

Hines European Value Fund 2

2023 ESG REPORT

Hines





The Hines European Value Fund 2 is a closed-ended real estate investment fund that manages assets in need of refurbishment and regeneration while responding to dynamic market conditions to create value for its stakeholders. As the Manager of the Fund, Hines has integrated a strong ESG focus into the investment lifecycle to drive energy efficiency, realize social impact, and uphold the highest governance standards at asset and vehicle-levels.

ESG initiatives have been threaded throughout each stage of our refurbishment projects including acquisition, planning, construction, and operation. Hines is an outspoken believer that sustainability enhances asset performance and brings benefit to all our stakeholders – including investors, occupiers, and surrounding communities – while ensuring our assets exceed Fund, market, and user standards and minimize environmental impact.

In this 2023 ESG report, we are delighted to highlight HEVF 2’s ESG milestones and showcase our sustainability ambitions in action.

The Fund’s office holdings are exemplary of how post-pandemic workplaces can adapt to changing tenant needs while upholding environmental excellence. In 2023, we celebrated the opening of Grainhouse, our three-year refurbishment project in central London’s Covenant Garden, part of which now serves as Hines’ European headquarters. ESG was considered at every step of this historic restoration and renewal project, and we continue to work with our tenants to prioritize shared ESG goals and activate the space in ways that benefit the whole community.

The refurbishment of 80 New Bond Street, comprising both office and retail space, has also centered around sustainability. Nearly 75% of the original structure has been retained and existing materials were reused to reduce embodied carbon. Extensive reconfiguration and efficiency upgrades will minimize operational carbon emissions and improve functionality and comfort when the property becomes operational.

Similarly, the Fund’s living assets are striving towards new ESG benchmarks typically difficult to achieve in markets

defined by historic housing stock. In Italy, the Milan Living Portfolio and the Florence Student Housing will help meet the strong demand for vibrant, urban living space that also promote environmental and social characteristics.

Hines is a proud innovator in social impact. aer, the Fund’s multi-phased refurbishment project in Munich, has continued to be a beacon for social initiatives with its interim-use concept shaere. Space that otherwise would be vacant during the planning and design phase of the property’s redevelopment was leased on favorable terms to a charity organization that created a unique community hub and welcomed up to 700 visitors each day in 2023. Additionally, its Community Kitchen distributed roughly 2,000 meals daily to daycare centers, schools, and those in need.

As a result of HEVF 2’s sustainability initiatives, including those mentioned above, the Fund has been recognized as the Global Sector Leader of our GRESB peer group of 65, awarded five out of five stars for the third consecutive year. We are

proud to have earned the full 100 points this year, improving our 2022 score by six points. We also earned the PREA Closed-End Fund ESG Award for the second year in a row.

We are thrilled with HEVF 2’s ESG accomplishments – and continue to push ourselves to do even more. We hope this report is informative about the specific initiatives we are undertaking to prioritize environmental and social factors across our assets and can provide an example for our peers and wider audience to similarly create positive and lasting environmental and social change.

Paul White
Fund Manager

Daniel Chang
Head, Europe ESG

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ESG Strategy,
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Environmental
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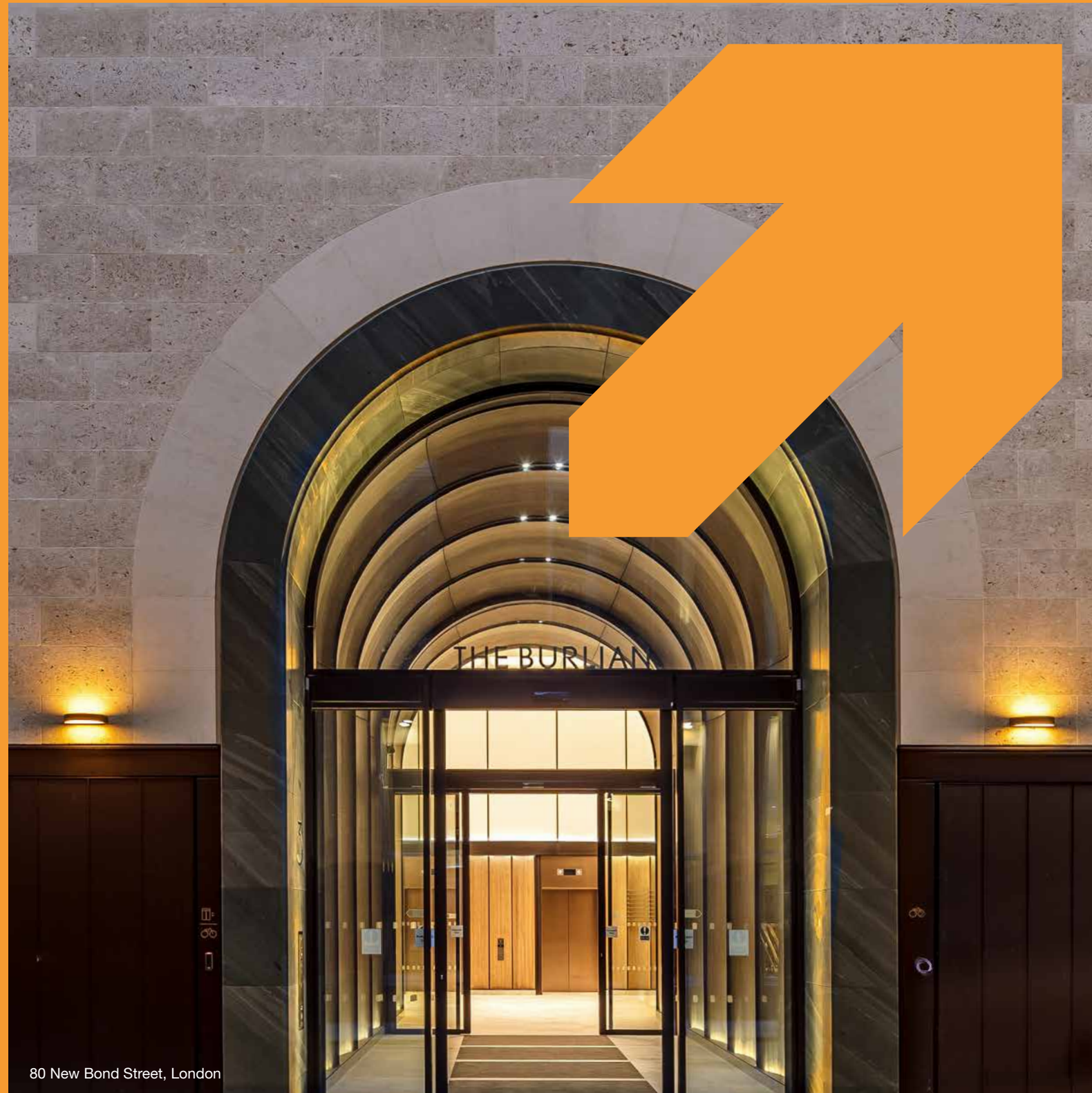
Social Impact

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About Hines
Europe

HEVF 2 Overview



HEVF 2 Overview

Driving ESG and operational performance through value creation

The Hines European Value Fund 2 (HEVF 2 or the Fund) is a Luxembourg-domiciled investment fund sponsored by Hines. Launched in 2019, the Fund secured €1.09 billion of equity commitments from institutional investors before closing to new investors in 2021. The portfolio is diversified across several sectors: living, office, retail, and logistics.

As part of the Hines European value-add strategy fund series, HEVF 2 aims to drive investment performance by improving and repositioning buildings while striving to achieve best-in-class ESG standards and meet the ever-evolving requirements of occupiers, investors, and regulators.



Milan Living Portfolio, Milan

HEVF 2 AT A GLANCE*

Fund Presence



Countries

- Germany
- France
- Italy
- Netherlands
- Spain
- United Kingdom

6

Cities

- Florence
- London
- Madrid
- Milan
- Munich
- Tiel
- Various Cities (France)

7

Total Equity Commitments

€1.09 B

Number of Project Investments

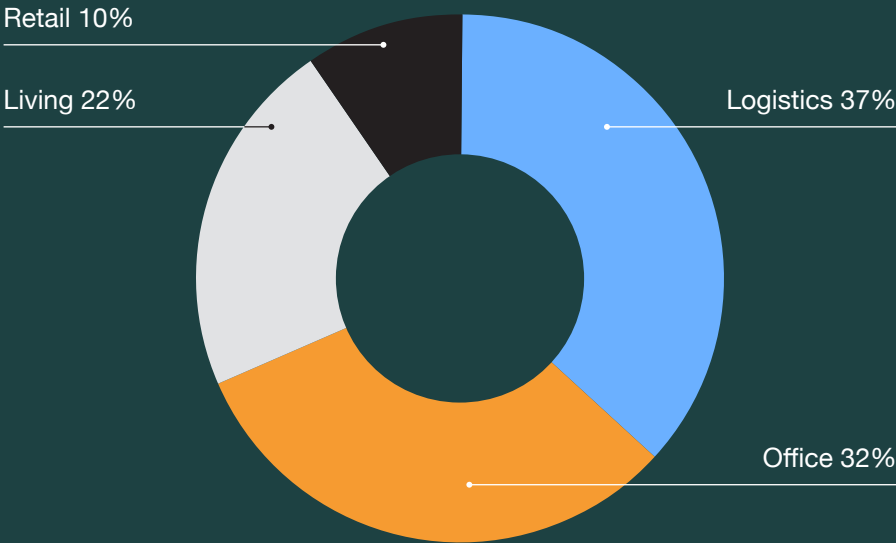
Note: 2 have been disposed, CSP Logistics and FAP Tortona; Village Delage signed contracts post quarter end in Feb 2024

