

# 2024 Sustainability Report

HINES ASIA PROPERTY PARTNERS



Hines



From Our Fund Leadership



Simon Shen  
Fund Manager

Front cover image: Hanssem Building, Seoul

We are pleased to share the 2024 Sustainability Report for Hines Asia Property Partners (HAPP or the Fund). Throughout 2024, we have achieved significant progress in driving sustainability principles and practices across the life cycle of our assets, from acquisition to operational performance.

For 2024, the Fund earned 4 out of 5 stars in the Global Real Estate Sustainability Benchmark (GRESB) submission, with high marks for data coverage and building certifications. In addition, the Fund has continued to report disclosures in accordance with its classification as an Article 8 fund under the EU’s Sustainable Finance Disclosure Regulation (SFDR), aligning the

Fund with regulatory requirements, investor expectations, and the industry’s best practices.

The Fund has expanded the coverage of green building certifications (GBCs) to 95% of the portfolio measured in gross asset value), including eight CASBEE Real Estate certificates in Japan and nine BREEAM In-Use certificates for industrial properties across Japan and Australia. These certified properties in Australia were the first ever industrial properties in the country to achieve BREEAM In-Use scheme certification, representing a significant milestone for the Fund.

The Fund has also completed its first green financing. Dash Living

on Prat, our co-living asset in Hong Kong, was successfully refinanced through a Green and Sustainability-Linked Loan, receiving a “green” discount on interest rate margin. This reflects the strong credentials achieved through the building’s renovation, including a LEED Gold certification and a WELL Health-Safety rating.

We have continued our efforts to implement green lease clauses and to collaborate with tenants on initiatives focused on energy efficiency, health, and circularity. To date, we have executed more than 157,000 square meters of leases containing green clauses, representing over 30% of the Fund’s net leasable area (NLA). These efforts have in turn also

strengthened the Fund’s tenant data coverage, in tandem with the use of our proprietary resources – including the Hines Carbon Impact Assessment Tool – for data analysis.

Looking forward, we remain committed to continuous and thoughtful sustainability improvements for our investments. In 2025, drawing on the strength of Hines’ global resources, we aim to deepen engagement with our tenants for decarbonization efforts, expand renewable energy studies, and refine our approach and processes.

Lastly, you may notice this report is more concise than in previous years. This was intentional. We aim

to cover the most relevant 2024 contents here and provide opportunities for deep dives on specific topics and initiatives through other appropriate reports or forums by Hines.

Thank you for your support, and we look forward to another year of strong efforts and progress in sustainability for HAPP.





Ormeau Cold Storage, Brisbane

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# HAPP Overview

HAPP is an open-ended real estate fund targeting a diversified portfolio of office, industrial, living, and other asset classes across the Asia Pacific region.

