardship.



Australia (left) | The team volunteered at Our Big Kitchen, an organization that addresses food insecurity by providing meals and fostering community support for thousands of New South Wales residents. Using fresh produce and ingredients from Australian food-rescue organizations such as SecondBite and Foodbank, our team worked in small groups to transform underutilized food into nourishing, home-cooked meals for those in need.



Hong Kong (left) | Our team volunteered at Read-Cycling, an organization dedicated to promoting literacy and environmental sustainability. Read-Cycling operates a library that serves the local community and schools by giving used books a second life, which not only conserves paper and trees, but also minimizes environmental impact by reducing carbon emissions and waste. The Hines team donated books and assisted in operational tasks including organizing the library’s storage space.



Japan (above) | Employees in Japan gave back to their community through a city cleanup in the Toranomon area, home to Hines’ Tokyo office. The team made a tangible impact on the local environment and helped promote a cleaner, healthier, and more vibrant community.

South Korea (left) | The team participated in a program organized by the Ministry of Environment at the Soolpulro Yangsoori ecological park. Activities included eco-teering (nature-focused volunteering) and plogging (collecting litter and other waste while hiking or jogging), which combine outdoor recreation with conservation efforts and environmental education. These experiences heightened the team’s understanding of nature conservation and helped maintain the park ecosystem.

Compliance

INREV Alignment

This ESG Review is aligned with the 2016 INREV Sustainability Reporting Guidelines.

Vehicle Long Term ESG Strategy (INREV ref: ESG-LTS 1.1)

The Fund has an ESG Policy and an environmental management system framework that is reviewed annually, and which serves as the foundation for its short and long-term Environmental, Social and Governance (ESG) strategy. Moreover, HAPP has formally committed to establishing, implementing and maintaining sustainability objectives and targets as part of its strategy in order to drive continual improvement within the portfolio. To support the implementation of the ESG strategy, the Fund maintains and documents the following management procedures:

- An ESG policy;
- ESG objectives and targets (short and long term);
- An ESG monitoring and measurement approach;
- the identification of key roles and responsibilities of its team members; and,
- clear guidance for communication of ESG performance.

These formal ESG management documents are intended to outline and support achievement of strategic goals for HAPP.

ESG Regulatory Compliance (INREV ref: ESG LTS 1.2 / ESG-ANN 1.2 / ESG-POR 1.2)

HAPP ensures compliance with all current and applicable regulation relating to ESG issues by actively monitoring requirements throughout the holding period and responding accordingly. At acquisition, the Sustainability Due Diligence Checklist supports identification of ESG regulatory risks among other items. During construction/ refurbishment works, local asset managers and the appointed contractors are responsible for the identification and management of relevant ESG regulatory risks.

Throughout the holding period, the local asset and property management teams track and report changing regulations to determine compliance implications for each asset. Furthermore, HAPP seeks to obtain green building certifications for development/major refurbishment projects.

No enforcement notices have been received or applied to HAPP for ESG related issues. The Fund, to the best of our

knowledge, is compliant with legislation. Local development management, asset management and property management teams will continue to monitor regulatory compliance through the 2023 reporting period and identify potential impacts of changing ESG regulations through quarterly reporting.

Sustainable Finance Disclosures Regulation (SFDR)

The Fund’s PPM ensures compliance with article 6 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”) by setting out (1) how sustainability risks are integrated into the investment decision-making in respect of the Fund and (2) the likely impact of sustainability risks on the returns of the Fund.

The Fund purports to promote certain environmental and social characteristics pursuant to article 8 of the SFDR by way of the inclusion of a number of ESG targets which are further detailed in the Fund’s PPM.

There is no suggestion that any of the Fund’s investments are ‘sustainable investments’ pursuant to the SFDR or otherwise ‘taxonomy-aligned’ investments pursuant to the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

Disclaimers and Risk Factors

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Preliminary, Selective Information Only

This document summarizes certain characteristics of a proposed investment program. It is presented solely for purposes providing you with initial and general information at your own responsibility. This document is not suitable to inform you of the legal and factual circumstances necessary to make an informed judgement about any prospective investment. Prospective investors are requested to inform themselves comprehensively and, in particular, to verify the Definitive Documents which are expected to be provided in the future. Hines reserves the right, in its sole and absolute discretion, without notice, to alter the terms or conditions of the Fund and/or to terminate the potential investment opportunity described herein. Unless otherwise noted, the information contained herein is unaudited and may be preliminary and speaks as of the date of this document or the specific date specified. Hines disclaims any obligation to update this document in any manner, even in the event that the information becomes materially inaccurate.