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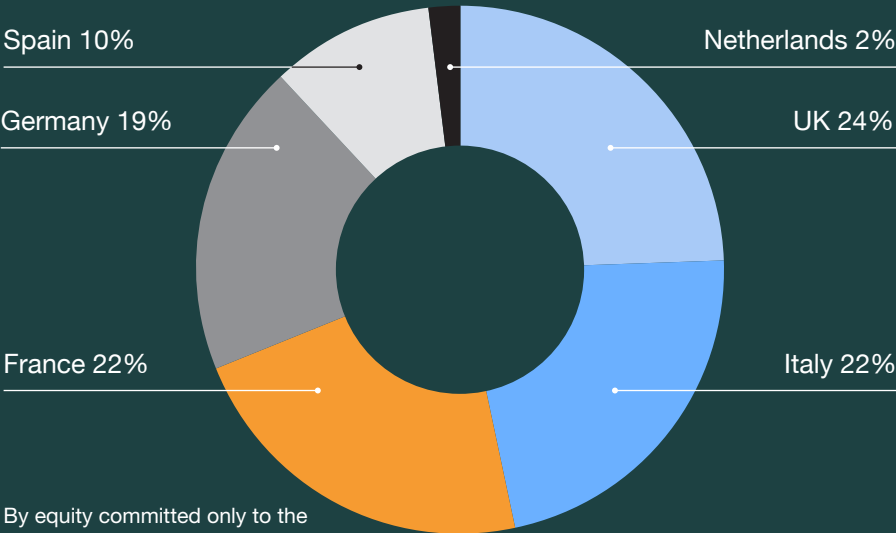
Occupancy

77%

Allocation by Sector



Allocation by Country



By equity committed only to the 15 investments (includes realized assets, excludes fund costs/ buffer and unallocated equity)

2023 ESG HIGHLIGHTS



Valdebebas, Madrid

GRESB
Global Sector
Leader



100
100

points



5/5 stars

Skypark Valdebebas wins **Best Sustainable Residential Project** at the Inmomat 2023 Awards

PREA's
Closed-End
Fund ESG
Award



edie

Grainhouse shortlisted for the Edie 2023 Green Building/ Infrastructure Project of the Year

MIPIM Awards
2024 selects
Grainhouse as
a finalist in the
**Best Conversion
Project**



HEVF 2 ESG TIMELINE

2019

HEVF 2 launches, building on the success of HEVF 1.



2021

HEVF 2 completes its final close with over €1B of equity.

The Fund participates in GRESB for the first time, scoring 92/100 and achieving five stars and Overall Global Sector Leader recognition.

Shaere opened the Community Kitchen, producing up to 2,000 meals a day for day care centers, schools and companies in Munich.



2023

GRESB Global Sector Leader

HEVF 2 receives PREA's Closed-End Fund ESG Award for 2022 in early 2023.

HEVF 2 achieves GRESB Global Sector Leader status with 100/100 points, and receives 5/5 stars for the 3rd year in a row.

MIPIM Awards 2024 selects Grainhouse as a finalist in the Best Conversion Project category for the project's holistic commitment to sustainability.

HEVF 2 opens Skypark Valdebebas, which wins Best Sustainable Residential Project at the Inmomat 2023 Awards.



Hines launches the flagship HEVF Series with HEVF 1 aiming to secure and invest in value-add commercial real estate in Europe.

2017

HEVF 2 develops an ISO 14001-aligned EMS framework and ESG strategy.

HEVF 2 begins to utilize green leases and other proprietary tools like HinesGO and HinesGR.

2020



HEVF 2's EMS framework becomes ISO 14001 certified.

The Fund begins applying the ESG Development Brief for all new developments.

aer is awarded 100/100 in its WiredScore certification, the first in Munich.

The Fund participates in GRESB for the second time, scoring 94/100 and achieving five stars.

The Fund participates in a charity event to raise funding for Ukrainian refugees.

2022





CASE STUDY

Grainhouse

Enhancing value and tenant experience through ESG

Location: London
Acquired: 2020

HEVF 2 celebrated Grainhouse’s grand reopening in September of 2023. Our three-year restoration and refurbishment project has transformed this acquisition into a prime office and retail asset in the heart of London’s Covent Garden – and a world class headquarters for Hines Europe.

Our project team took a comprehensive approach to transforming the 91,000-square-foot former Victorian grain warehouse into a sophisticated workplace and shopping destination with a nod to building’s past. The reimaged Grainhouse reflects its rich industrial heritage, interlinking five 19th-century structures and retaining key original

features like exposed concrete, steel, and brickwork. We considered environmental and social sustainability at every step – from acquisition, design, and development to day-to-day management and operations – and continue to work with our tenants to prioritize ESG goals.



Refurbishment

HEVF 2 set ambitious ESG targets for Grainhouse’s redevelopment in order to future-proof the asset and bring value to the surrounding community.

Reducing Carbon and Waste, Promoting Circularity

By retaining the existing structure and minimizing demolition, our project team achieved a considerable reduction in embodied carbon, compared to a new build. When possible, the design reused materials from the deconstructed portions of the building and minimized the need for new, carbon intensive materials in both the extension and refurbishment.

The whole life carbon assessment (WLCA) for Grainhouse showed that the refurbishment achieved 60% below the Greater London Authority (GLA) benchmark for embodied carbon.

Energy Efficiency and Net Zero Operational Carbon

We designed Grainhouse for net zero carbon operation by implementing energy efficiency measures including:

- Mechanical ventilation with high-efficiency heat recovery

- Natural ventilation to the atrium and openable windows on the façade to reduce cooling demand
- Low-energy lighting with occupancy-sensing and daylight-dimming controls
- Metering and monitoring platforms to enable more efficient building performance
- Air source heat pumps, allowing the building to operate fossil-fuel-free for heating and cooling

Based on the TM54 report, which estimates the energy used to operate and sustain a building, Grainhouse is predicted to have an energy use intensity of 91 kWh/m2/year.*

Water Savings

The project team installed water-saving taps and shower heads, which are reducing water use by an estimated 40%.

A water-bottle filling station in the bike-storage area promotes reusable water containers and tracks the number of single-use bottles offset.

Health and Well-Being

We integrated a number of health-focused amenities for occupants, including cycle spaces, lockers, showers, a library, a contemplation room for mindfulness, and two family rooms.



Biodiversity

Grainhouses’ landscaped roof terrace hosts a wide range of native and drought-resistant plants, which are watered by an automated irrigation system that reduces water use.

The project team also installed nest boxes for local birds and bugs.

**This figure represents an improvement against the UKGBC Net Zero Carbon Framework target of 130 kWh/m2/year for 2020–2025 and aligns with its 90 kWh/m2/year target for 2025–2030.*

Operations

Helix, an ISO 14001–certified Hines company is the property manager for Grainhouse and continues to prioritize ESG measures at the asset.

Renewable Energy

The building’s energy supply is derived from 100% renewable sources, with the possible exception of the retail units, which manage their own supply contracts. We plan to place photovoltaic panels on the rooftop in a future phase of development.

CERTIFICATIONS

Our targeted certifications for Grainhouse reflect the industry's highest green building standards

BREEAM

New Construction Excellent

BREEAM®

WELL

Core Platinum (CAT A & CAT B; WELL Platinum certification obtained upon occupation)



WiredScore

Platinum



Recycling and Cleaning

The building’s local recycling provider will:

- Develop and implement a waste management strategy
- Deliver reporting on carbon and recycling
- Enable segregated waste streams
- Weigh all waste before removal to track performance
- Partner with us to investigate staging a recycling pop-up event

The cleaning supplier follows sustainability protocols such as cleaning with enzyme-based solutions, promoting electric or public transport for cleaning staff, and paying employees a living wage.

Smart Technology and Tenant Engagement

Helix works with all Grainhouse tenants to address ESG goals and raise awareness for sustainability initiatives and resources at the building.

- Green leases are encouraging Grainhouse tenants to procure renewable energy and share their consumption data.
- Smart technology is helping all tenants (including Hines Europe) manage energy use responsibly.

- A building optimization platform is helping to ensure mechanical efficiency, monitoring utilities, and measuring progress toward building targets via Eco-monitor.
- Our tenant app and a display in Hines’ main reception area at Grainhouse provide information on air quality.

Social Initiatives

The catering provider at Grainhouse partners with a variety of social enterprises such as Beyond Food, a nonprofit that provides opportunities and training to vulnerable people across London. The main tenant at Grainhouse, Hines Europe supports several local charities and community groups, including the Euston Food Bank, and continues to explore partnerships with other organizations, social enterprises, and the local business improvement district to extend the property’s positive community impact.



2023 HIGHLIGHT

Grainhouse Collaborates with The Glasshouse

The Glasshouse is a social enterprise that trains women in prison to grow and nurture indoor plants for homes and office spaces. The program provides participants with horticulture skills and qualifications as well as savings and resettlement support for long-term, successful reintegration to society.

Upon release from incarceration, women who have participated in The Glasshouse have a 0% reoffense rate.

Hines Europe will be hosting two Glasshouse participants to maintain the indoor greenery throughout our building while serving their sentences. It will be an extremely valuable experience to gain perspective from these women while they support the plant life at Grainhouse.



ESG Strategy, Governance, and Priorities



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Our ESG Strategy

Maximizing energy efficiency and social benefit

HEVF 2 has a high-performance ESG strategy that goes beyond legal compliance while promoting energy efficiency, health and well-being, and social inclusivity. We aim to implement sustainability best practice and leverage ESG to bring value to our stakeholders.

The Fund focuses on comprehensive refurbishment projects. We consider a range of ESG priorities throughout design and construction phases to promote sustainable and resilient asset operation, preserve biodiversity, and benefit the community. As part of this effort, we connect with stakeholders at every project stage to understand their needs and uncover opportunities to preserve and create value.



80 New Bond Street, London

ESG Alignment Across Our Firm

Revisiting Hines’ material areas, revising the Global ESG Framework

Like all Hines investment entities and funds, HEVF 2 supports certain firm-wide ESG goals, objectives, and commitments. Our investment strategy reflects Hines’ Responsible Investment Statement, which ensures we consider ESG topics 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 or 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. We will be aligning our Fund ESG strategy with the new framework in 2024.

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

Our ESG Strategy and Implementation Framework

HEVF 2’s ESG Strategy and Implementation Framework outlines the Fund’s approach to measuring and managing ESG and implementing sustainability initiatives across our portfolio. It includes our ESG Policy and Environmental Management System (EMS).

Our Environmental Management System

Our Fund’s EMS is encompassed by Hines Europe’s EMS, which is certified to ISO 14001:2015. A critical part of our ESG strategy, the EMS provides a framework to ensure all Fund commitments, responsibilities, and objectives are clearly defined and communicated to internal and external stakeholders. It is reviewed and updated annually, or more frequently as necessary.

The EMS follows a Plan-Do-Check-Act approach to promote continuous improvement:

- **Plan:** Consider the materiality of ESG risks and opportunities over which we have influence and develop objectives to control, reduce, or improve performance

- of significant impacts.
- **Do:** Implement necessary resources, programs, and accountability to work toward achieving our ESG goals.
- **Check:** Put in place feedback mechanisms to review progress of the EMS, including qualitative and quantitative impacts.
- **Act:** Critically analyze and assess the impact of our operations, and progress against targets, to achieve continuous improvement and guide decision-making.