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




Total GAV in U.S. Dollars  
**\$1.62B<sup>1</sup>**

Total Leasable Area in SQM  
**474K<sup>2</sup>**

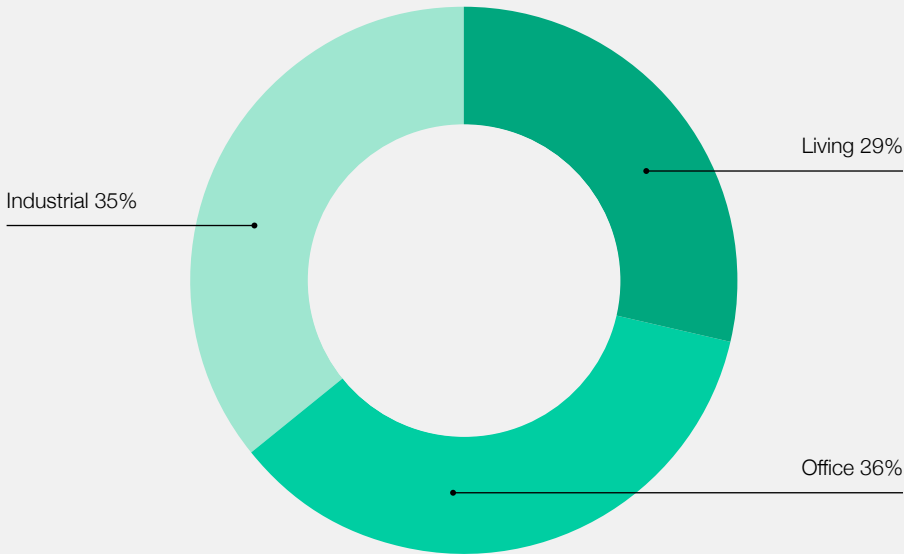
Number of Investments  
**21**

Number of Properties  
**46**

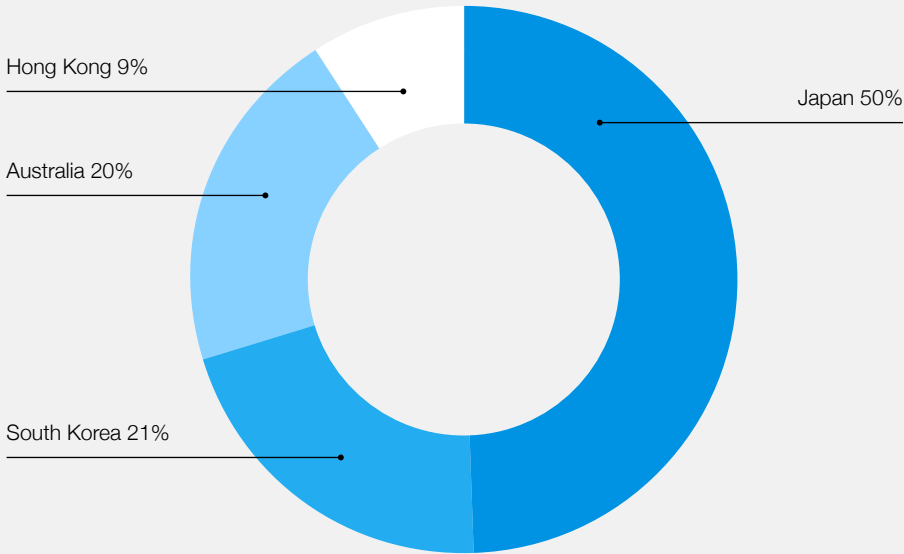
Occupancy  
**91%<sup>2</sup>**

**DEEP DIVE**   
View the full HAPP portfolio.

Allocation by Sector



Allocation by Country



## Markets

Australia  
Hong Kong  
Japan  
South Korea

## Cities

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

# 2024 Sustainability Highlights



G R E S B  
★★★★☆ 2024

## 4 out of 5 stars

second year of participation

★★★★☆

86 / 100 points

# 95%

of portfolio GAV covered by  
42 green building certifications

# 9

BREEAM®

BREEAM-certified properties

including first-ever industrial properties  
in Australia to be certified by BREEAM