In no event should this document be viewed as legal, business, tax, accounting, investment or other advice. Any statements of federal tax consequences contained in this presentation were not intended to be used and cannot be used to avoid penalties under the Internal Revenue Code or to promote, market or recommend to another party any tax related matters addressed herein. This document does not constitute any regulated investment (MiFID) advice.

Real Estate Related Risks

Investments in real estate funds such as those described herein, are subject to numerous risks and uncertainties, including risks inherent in private, real estate funds, such as lack of liquidity, lack of diversification and dependence on key personnel of the fund sponsor, as well as risks inherent in the types of investments such funds make, competition for investment opportunities, changes in market conditions, regulatory and environmental risks, entitlement and development risks and risks of tenant, purchaser or seller defaults on contractual obligations. Investors in real estate funds must be able to evaluate and bear the potential consequences of these and other risks, including the potential loss of their entire investment. The characteristics of investments to be made by the Fund may vary from the characteristics of those shown herein and may not have comparable risks and returns. An investment in the Fund is speculative and involves significant risks, including loss of the entire investment and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Fund. The Fund should be considered illiquid, as there is limited to no secondary market for interests in the Fund, and there are restrictions to redemptions and/or transfers of interests in the Fund. A recipient who has preliminary interest in the Fund should understand these risks and have the financial ability and willingness to accept such risks for an extended period of time before considering making an investment in the Fund. Please refer to the Definitive Documents for detailed information on the risks and rewards of the Fund.

Prior or Targeted Performance

Any investment entails a risk of loss, including loss of the entire investment. In considering any performance data contained herein, each recipient should bear in mind that past performance is not indicative of future results, and there can be no assurance that an investment program will achieve comparable results or will achieve any target or estimated results.

The Fund will make investments in different economic conditions than those prevailing in the past. Thus, no guarantee is made that the Fund will have the same types or diversity of investment opportunities as prior vehicles. While Hines believes all performance targets and estimates to be reasonable and sound under the current circumstances, actual returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual

restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ materially from the assumptions and circumstances on which the estimated future cash flows and exit values used in the performance estimates and targets contained herein are based. Accordingly, nothing herein should be deemed to be a prediction or projection of future performance of the Fund and actual realized returns on unrealized investments may be materially different from the returns indicated herein. Additional information on the performance and other numbers presented herein is available from Hines upon request. Please refer to the Definitive Documents for detailed information on Fund performance.

Track Record

The Hines property investments and investment programs referred to herein were made at different times, with materially different terms and in materially different market conditions than those contemplated for the Fund. The results of the investment programs presented illustrate results that could be achieved in certain conditions if the underlying assumptions prove to be correct. In considering all of the track record and performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results, and there can be no assurance that the Fund will achieve comparable results to historical transactions or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective.

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Currency and Taxation

Investments in the Fund will be denominated in US dollars and, therefore, will be subject to any fluctuation in the rate of exchange between the US Dollar and the currency of the investor's home jurisdiction, which may have an adverse effect on the value of, price of or income or gains from an investor's investment in the Fund. Future performance is subject to taxation which depends on the personal situation of the investor, and which may change in the future.

ESG

It should not be assumed that any sustainability initiatives, standards, or metrics described herein will apply to each asset in which the Fund invests or that they have applied to each of Hines' prior investments. Indeed, although the

Fund promotes E/S characteristics and therefore falls under the scope of the Article 8 SFDR, it will on the one hand hold assets that align with the promoted characteristics, but, and on the other hand, it will also hold some assets for other purposes which will not be necessarily complying with the binding elements. Please refer to the Fund's SFDR disclosures for more information on the planned asset allocation. Sustainability is only one of many considerations that Hines takes into account when making investment decisions, and other considerations can, in some cases, be expected in certain circumstances to outweigh sustainability considerations. The information provided herein is intended solely to provide an indication of the sustainability initiatives and standards that Hines applies when seeking to evaluate and/or improve the sustainability characteristics of an asset as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments may exhibit characteristics that are inconsistent with the initiatives, standards, or metrics described herein. The decision to invest should take into account all of the characteristics of the Fund as described in the Definitive Documents and not just ESG characteristics.