In 2023, Bureau Veritas, a leader in audit and certification services, completed Hines Europe’s second audit. The four-day, third-party audit conducted in our London and Luxembourg offices evaluated Hines Europe’s investment management approach to ESG strategy, objectives, and progress to ensure the region’s EMS, and all the Fund-specific EMSs encompassed by it, reflect best-in-class ESG systems and processes. Upon completion of the audit, Bureau Veritas recertified the EMS for another year.



HEVF 2’s ESG Strategy and Implementation Framework outlines our approach to managing ESG factors and defines supporting activities of the EMS.

External ESG Frameworks, Alignment, and Achievements

HEVF 2 uses external ESG governance frameworks and benchmarks to hold ourselves accountable, disclose our objectives, report our progress, and evaluate continuous improvement. We communicate our ESG achievements to stakeholders through several channels including tenant and investor meetings, outreach, events, and reporting.

HEVF 2 ESG reporting to investors aligns with the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) guidelines.

Assessing Climate Risk

HEVF 2 conducts climate risk assessments to examine transition and physical risk at our assets. We use the findings to shape strategy at the asset and Fund levels, so we can address climate risk proactively and effectively across the portfolio.

In 2023, we commissioned climate risk

assessments for all existing HEVF 2 assets and during due diligence for new acquisitions. Our third-party provider used a data-driven methodology to determine asset risk levels in the 2030–2040 timeframe by scoring six climate hazards and 21 underlying risk indicators. We are integrating the results into the strategy for each asset.

Aligning with TCFD

HEVF 2 also aligns with the Taskforce on Climate-related Financial Disclosures (TCFD) framework and governance recommendations, and we include all 11 recommended TCFD disclosures in our annual investor report.

We have structured our approach to addressing climate-related risks and opportunities around TCFD’s four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. We focus on climate risk within two primary categories: transition risk and physical risk. This alignment helps us assess more strategically when and how climate change might impact the Fund over time, so we can address climate risk proactively and effectively.



LEADING WITH PREA



The Pension Real Estate Association (PREA) recognizes excellence in ESG programs within real estate investment management. The organization believes properly implemented ESG programs can help foster a sustainable future – without sacrificing investment performance – and created their annual award program to recognize ESG leadership and highlight best practices in the industry.

In 2023, HEVF 2 earned the Closed-End Fund ESG Award, which we also received in 2022, the inaugural year of the PREA awards. Our Fund was specifically recognized for incorporating a comprehensive sustainability approach into our investment decision-making framework.



LEADING WITH GRESB



The Global Real Estate Sustainability Benchmark (GRESB) is an independent organization that validates ESG company, fund, and asset performance data and provides peer benchmarking. We use GRESB to measure our ESG performance and provide investors with transparent reporting on ESG-related risks and opportunities.

HEVF 2 has been reporting to GRESB since 2021. In 2023, we achieved five out of five stars for a second year in a row – this time earning the full 100 points – and were awarded Global Sector Leader within the Europe, non-listed, value-added, closed-end category. We increased our GRESB score by six points, exceeding the peer-group average of 88 points, and also reached the top scores for management and development performance.

Global Sector Leader for 2 Years

out of 65 European, non-listed, value-added, closed-end funds



Five out of five stars

2023 GRESB Awards



**GRESB Score/
Green Star**
(out of 100)

GRESB average: 83
Peer average: 88



**Management
Score**
(out of 30)

GRESB average: 27
Benchmark average: 25



**Development
Score**
(out of 70)

GRESB average: 56
Benchmark average: 59

GRESB Performance Against Peers



The graph highlights how HEVF 2 performed against its peer group of 8 entities.



Aligned with The UN SDGs

Like our firm, HEVF 2 supports the ambitious vision of the United Nations’ Sustainable Development Goals (SDGs). We prioritize SDGs that align with our Fund and ESG strategies and support the Hines corporate commitment to community benefit and positive impact.

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GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

10

REDUCED INEQUALITIES

11

SUSTAINABLE CITIES AND COMMUNITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

15

LIFE ON LAND

17

PARTNERSHIPS FOR THE GOALS

“At Pimco Prime Real Estate, we manage real estate for LPs who hold the view that it is of the highest priority to reduce the carbon footprint of our investments, especially in developments and refurbishments. HEVF 2 has an aspirational and ambitious ESG approach, which is very important to us.”

Jerome Berenz
Head of European
Indirect Investments
Pimco Prime Real Estate



2023 ESG OBJECTIVES AND TARGETS

Environmental

FOCUS AREA	2022 COMMITMENTS	2023 PROGRESS / OUTCOMES	2024 OBJECTIVES / TARGETS
Green Building Certifications <i>SDGs: 9, 11, 12, 13</i>	Continue pursuing green building certifications, targeting BREEAM Excellent or equivalent on major CapEx projects or refurbishments.	<ul style="list-style-type: none"> All assets are progressing toward obtaining green building certifications as part of their refurbishment/construction process. 	Continue pursuing green building certifications, targeting BREEAM Excellent or equivalent on refurbishment projects.
Energy Efficiency & Operational Carbon <i>SDGs: 7, 11, 13</i>	Target minimum Energy Performance Certificate (EPC) A rating for new developments or B rating for refurbishments.	<ul style="list-style-type: none"> Extensive refurbishment projects at multiple assets are focused on improving energy efficiency and carbon performance, resulting in improved EPCs. There are several refurbishment works at multiple assets to improve energy efficiency/carbon performance; for example, at Grainhouse, we are targeting a 40% reduction in operational carbon emissions against baseline, and at 80 New Bond Street, we are targeting a 35% reduction. 	Continue to target minimum EPC A rating for new developments or B rating for refurbishments.
Embodied Carbon <i>SDGs: 9, 11, 12, 13</i>	Seek to complete robust embodied carbon assessments for new build/refurbishment projects and work toward reduction.	<ul style="list-style-type: none"> Embodied carbon assessments were conducted at 80 New Bond Street, Grainhouse, and aer. Assessments are underway for the Milan Living Portfolio and Florence Student Housing. 	Continue to complete robust embodied carbon assessments for new build/refurbishment projects and work toward reduction.
On-site Renewable Energy Sources <i>SDGs: 7, 11, 13</i>	Seek to include on-site renewable energy producing equipment on all assets.	<ul style="list-style-type: none"> aer will include ground-source heat pumps and PV cells. 80 New Bond Street, Grainhouse, the Milan Living Portfolio, the FAP Portfolio, Project Valle, and Tiel will include on-site solar panels. PV feasibility studies have been carried out for the Golden and Optimus portfolios. 	Continue to seek to include on-site renewable energy producing equipment on all projects.

2023 ESG OBJECTIVES AND TARGETS

Environmental

FOCUS AREA	2022 COMMITMENTS	2023 PROGRESS / OUTCOMES	2024 OBJECTIVES / TARGETS
<div>Water Efficiency</div> <div>SDGs: 6, 12</div>	Evaluate water-efficient fixtures and fittings in new build/refurbishment projects Seek to install Automatic Meter Reading (AMR) devices on the main water supply in project scope.	<ul style="list-style-type: none">Several assets are pursuing water-efficiency measures as part of their targeted green building certifications.80 New Bond Street, Grainhouse, the Milan Living Portfolio and aer have installed low flow water fixtures.	<div>Continue to evaluate water-efficient fixtures and fittings in new build/refurbishment projects.</div> <div>Continue to install AMR devices on the main water supply in project scope.</div>
<div>Biodiversity</div> <div>SDGs: 11, 15</div>	Hines Europe's ESG Development Brief targets a Biodiversity Net Gain of 10% for major refurbishments and new developments.	<ul style="list-style-type: none">Several assets are integrating plants into roof terrace design and interior greenery.Grainhouse and 80 New Bond Street have achieved over the minimum 10% biodiversity net gain.	<div>Continue to consider ecological enhancement opportunities.</div>
<div>Waste</div> <div>SDGs: 11, 12</div>	Develop construction waste management plans for all construction projects.	<ul style="list-style-type: none">Construction waste management plans have been developed in conjunction with appointed contractors.	<div>Continue to develop construction waste management plans for all construction projects.</div>
<div>Data Collection</div>	Install AMR devices or half-hourly meters for main utility meters (electricity, gas, and district heating) in project scope.	<ul style="list-style-type: none">All assets undergoing development/major refurbishments are installing automatic meter reading, to increase data availability once operational.	<div>Continue to install AMR devices or half-hourly meters for main utility meters (electricity, gas, and district heating) in project scope.</div>
<div>Materials</div> <div>SDGs: 9, 11, 12, 17</div>	Continue to consider ESG requirements in material purchasing. Consider opportunities to prioritize locally sourced products and those with recycled content.	<ul style="list-style-type: none">Several assets are pursuing resource efficiency measures including reusing and recycling materials from the original buildings during refurbishment.At aer, the team reused a significant portion of recycled materials generated from the demolition.	<div>Continue to evaluate resource efficiency measures and prioritize reuse and recycling of materials.</div>

2023 ESG OBJECTIVES AND TARGETS

Social

FOCUS AREA	2022 COMMITMENTS	2023 PROGRESS / OUTCOMES	2024 OBJECTIVES / TARGETS
Tenant Engagement <i>SDGs: 12, 17</i>	Seek to incorporate green lease clauses into tenancy agreements. Seek to share the Tenant Sustainability Fit-Out Guide in advance of tenant fit-outs.	<ul style="list-style-type: none"> Defined green lease language to be included in all new leases. The standard green lease clause was updated in 2023. Green lease clauses were included for all new Grainhouse tenants. 	Seek to incorporate green lease clauses into tenancy agreements. Seek to share the Tenant Sustainability Fit-Out Guide in advance of tenant fit-outs. Survey tenants to gauge their satisfaction and interest in ESG.
Employee Engagement <i>SDGs: 4, 8</i>	Continue to embed ESG objectives within performance reviews for the HEVF 2 investment management team. Deliver ESG-focused training to the HEVF 2 investment management team.	<ul style="list-style-type: none"> ESG objectives have been embedded in performance reviews. ESG objectives were also included for the country project and asset management teams. Multiple ESG training sessions were carried out in 2023. 	Continue to embed ESG objectives within performance reviews for the HEVF 2 investment management and local execution teams. Continue to deliver ESG-focused training to employees.
Community Engagement <i>SDGs: 4, 10, 17</i>	Develop community engagement plans appropriate to the project and report on initiatives undertaken across the project lifecycle. Consider opportunities to utilize local suppliers/contractors, employees, and engagement with voluntary, community, or social enterprises.	<ul style="list-style-type: none"> Several assets have active community engagement plans in place and initiatives underway. At aer, the interim-use concept, shaere, is a dedicated space for community and social connection. 	Continue to develop community engagement plans appropriate to the project and report on initiatives undertaken across the project life cycle. Continue to consider opportunities to utilize local suppliers/contractors, employees, and engagement with voluntary, community, or social enterprises.
Well-Being Certifications <i>SDGs: 3, 11</i>	Explore feasibility of achieving WELL certification (Silver rating or higher) or Fitwel (2 star rating or higher) on new refurbishments, with consideration to stakeholder demand.	<ul style="list-style-type: none"> WELL certification is being pursued at 80 New Bond Street (WELL Platinum enabled) and Grainhouse (WELL Platinum). 	Continue to explore feasibility of achieving WELL certification (Silver rating or higher) or Fitwel (2 star rating or higher) on new refurbishments, with consideration to stakeholder demand.

2023 ESG OBJECTIVES AND TARGETS

Governance

FOCUS AREA	2022 COMMITMENTS	2023 PROGRESS / OUTCOMES	2024 OBJECTIVES / TARGETS
ESG Disclosure / Benchmarking <i>SDGs: 8, 13, 17</i>	Participate in GRESB to support benchmarking and communicate transparent ESG performance. Update EMS and ensure to maintain ISO 14001 certification.	<ul style="list-style-type: none"> Achieved 5 stars out of 5 stars with a score of 100 out of 100 – an improvement of 6 points over 2022 score. Maintained ISO 14001 certificate. 	Continue to participate in GRESB to support benchmarking and communicate transparent ESG performance. Continue to maintain ISO 14001 certification through annual audits.
Climate Risk and Resilience <i>SDGs: 13</i>	Carry out portfolio climate risk assessment to model physical risks.	<ul style="list-style-type: none"> Conducted physical climate risk assessments for assets and included TCFD-aligned disclosures in reporting. 	Continue to carry out portfolio climate risk assessment to model physical risks. Continue to progress toward alignment with TCFD recommendations.
Acquisition Due Diligence <i>SDGs: 11</i>	Complete the Sustainability Acquisitions Due Diligence Checklist for all new acquisitions. Perform an environmental site assessment during due diligence process for all acquisitions, including review of potential contamination and hazards. Prioritize selection of sites with good connectivity to multi-modal transport networks.	<ul style="list-style-type: none"> Completed the Sustainability Acquisitions Due Diligence Checklist for all new acquisitions. Create a new ESG due diligence scoping document to obtain detailed ESG data at acquisition. 	Continue to complete the Sustainability Acquisitions Due Diligence Checklist for all new acquisitions. Update the checklist to include more detailed ESG considerations, in line with industry best practices.
Construction Management <i>SDGs: 11,13</i>	Monitor site safety and promote best practices, including communication of safety information, on-site H&S coordinator, and training for site personnel. Minimize environmental impacts of construction on the surrounding community, including light pollution and noise pollution, and protect air quality. Measure and minimize on-site energy and water consumption and transport impacts.	<ul style="list-style-type: none"> Local teams are working with appointed contractors to promote site safety and minimize the environmental impacts of our projects. 	Continue to promote site safety and minimize environmental impacts during the construction process.



CASE STUDY

80 New Bond Street

Balancing efficiency and functionality

Location: London
Acquired: 2020

Previously known as 80 New Bond Street, 80 New Bond Street anchors one of the most desirable locations in central London. When complete, the 33,000-square-foot building will incorporate retail space on the lower floors, office space above, and a fully landscaped roof terrace with views across London.

HEVF 2’s comprehensive reconfiguration and refurbishment plan for 80 New Bond Street includes high-specification design elements and flexible floor plates to create modern, efficient spaces for discerning tenants. It also includes ambitious ESG targets.



In March 2023, Hines associates celebrated the topping out of 80 New Bond Street.

CERTIFICATIONS	
targeting	
BREEAM Excellent	BREEAM®
WELL Platinum (certificate enabled)	WELL
WiredScore Platinum	WiredScore PLATINUM
SmartScore Platinum	SmartScore®
EPC A	A B C

Embodied Carbon and Circularity

We are integrating circular principles throughout the project and taking a whole-life approach to demolition, construction, and operational waste.

Part-refurbishment and part new build, 80 New Bond Street will retain 75% of its existing structure. Based on the WLCA of the property, this means saving approximately 800 kgs of CO2 per square meter and outperforming the Greater London Authority baseline benchmark by 44%.

By reusing materials from the demolition/ excavation, we will reduce the volume of waste exported from the site, and we expect to recycle a minimum of 95% of demolition and construction waste.



Operational Carbon Emissions and Energy Efficiency

80 New Bond Street is fully electric, and fossil free on site. We are targeting an Energy Performance Certificate (EPC) A energy efficiency rating and are committed to achieving a 40% reduction in CO2 emissions against Part L 2013 (a UK regulation to promote conservation of fuel and power in new dwellings) through:

- Sub-metering of energy-intensive systems and tenancy areas to measure and monitor consumption
- Good building fabric performance
- Mechanical ventilation with high-efficiency heat recovery
- Natural ventilation to the atrium and openable windows on the façade to reduce cooling demand
- Low-energy lighting with occupancy-sensing and daylight-dimming controls
- A leak-detection system
- On-site solar panels

Community Connectivity

80 New Bond Street sits close to prestigious Hanover Square and the Elizabeth Line entrance at Bond Street station, which provides high-speed connections citywide. It will offer 2,260

square feet of amenity space including club-style end-of-trip facilities with showers, changing rooms, and cycle storage for active commuters and a charging station for electric scooters and bikes.

Ecology, Urban Greening, and Biodiversity

The site initially contained no ecological interest or value. However, once the building is operational, we aspire to achieve:

- A minimum of 10% increase in ecological value against the predevelopment site
- An Urban Greening Factor of 0.3

Our team plans to pursue a variety of features and practices that will promote biodiversity at the site, including:

- Planting trees to add breeding and foraging habitat for a range of species and provide the benefit of shade
- Planting a mixture of native, non-native, and pollinator plant species in borders and planters around the development
- Installing bird boxes suitable for various species
- Integrating boxes for common swifts and bats into the building structure during construction



Our team is leveraging industry and regional best-practice frameworks and benchmarks to set high ESG standards at 80 New Bond Street.

- UKGBC Net Zero Carbon Framework and supporting publications
- RIBA 2030 Climate Challenge
- London Energy Transformation Initiative’s (LETI) Climate Emergency Design Guide/ Embodied Carbon Primer
- Better Building Partnership (BBP)

Energy Efficiency Meets Comfort

Occupants at 80 New Bond Street will enjoy materials and systems that both meet sustainability goals and create a comfortable indoor environment. Insulated architectural precast concrete will limit heat loss during winter and at night, and create a fresh feeling in summer. Under-floor fresh air distribution will maintain a consistent climate, and a chilled ceiling with perimeter trench heating will promote energy efficiency. And a smart technology and a custom app will keep environmental control in occupant hands.



Environmental Stewardship



aer, Munich

3

Sustainability Measurement and Management

Assessing climate impacts across our portfolio

HEVF 2 tracks and reports on environmental metrics in our redevelopments and major capital expenditure projects. We leverage sustainable design and construction practices to reduce carbon across the building life cycle, and our project teams integrate ESG requirements into material purchases.



Valdebebas, Madrid



2023 HIGHLIGHT

Leveraging the ESG Development Brief

In 2023, Hines Europe’s ESG and investment management leadership conducted a detailed peer review, materiality assessment, and framework review in order to update the brief and ensure it includes the most current, best-in-class practices.

The revised, comprehensive brief is organized by ESG themes and identifies material issues, defines project-level targets that can be aligned with each fund’s ESG strategy, helps inform individual project briefs, and provides a template for assessment and reporting.

Given the importance of climate change mitigation, the brief places extra focus on designing for operational efficiency and includes criteria and targets from leading third-party frameworks and accreditations. A living document, the brief will evolve over time as new industry standards and best practices emerge.

HEVF 2 leverages the new ESG Development Brief for all new developments and refurbishments in our portfolio to integrate key ESG standards into our project plans in addition to local planning and building regulations.



ENVIRONMENTAL

Energy & Operational Carbon

- No fossil fuel combustion
- Operational energy use intensity – CRREM pathways
- Feasibility or installation of on-site renewables
- Automatic Energy metering

Embodied Carbon

- Embodied carbon baseline, methodology, and improvement
- Leverage Hines Embodied Carbon Playbook

Circular Economy (including Waste)

- Responsibly sourced materials
- Circularity in building design and construction techniques
- Divert construction and demolition waste from landfill

Water

- Water use reduction
- High-efficiency water fixtures
- Water reuse
- Water resilience

Climate Change Adaptation

- Physical climate risk assessments
- Climate risk mitigation

Biodiversity & Green Infrastructure

- Protect and/or enhance natural habitats
- Biodiversity baseline and net gain
- Urban greening

SOCIAL

Purposeful Construction & Placemaking

- Placemaking strategy
- Community engagement
- Social impact
- Public realm enhancement
- Contractor standards

Diversity & Inclusion

- Inclusive public space provisions
- Supplier diversity

Inclusive Economic Development

- Manufacturer location for building materials

Affordability

- Consideration for affordable space

Climate Change Adaptation

- Physical climate risk assessments
- Climate risk mitigation

Healthy & Prosperous Communities

- Occupant/resident health and well-being design strategies
- Human-powered vehicle facilities
- EV charging
- Human-scaled living (e.g., pedestrian provisions)

Building and Workforce Well-Being & Productivity

- Indoor air quality (IAQ) provisions
- Access to nature and biophilia
- Public art and design features
- Occupier experience

GOVERNANCE

Building Labels & Standards

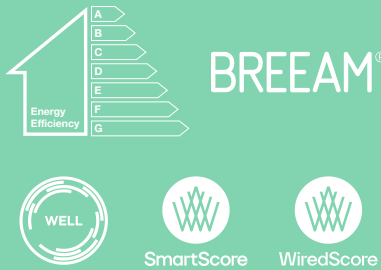
- Green building and energy performance certification
- Health and well-being certification
- Health and safety certification
- Digital and connectivity certification

BIM

- Building Information Modeling

Building Operations

- Building user onboarding
- Plant and operational alignment with ESG standards
- EPC A rating, EPC B for refurbishments
- BREEAM Excellent with aspiration of outstanding
- WELL Gold with aspiration of Platinum
- SmartScore Gold with aspiration of Platinum
- WiredScore Gold with aspiration of Platinum



Considering ESG Factors Across the Asset Life Cycle

HEVF 2 strives to understand and address ESG opportunities and risks across our portfolio and throughout the asset life cycle.