Forward Looking Statements

This document contains projected results, forecasts, estimates, targets and other "forward-looking statements" concerning proposed and existing investment funds and other vehicles. Due to the numerous risks and uncertainties inherent in real estate investments, actual events or results, or the actual performance of any of the funds or investment vehicles described, may differ materially from those reflected or contemplated in such forward-looking statements. Accordingly, forward-looking statements cannot be viewed as statements of fact. The projections presented are illustrations of the types of results that could be achieved in the given circumstances if the assumptions underlying them are met. Prospective investors should not rely on such forward-looking statements in deciding whether to make an investment.

Disclaimer

The statements in this document are based on information which we consider to be reliable. This document does not, however, purport to be comprehensive or free from error, omission or misstatement. We reserve the right to alter any opinion or evaluation expressed herein without notice. Statements presented concerning investment opportunities may not be applicable to particular investors. Liability for all statements and information contained in this document is, to the extent permissible by law, excluded.

Endnotes

- 1 HAPP's ownership interest; excludes two forward purchase logistics assets closed in the past two quarters. Occupancy excludes two forward purchase logistics assets closed in the last two quarters
- 2 There is no guarantee the Fund will achieve all of its ESG objectives.
- 3 The figures exclude India and are reported as at December 31, 2023.

Photo Notes

- Pg. 26 Hines Singapore employees celebrating Lunar New Year over lunch with Laura Hines-Pierce
- Pg. 27 Hines Asia employees on a retreat in Vietnam
- Pg. 29 Hines Japan employees during city clean-up
- pg. 30 Hines Singapore employees during beach clean up

Definitions

LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system in the world. LEED is for all building types and all building phases including new construction, interior fit outs, operations and maintenance and core and shell. To earn LEED certification, a project team must demonstrate compliance with all mandatory prerequisites and select a number of optional credits to pursue. Hines pays registration and certification fees.

CRREM (Carbon Risk Real Estate Monitor) aims to provide the European commercial real estate industry with appropriate science-based carbon reduction pathways at building, portfolio and company level and with financial risk assessment tools to cost-effectively manage carbon mitigation strategies. CRREM resources are free to market participants; though companies are charged to refer to CRREM in reports and register their compliance with CRREM pathways officially.

GRESB is a mission-driven and investor-led organization that provides actionable and transparent Environmental, Social and Governance (ESG) data to financial markets. GRESB collects, validates, scores and benchmarks ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions. Hines pays to participate in GRESB.

CASBEE for Real Estate is a system in which a third party examines and certifies assessment results prepared in accordance with CASBEE for Real Estate. An application for certification must be accompanied by assessment results provided by a CASBEE Accredited Professional for Real Estate. The certificate is expected to be used when buying and selling real estate in the future as evidence that clearly demonstrates the building's environmental performance.

NABERS (which stands for the National Australian Built Environment Rating System) provides sustainability measurement across building sectors like hotels, shopping centres, apartments, offices, data centres, and more. NABERS provides a rating from one to six stars for buildings efficiency across energy, water, waste and indoor environment.

WELL Projects pursuing this Certification can earn points based on performance outcomes for various policy, design and operational strategies and can achieve one of four certification levels: Bronze, Silver, Gold or Platinum. Hines pays to submit a project for certification.

This report is a snapshot of the Hines Asia Property Partners as of December 31, 2023.

Unless otherwise noted, all data in this report is as of December 31, 2023.

About Hines

Hines has been a leader in real estate investment, development, and management for more than six decades. Founded by Gerald D. Hines in 1957, Hines is now one of the largest privately held real estate firms in the world, with a global presence and extensive experience across all property types and investment risk profiles.

We strive to create and preserve value in the built environment through spaces that set industry standards for quality and efficiency, uplift cities and communities, and enable our tenants and other stakeholders to flourish. ESG is central to Hines’ business strategy. We believe prioritizing ESG factors leverages our vertical integration and broad expertise – and differentiates us as a company.

Hines uses an ESG lens to support decision-making, goal-setting, and continuous improvement across the firm. Our commitment to sustainability inspires us to tackle pressing climate and industry challenges through innovation and supports our company vision: to be the best real estate investor, partner, and manager in the world.

To learn more about our firm-wide focus on ESG, visit hines.com/esg.



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