Tools to Reach Our Targets

In 2023, Hines’ global ESG experts created a number of resources to help teams assess ESG impacts – with a particular focus on carbon – from acquisition, through development and operation, and in preparation for sale. We are leveraging these tools to integrate ESG best practices into our project plans, assess the carbon impact of potential assets, develop new projects net zero, and decarbonize existing assets.

Acquisition

The firm’s new **District Energy Guide** helps teams get an accurate picture of local energy sources at potential assets and development projects, so we can grasp the carbon implications of an asset



remaining connected to the District Energy System (DES). The guide, which we used to estimate carbon performance at Village Delage – a forward purchase deal to develop student housing in Paris – outlines a two-step process and decision matrix to evaluate a local energy network’s carbon performance and compliance with Hines’ net zero goals.

We are also leveraging the Hines **ESG Due Diligence Scoping Document** for 100% of HEVF 2 acquisitions. This resource helps teams identify

ESG related risks and opportunities and procure consistent ESG due diligence reporting from third-party providers. It outlines crucial asset-level due diligence considerations – including electrification, energy-efficiency measures, on-site renewables, data collection, and building certifications – to ensure we assess and price ESG improvements as capital expenditures in the business plans for operational assets, new developments, major refurbishments, and forward purchases.

Operational Assets

Hines’ carbon experts created a **Net Zero Carbon Scoping Guide** to outline key considerations for hiring decarbonization consultants. This guide helps ensure consultants creating net zero pathways for Hines assets use a consistent approach that aligns with the best practices established by our firm and the market. HEVF 2 has been using this tool to procure net zero roadmaps for operational assets.

We will also use the firm’s newly published **Operational Carbon Guide** to help our team execute the decarbonization plans outlined in the net zero roadmaps. This guide outlines industry-leading principles and processes that address asset-level climate and transition risk while prioritizing value creation, integrity, and quality. It is a living document that will continue to evolve with real project feedback and learnings from our teams.

Developments

HEVF 2 uses WLCAs to understand and reduce potential carbon impacts at our development assets, such as Grainhouse. WLCAs help us prioritize net zero goals at every stage of a building’s lifecycle – from construction, operation, and maintenance,

to demolition and material reuse – and inform decision-making across the development process.

To make it easier for project teams to procure quality consultants for WLCAs, Hines Europe has created a **Whole Life Carbon Assessment Consultant Scope of Services and Deliverables Template** for our region. This document outlines the key requirements and capabilities of the consultant role, including modeling operational energy performance, quantifying embodied carbon, contributing to reporting requirements, and collaborating with the project team.



How Green Is District Energy?

Understanding how district energy impacts our carbon targets

A District Energy System (DES) offers centralized energy distribution for heating, cooling, and occasionally electricity across multiple buildings. A DES can achieve significant carbon reductions compared to on-site combustion of fuel oil or natural gas. However, given that a DES might still rely on fossil fuels and contested energy sources like biomass, it could prove inconsistent with Hines’ net zero carbon targets.

To help asset managers and acquisition teams understand how DESs affect buildings’ carbon performance, Hines developed a **District Energy Guide**. The guide outlines a two-step process and decision matrix that acquisition teams can use during their technical assessment to evaluate a system’s carbon performance and compliance with net zero goals:

- 1. Identifying the carbon intensity of the fuel mix that currently powers the DES
- 2. Identifying the provider’s and/or municipality’s carbon reduction plans for the DES

These indicators provide a reasonable basis for assessing the carbon impacts of relying on district energy today and in the future.



Targeting Carbon Emissions and Operational Efficiency in Developments

HEVF 2 is aligned to Hines’ firm-wide target of net zero operational carbon emissions by 2040, and we are particularly focused on designing for operational efficiency at our assets. Our carbon-reduction efforts are becoming increasingly important as we seek to meet investor and market expectations, and future proof our developments to avoid stranding in the near term.

We have set a Fund-wide target for operational energy use intensity to deliver and operate buildings in line with the 1.5 degree 2040 Carbon Risk in Real Estate Monitor (CRREM) pathway. If there is an applicable local standard (such as UKGBC) that is more ambitious than CRREM, we will target it to comply with National Net Zero Building guidance – as long as it is commercially reasonable for the asset.



2023 HIGHLIGHT

Assessing Our Carbon Impact

HEVF 2 strives to align with our firm’s mandate to reduce operational and embodied carbon emissions by 2040. We use CRREM and the firm’s **Carbon Impact Assessment Tool** to conduct net zero carbon audits that help our team assess the challenges, opportunities, and capital expenditures associated with achieving net zero carbon at our assets.

Launched in 2023 and powered by CRREM, the Carbon Impact Assessment Tool provides a standard, centralized way to collect and evaluate an asset’s operational data. While the focus is on carbon, teams can also input other environmental and financial data, change date ranges and assumptions, and create scenarios to better understand stranding risk.



Embracing On-Site Renewables in Residential Properties

On-site renewable energy is one of HEVF 2’s top ESG priorities. We have planned to utilize on-site renewable energy sources for all of our living assets in Italy – three buildings in the Milan Living Portfolio and the Florence project – along with other environmentally and socially sustainable efforts.



PROJECT HIGHLIGHTS

Milan Living Portfolio

Our Milan Living Portfolio will include 300 market-leading, build-to-rent residential units across three buildings: Roncaglia, Trivulzio, and Villoresi. These assets – all targeting LEED Gold – will offer superior amenities, a place-based location in Milan’s southeast quadrant, and the highest ESG credentials.

We are designing for high energy efficiency, with the goal of achieving the EU’s Nearly Zero Energy Building (NZEB) standard, and on-site renewables will help us meet this target.

Photovoltaic panels will cover 30% of the buildings’ roof space, and Villoresi will employ a 41.6 kWp roof-mounted PV system.

All three assets will incorporate other sustainability measures, as well:

- Full electrification for operational energy efficiency
- A green façade and green areas with native or adapted vegetation to ensure a diversity of low-water species



Milan Living Portfolio, Milan

- Blue/green infrastructure that harvests rainwater in a dedicated tank to reuse for irrigation
- Energy metering for each energy source, with submetering for each relevant end use

We have also developed construction waste management plans for the demolition and construction phases based on the LEED target: to divert at least 75% of total waste from landfills.

Florence Student Housing

Florence Student Housing is a 16,150 sqm purpose-built student living project in Florence. It is part of the vibrant Manifattura Tabacchi regeneration project, which is transforming a portion of the Polimoda fashion and design university campus.

HEVF 2 will convert this former tobacco warehouse into a modern, 384-bed student housing complex featuring apartments, a lounge, and a hostel with 136 beds. As part of the refurbishment, the building will become fully electric and utilize on-site renewable energy.

These high-quality accommodations will help meet strong demand from international students and travelers seeking short-term stays in one of the world’s most visited cities.



Florence Student Housing

Prioritizing Energy Efficiency at Standing Assets

Although HEVF 2 focuses on refurbishments and developments, our Fund also includes operational assets that are ripe for sustainability upgrades.

In 2023, we set the goal of obtaining net zero roadmaps, PV feasibility studies, and BREEAM pre-assessments for all of our existing operational assets. By end of 2023, we had commissioned net zero roadmaps and PV feasibility studies for all assets within the Fund’s Optimus Portfolio of logistics buildings in France, and all assets within both Optimus and our Golden Portfolio of Italian logistics properties had completed BREEAM pre-assessments.



PROJECT HIGHLIGHT

Energy Efficiency and On-Site Renewables at Tiel

Tiel is a tenant-controlled logistics asset in Tiel, Netherlands. To maximize the building’s potential for on-site solar energy, we engaged with our tenants to install 4,800 solar panels on the roof. This €1.59 million investment is expected to generate 1.9 megawatts annually with a payback period of seven years, potentially leading to an increase in expected investment performance.

With PV in place, we developed a net zero carbon roadmap for Tiel in 2022 and conducted a net zero carbon audit in 2023 to provide guidance on improving energy efficiency and reducing carbon emissions across the whole building. The audit includes everything from quick wins (including behavioral changes) which require low investment to more extensive improvements to the building fabric, mechanical and electrical equipment, lighting system, and on-site renewable energy. We are integrating the recommendations into the business plan and intend to implement a number of them – especially the quick wins – ahead of disposition.



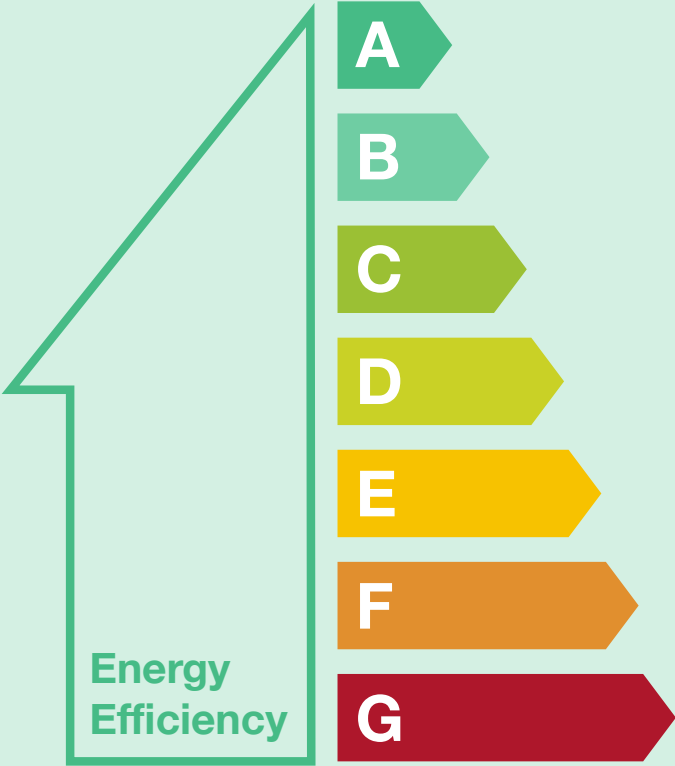
Tiel Logistics, Tiel



PROJECT HIGHLIGHT

EPC Improvements at Project Blackbird

In 2023, HEVF 2 closed on Project Blackbird, which comprises four logistics assets in the United Kingdom. We obtained EPC improvement reports, so we can target the highest energy ratings for all Project Blackbird assets.



EXAMPLE OF AN EPC IMPROVEMENT REPORT

Option	Works	EPC Rating (Part L 2021)	Meets EPC E (2023 target)	Meets EPC C (2027 target)	Meets EPC B (2030 target)
	Baseline EPC Rating	B49	Yes	Yes	Yes
LIGHTING					
L1	Upgrade all lighting in the offices and ancillary accommodation to LED with occupancy sensing controls. The following efficiencies are assumed: 120lms/W in the offices and 95lms/W in the ancillary and WCs.	B33	Yes	Yes	Yes
BUILDING SERVICES					
BS1	Replace the LTHW central heating system and split AC units with a VRF AC system with CoP of 4 and SEER of 6. Install electric panel heaters in the WCs and circulation zones. Instal point of use electric hot water heaters in the WCs and kitchenettes.	B38	Yes	Yes	Yes
RENEWABLE TECHNOLOGY					
RT1	Install a 25kWp Solar PV system.	B37	Yes	Yes	Yes
RT2	Install a 50kWp Solar PV system.	B29	Yes	Yes	Yes
C1	BS1 + RT1	B30	Yes	Yes	Yes
C2	BS1 + L1	B29	Yes	Yes	Yes
C3	BS1 + L1 + RT1	A21	Yes	Yes	Yes
C4	BS1 + RT2	A14	Yes	Yes	Yes

ASSET SPOTLIGHT

OFFICE



aer
Location: Munich, Germany
Asset type: Office
On-site Renewables: Yes
Certifications: WiredScore Platinum; targeting DGNB Gold, SmartScore, EPC A



80 New Bond Street
Location: London, UK
Asset type: Office, Retail
On-site Renewables: Yes
Certifications: Targeting BREEAM Excellent, WELL Platinum, WiredScore Platinum, SmartScore Platinum, EPC A



Grainhouse
Location: London, UK
Asset type: Office
On-site Renewables: Yes
Certifications: BREEAM Excellent, WELL Platinum, WiredScore Platinum, EPC A



STUDENT HOUSING



Florence Student Housing
Location: Florence, Italy
Asset type: Student Housing
On-site Renewables: Yes
Certifications: Targeting LEED Gold, EPC A



Village Delage
Location: Paris, France
Asset type: PBSA
Certifications: Targeting BREEAM NC Excellent, WELL Silver, WiredScore Home Silver, EPC A



Milan Living Portfolio
Location: Milan, Italy
Asset type: Residential, Retail
On-site Renewables: Yes
Certifications: Targeting LEED Gold, EPC A



Valdebebas
Location: Madrid, Spain
Asset type: Residential, Retail
On-site Renewables: Yes
Certifications: BREEAM Very Good



LOGISTICS



FAP Portfolio
Location: Various cities, Italy
Asset type: Logistics
On-site Renewables: Yes
Certifications: Targeting LEED Gold, EPC A



ASSET SPOTLIGHT

LOGISTICS, CONT



Optimus Portfolio

Location: Various cities, France
Asset type: Logistics
On-site Renewables: Yes
Certifications: Targeting BREEAM In-Use

BREEAM®



Golden Portfolio

Location: Various cities, Italy
Asset type: Logistics
Certifications: Targeting BREEAM In-Use

BREEAM®



Project Valle

Location: Madrid, Spain
Asset type: Logistics
On-site Renewables: Yes
Certifications: BREEAM Excellent, EPC A

BREEAM®



Project Blackbird

Location: Various cities, UK
Asset type: Logistics
Certifications: Targeting BREEAM In-Use

BREEAM®



Tiel Logistics

Location: Tiel, Netherlands
Asset type: Logistics
On-site Renewables: Yes
Certifications: BREEAM In-Use

BREEAM®



Social Impact

4

Tenant and Community Collaboration

Partnering with the People in and around Our Buildings

HEVF 2 shares our firm's commitment to creating exceptional experiences in Hines buildings. We build strong partnerships with the tenants in our assets, and we work closely with them to meet their needs and realize their goals. Our Fund also gives back to the communities that surround our assets. We actively participate in Business Improvement Districts (BIDs) and support local charities and fundraising events.



Valdebebas, Madrid



2023 HIGHLIGHT

Striving for Greener

Collaborating with tenants to reach shared ESG goals

Leveraging Green Lease Language

Because tenant emissions make up a large portion of Hines’ total emissions, green leasing language is a critical element of our firm’s decarbonization strategy. The Fund is utilizing Hines Europe’s new **Green Lease Templates** to integrate ESG-focused leasing language into our tenant agreements.

Updated in 2023, the new templates for commercial, student housing, and build-to-rent properties place more emphasis on energy efficiency improvements, data-sharing, and on-site renewables. They also include minimum and aspirational clauses to set a higher sustainability bar, provide a clear path for improvement, and support tenant ESG goals.

These updated templates are facilitating greater collaboration between HEVF 2 and our tenants by encouraging:

- Data sharing

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

The templates also require tenants to designate a sustainability contact to work directly with our team on key ESG initiatives and provide a split-incentive clause to share savings related to ESG CapEx investments.

Engaging with Tenants Around Decarbonization

The firm’s new **Client Engagement for Decarbonization Guide** supports our Fund’s green leases by helping HEVF 2 asset and building management teams understand our tenants’ carbon ambitions early in the leasing relationship and keep decarbonization top-of-mind throughout their lease.

Released in 2023, the guide is full of best practices and lessons learned from Hines initiatives and properties across the globe and explains how to engage occupiers in a decarbonization journey through:

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



Supporting ESG Ambitions with HinesGO and HinesGR

Our firm’s proprietary ESG guide for occupiers, Hines GREEN OFFICE™ (HinesGO) and Hines GREEN RETAIL™ (Hines GR) help our tenants prioritize ESG efforts in their spaces. We offer this opt-in program to give HEVF 2 tenants a framework for setting and reaching sustainability goals. The programs include a HinesGO or HinesGR resource guide to help tenants determine which policies and plans they want to implement, help them set benchmarks, and track their progress.





CASE STUDY

aer

Building value through refurbishment

Location: Munich, Germany
Acquired: 2020

HEVF 2 acquired two adjacent assets as part of a rezoning and refurbishment project. One, a modern office asset rebranded as aer, is being refurbished into a high-quality, mixed-use building with significant focus on ESG. The second will be developed into a mixed-use campus and in the interim is supporting an innovative model of social value creation called shaere.

The project team is committed to creating real impact at aer and established four key goals to guide our work:

- Reduce embodied carbon
- Utilize circularity
- Operate carbon free
- Add value to the neighborhood

Minimizing Embodied Carbon, Maximizing Circularity

Leveraging the firm’s Embodied Carbon Playbook, we are taking a number of steps to reduce embodied carbon at aer.

We completed an embodied carbon assessment using a complete component catalog and cradle-to-cradle approach to minimize the carbon impact of materials used during aer’s refurbishment including their extraction, transport, and manufacturing. Our team will utilize material passports for all new materials to promote circularity.

When possible, we have been leveraging materials from the existing structure to create the new one. The team is reusing the existing roof slats and ceiling tiles, processing various aggregates into floor slabs, and recycling materials like glass and metal to create furniture for lobby and lounge areas.

We are using wood-hybrid construction – along with generous interior greenery and natural light – for the new build to reduce embodied carbon and increase tenant well-being.



Carbon Neutral Operations

aer’s original HVAC system ran on district heating, which presented waste incineration and biomass concerns. Now, aer sources 100% of its energy from renewables and operates carbon neutral.

- We have installed two extraction wells, two absorption wells, and six heat pumps in the building’s basement to derive on-site geothermal energy from groundwater.
- PV cells on the rooftops capture solar energy.

Partnering for Long-Term Impact

Flexible, modern office space and amenities, combined collaboration between the landlord and tenants, will keep long-term energy consumption to a minimum.

- aer uses smart meters and sensors that allow real-time consumption monitoring, and we plan to use a tenant app that will help tenants track and optimize consumption.
- We are using green leases to align tenant and landlord interests at aer and leveraging employee incentives – like free lunches or use of fitness facilities – to encourage aer occupants to conserve resources well into the future.



CERTIFICATIONS

DGNB
Construction
Gold (targeting)

DGNB

SmartScore
(ongoing)

SmartScore

WiredScore
Platinum
100/100

WiredScore
PLATINUM



Benefiting Community with shaere

An interim-use concept, shaere is a dedicated space for community and social connection.

The Community Kitchen, a food-saving restaurant, serves as a local gathering place and distributes 2,000 meals per day to daycare centers, Ukrainian refugees, schools, and companies in the surrounding area. The kitchen also sells products in retail stores and online and plans to offer workshops for all age groups on food and sustainability.

shaere rents space to local artists, hosts school classes and student art exhibitions, and organizes a Christmas dinner for disadvantaged and single-parent households.

With a cinema and scheduled social events, shaere has become a community hub that welcomes between 250–700 visitors each day. The City of Munich considers shaere to be one of the largest educational and cultural projects in the area.



About Hines Europe



5

Our Region and Governance Structure

Prioritizing ESG across our portfolio

Hines has been actively investing in, developing, and acquiring real estate in Europe for more than 30 years. Headquartered in London, Hines Europe has 17 offices across the continent and includes a full portfolio of prominent office, retail, industrial, and residential properties.

The Hines Europe ESG Team drives a comprehensive ESG agenda across our firm’s European platform. We coordinate regional carbon reduction standards and initiatives, define social programs that foster meaningful engagement with our stakeholders, and implement transparent and accountable governance frameworks across the portfolio.



Grainhouse, London

Hines’ European Head of ESG sits on the firm’s ESG Advisory Committee, which was formed in 2023 to further embed sustainability into Hines business lines and help implement and activate key sustainability initiatives.



2023 HIGHLIGHT

Hines’ New European Headquarters Has ESG at its Heart

In September 2023, Hines Europe celebrated the opening of our new, world class headquarters at Grainhouse. A three-year restoration and refurbishment project transformed this Hines European Value Fund 2 (HEVF 2) acquisition into a prime office and retail asset in the heart of London’s Covent Garden – and three floors of the building are now occupied by Hines.

The HEVF 2 project team took a comprehensive approach to transforming the 91,000-square-foot former Victorian grain warehouse into a sophisticated workplace. The team considered environmental and social sustainability at every step – from acquisition, design, and development to day-to-day management and operations – and continues to work with the building’s tenants to prioritize ESG goals.



Europe ESG League

The Hines Europe ESG League is made up of regional representatives and includes a mix of roles covering Hines’ main business functions: investment, development, and management.

In 2023, the Europe ESG League hosted ESG calls every six weeks with individuals from country teams, investment management teams, and central functions to discuss global and country-specific topics including:

- data management
- climate and insurance risk
- new ESG tools and resources
- Hines’ carbon strategy

Local initiatives featured prominently – for example Hines Italy’s RFP for ESG consultants to help establish a country-level

40+
participants across country teams
and central functions

ESG strategy, and Hines Germany’s power purchase agreement progress – as did broader, regional discussions, such as the European EMS ISO-certification process.

The European ESG League also meets once a year in person for two days of ESG-focused discussion on strategic ESG initiatives, current best practices, and Hines case studies. The meeting also includes site visits to lighthouse ESG projects.



The Hines Europe team gathers for an offsite at aer in Munich.



Country-level ESG Committees and Task Forces

In 2023, Hines country-level offices across Europe created ESG committees to focus even more deeply on local ESG initiatives. Committee members are from a variety of job families within Hines, leveraging diverse ESG knowledge and perspectives to better understand and drive sustainability initiatives in local markets.

Based on a model initiated by Hines Germany, Hines France formed a local ESG committee with an ESG coordinator and representatives from acquisition, development, construction, asset and property management, and marketing and communications. Hines Italy, Nordics, Spain, UK, and Greece are forming local ESG teams as well.

Helix, Hines’ property management company throughout the UK, also established an ESG task force of representatives from property, facilities, and on-site building management to promote collaboration and bring greater consistency to ESG efforts across the property portfolio.



2023 HIGHLIGHT

European ESG Roadshow

The European ESG Team met with country teams throughout the region to provide ESG training, conduct an ESG portfolio and asset-level performance review, and visit select assets. The in-person meetings gave the ESG team a better understanding of each country’s unique achievements and challenges, and participants a chance to discuss their forward focus, including key ESG benchmarks, progress areas, and future plans.

These tailored, country-level ESG sessions increased connectivity between the Europe ESG team and country teams and helped to clarify each country’s ESG focus and next steps. Since the roadshow, regular calls with country teams every six weeks have helped the Europe ESG team to stay informed and follow up on progress.



Top: An ESG site visit with the Milan team. Bottom: An ESG training session with the Nordic team.

ESG Offsite at aer in Munich

Hines colleagues from across Europe gathered in Munich in June for a two-day ESG offsite event. The meetup aimed to drive further connection and collaboration across our teams, share new resources and insights to accelerate our ESG work, and experience the ambitious and authentic aer and shaere projects.

The offsite gave us a chance to hear from Hines’ in-house experts on carbon, engineering, capital markets, asset management, development management, and innovation about tangible ways they are advancing ESG in their own areas of work. The event also included visits to LOVT and Tucherpark, two inspiring projects with high ESG aspirations.

Following the success in Munich, and the ESG offsite in Barcelona in 2022, Hines Europe plans to host ESG offsites annually.

40+

attendees



Community engagement at Shaere project in Munich



In conjunction with the ESG offsite – and in line with our firm’s commitment to enriching community – Hines Europe made a donation to Mia Akademie, a Munich-based organization that provides training and support to help adolescents and young adults with intellectual disabilities gain a foothold in the labor market

Integrating Climate Risk into Asset Value with C Change

Hines is a founding sponsor of and active participant in C Change, an Urban Land Institute (ULI) program to fast-track decarbonization and address climate risk by integrating it into asset value.

C Change leverages industry collaboration and data sharing to:

- Discover and define best practices for assessing and evaluating climate risk over the lifespan of an investment
- Create a standardized way to link ESG performance with financial valuations

In June of 2023, C Change released initial guidelines for 12 transition risks, eight of which can be quantified into a discounted cash flow, along with advice for systematically integrating decarbonization into cash flow models.

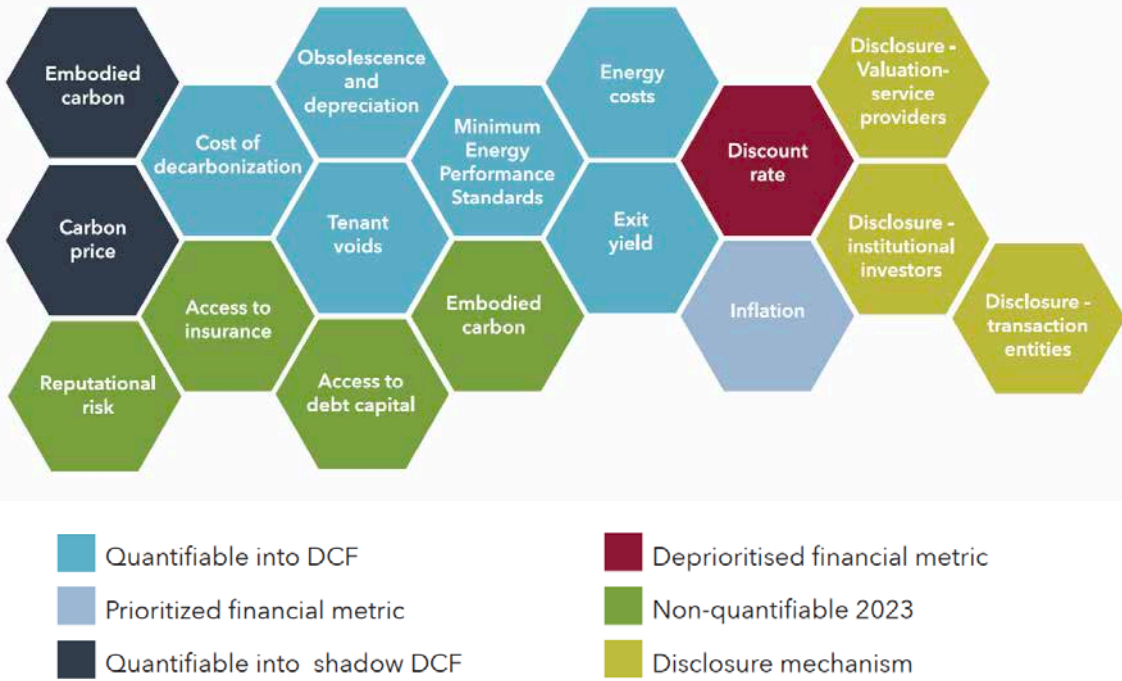
Hines’ European ESG team tested the guidelines at Hines European Core Fund (HECF) asset Noortse Bosch by integrating them into our standard cash flow model to understand the payback period of net zero carbon capital expenditures in the

context of real asset-level financial models. We evaluated the costs associated with installing solar panels, decarbonizing heating, and driving energy efficiencies at the asset against potential energy savings, operational carbon pricing, leasing impacts, and a premium or discount at exit, and provided feedback to C Change.

We believe in C Change’s potential to ripple across global markets, supporting asset-level decarbonization plans that help future-proof the built environment and positively impact people and communities.

Hines’ Head of European ESG, Daniel Chang, sits on the C Change steering committee, is on the board of the ULI Randall Lewis Centre for Sustainability, and was appointed co-chair of the ULI European Sustainability Council in 2023. He presented the initial findings of our test at the C Change Summit held in Copenhagen in October 2023.

C CHANGE TRANSITION RISKS AND CASH FLOW NET ZERO CARBON CONSIDERATIONS



Supporting Our Employees

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.

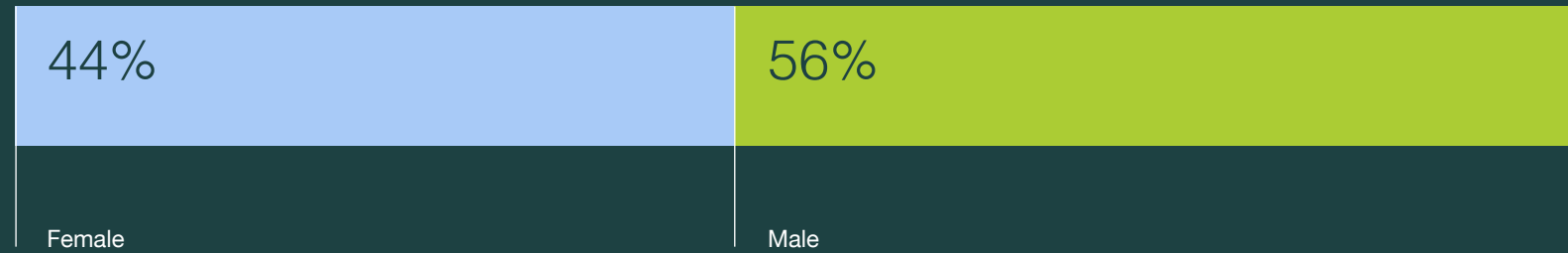
Like all Hines employees, the Europe team enjoys excellent health and wellness benefits, opportunities for learning and career growth, and initiatives that foster well-being and belonging. Our team participates in firm-wide employee satisfaction surveys every three years (and more frequent “pulse” surveys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



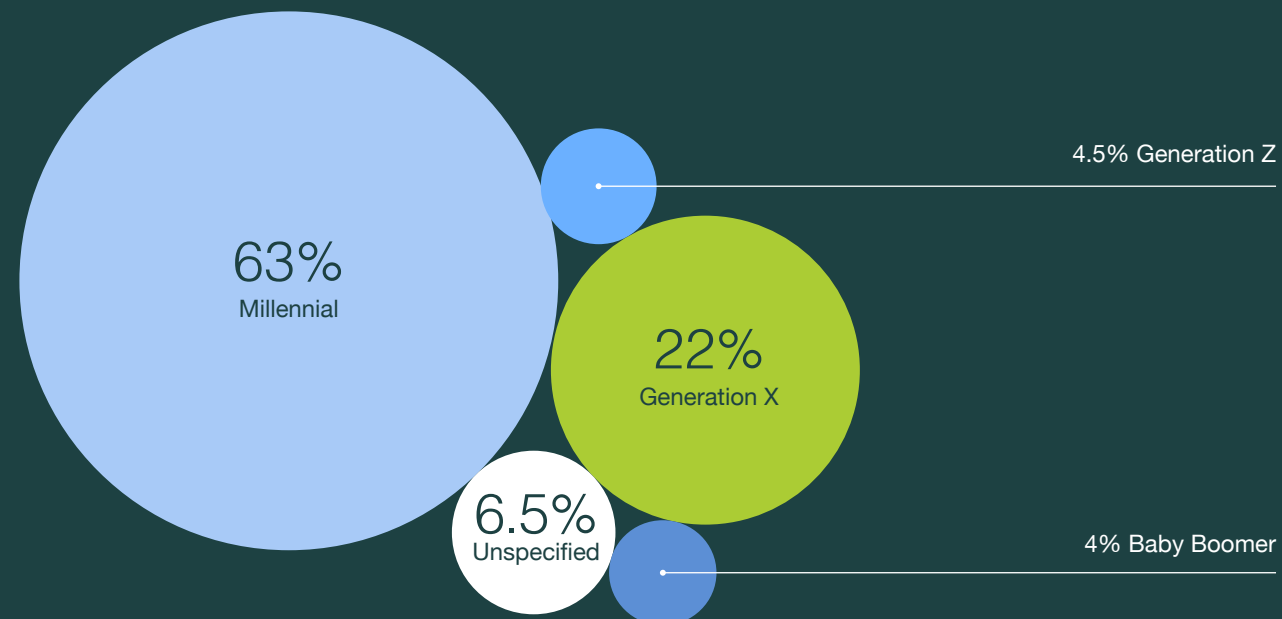
Site visit during the ESG League off-site in Munich

HINES EUROPE*

Gender Diversity



Generational Diversity



Employees

804

Employees by Country



ESG Upskilling and Training

All Hines employees participate in ESG training to better understand and support the firm’s Global ESG Strategy and integrate it into their daily roles. Hines Europe employees also receive trainings on region-specific ESG initiatives, and investment management employees in Europe have specific ESG targets tied into their annual objectives and reflected in performance reviews.

Upskilling on ESG, Decarbonization, and GRESB Reporting

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

Hines Europe also created an online ESG trainingfor new employees as part of the European Onboarding Program.

Hines Europe employees who support our participating funds received two GRESB-specific trainings in 2023, as well. These dug into each fund’s GRESB scope and

performance, scoring breakdown and points potential, conclusions, and key steps and action plans to prioritize ESG and improve the score moving forward.

Employees participate in the Hines Europe ESG Offsite in Munich.



Diversity, Equity, and Inclusion Training

Hines Europe’s Diversity, Equity, and Inclusion (DEI) education builds on firm-wide training and initiatives to foster inclusion and belonging.

Our 2023 training topics included:

- Conscious Inclusion
- The Role of DEI in People Management
- Diversity Talks: Anti-Racism & Anti-Sexism in the Workplace
- Having Challenging Conversations
- Strength in Solidarity: How to Become an LGBTQ+ Ally
- Innovation through Inclusion
- Understanding Allyship
- Global Collaboration

Hines Europe employees participated in

1,355

total hours of DEI training

Investing in Community

Giving back to people and places

Hines Europe is committed to enriching the communities around our assets. In addition to firm-wide philanthropy and volunteering, we support regional and local charities and participate in awareness-raising events for communities in need.



Hines Europe, Hines UK and Helix join together for the annual JLL Property Triathlon.

Employee Volunteering

In 2023, our country teams partnered with various nonprofit organizations, joined in wide-reaching initiatives, and volunteered their time to benefit the people and communities surrounding our assets. The following examples showcase just a few of their inspiring initiatives.

Hines UK donated office furniture to Business2Schools, which redirects used office furniture and technology to state schools across the UK. The team sold additional furniture, raising £2,500 for The Marylebone Project, a life-changing service for homeless women and the largest and longest-running center of its kind in the UK.

Separately, 29 members of the Hines Europe, UK, and Helix teams proved their mettle in the JLL Property Triathlon in Windsor, raising funds for the World Wildlife Fund (WWF).

Hines France collected and donated 153 kg of professional clothing for La Cravate Solidaire, a network of associations that fight against discrimination in hiring practices.

Hines Spain and tenants turned off their lights for an hour on Earth Day as part of a

global environmental awareness initiative to act decisively against climate change.

Hines Ireland partnered with Team Hope, an interdenominational Christian development aid charity working with children and families experiencing poverty in Eastern Europe, the former Soviet Union, and Africa. Our team of employees packaged gifts for the organization’s annual Christmas Shoebox Appeal, which delivers what are often the only holiday gifts these children will receive.

Hines Nordics engaged tenants to gather Christmas gifts and warm clothing for children and nurses impacted by the Russian-Ukrainian war, building on the team’s work in 2022 to provide apartments for Ukrainian refugees in Copenhagen. In parallel, Hines Nordics hosted two pop-up galleries by Ukrainian art project “Vejen til hjertet via kunsten” (Art for Heart) at Købmagergade and Portland Towers. Tenants purchased the art at a fundraising event, with all proceeds given to nurses in Ukraine.



An HECF Nordics event at Mariendalsvej raises donations for a Ukrainian orphanage.



Top right: HECF Spain team collects new clothes for donation. Bottom right: The HECF Werfthaus team hosts an educational workshop for children to learn about the importance of bees.



2023 HIGHLIGHT

Hines Europe Colleagues Support London Soup Kitchen

Employees from Hines investment funds BVK, HECF, HEPP, and the HEREP fund series, including HEVF 2, volunteered at a Refugee Network International soup kitchen near London’s Charing Cross. Our colleagues also donated tents, rucksacks, sleeping bags, clothes, and toiletries to those coming to the soup kitchen.

Together, the team of 22 Hines Europe volunteers:

- Contributed provisions for about 90 service users
- Served approximately 85 meals on site
- Served 30 meals and hot drinks as part of the street outreach



Hines Europe Employees volunteering with Refugee Network at the International Soup Kitchen.

Social Enterprise UK

Hines UK is an active member of Social Enterprise UK (SEUK), the largest network of social enterprises in the UK. SEUK members represent the major players in the UK social enterprise movement, from multi-million-pound public service providers to community organizations and retail businesses. Its purpose is to promote and share its values and get social enterprises on the radars of decision-makers across all sectors. Hines UK also participates in SEUK’s Buy Social Corporate Challenge – the world’s largest commitment to social procurement – and strives to work with suppliers that have a positive social or environmental impact.



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, HEVF 2 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 HEVF 2.

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

HEVF 2 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.

HEVF 2 will obtain EPCs (energy ratings) for buildings once refurbished/completed to support understanding of energy efficiency performance and the associated legislative 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, HEVF 2 seeks to obtain green building certifications for development/major refurbishment projects.

No enforcement notices have been received or applied to HEVF 2 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 2021 reporting period and identify potential impacts of changing ESG regulations through quarterly reporting.

Sustainable Finance Disclosures Regulation (SFDR)

The Fund’s private placement memorandum (‘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. 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.

Environmental Data (INREV ref: ESG-ENV 1.1)

All assets in the Fund are either currently undergoing redevelopment/refurbishment or are without operational control, therefore the disclosure of operational environmental performance data is not included.

Disclaimer

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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.

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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 is 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

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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.

Third Party Information

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ESG

It should not be assumed that any sustainability initiatives, standards, or metrics described herein will apply to each asset in which in the Fund invests or that they have applied to each of Hines’ prior investments. Sustainability is only one of many considerations that Hines takes into account when making investment decisions, and other

considerations can 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.

There is no suggestion that any of HEVF II's investments are ‘sustainable investments’ pursuant to the EU’s Sustainable Finance Disclosure Regulation or otherwise ‘taxonomy-aligned’ investments pursuant to the EU’s Taxonomy Regulation.

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.

Definitions:

ASHRAE: American Society of Heating, Refrigerating and Air-Conditioning Engineers CIBSE: Chartered Institution of Building Services Engineers.

BREEAM is the world’s leading science-based suite of validation and certification systems for a sustainable built environment. It provides independent third-party certification of the assessment of the sustainability performance of individual buildings, communities and infrastructure projects. Participants pay for the certification process.

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.

Offered by the German Sustainable Building Council, **DGNB** is a holistic certification process by the German Green Building Council that measures environmental quality, economic quality, sociocultural and functional quality of new buildings, existing buildings, refurbishments and buildings in use. Hines pays to submit projects for certification.

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.

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.

The **Pension Real Estate Association (PREA)** established the annual PREA Real Estate Investment ESG Awards to recognize PREA members at the forefront of ESG within real estate investing, and to provide the industry with examples of best practices in ESG. To be eligible for PREA’s Open-end ESG Award, the fund must be an open-end real estate fund, the firm managing the fund must be a PREA member and the fund must participate in GRESB. Winner is selected based on the fund’s GRESB score and an expert panel’s subjective rating of the fund’s ESG program.

PERE is the leading publication for the world’s private real estate markets. For the PERE awards, PERE’s editorial team selects a short list of submissions based on their experience with the firm’smaking the submissions. Award nominations are highly subjective and include qualitative and quantitative criteria, looking for evidence of a firm’s activity capital raising, deal execution and/or innovation.

SmartScore certification recognizes and promotes technologically advanced smart buildings globally. SmartScore is offered by WiredScore.

Projects pursuing **WELL** 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.

WiredScore is the global digital connectivity rating system, working with landlords to assess, improve, benchmark and promote their buildings. A WiredScore Certified building proves that it is of satisfactory levels of digital connectivity. To achieve WiredScore Certified status, a building must be digitally capable to meet the majority of tenants’ technological demands. SmartScore identifies best in class smart buildings that deliver an exceptional user experience, drive cost efficiency, meet high standards of sustainability and are fully future-proof. Hines pays to undergo the process to achieve the score.

Published June 2024.

This report is a snapshot of the Hines European Value Fund 2 as of December 31, 2023. Unless otherwise noted, all data in this report is as of December 31, 2023.

For a comprehensive disclosure of INREV-compliant sustainability data, please email Daniel Chang: daniel.chang@hines.com.

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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