# 157K sqm

of managed assets (30% NLA) under  
green leases

# 3



LEED Gold properties

Westgate Tower, Dash Living on Prat,  
and Hanssem Building

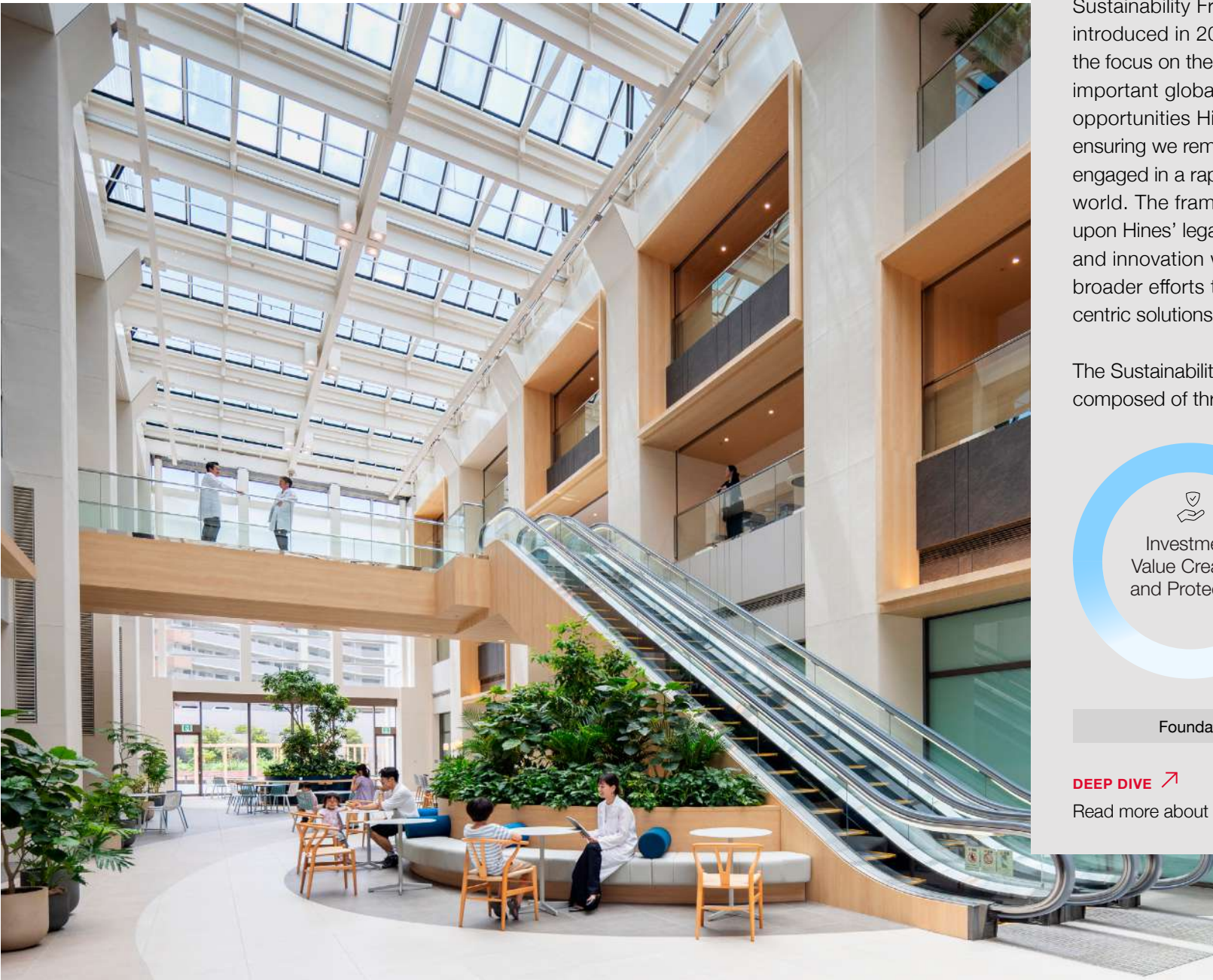


# Our Sustainability Focus and Goals

The HAPP team believes the built environment can help mitigate climate impacts and serve as a platform for social value creation. We look to embed sustainability into our assets at every stage and engage partners to advance best practices within our asset communities.

The Fund, together with Hines’ experts and external consultants, developed HAPP’s sustainability strategy. It has been formalized and documented as the Fund’s Environmental Management System (EMS), which is aligned with ISO 14001:2015 and establishes a clear foundation for defining our commitments, responsibilities, and objectives.

The new Hines Sustainability Framework and the firm’s extensive resources and best practices help us consistently apply and evolve our strategy across a region where sustainability expectations, aspirations, and practices vary widely.



Aquaria Tower, Yokohama



## The Hines Sustainability Framework

The latest evolution of Hines’ Sustainability Framework was introduced in 2024. It sharpens the focus on the most material and important global challenges and opportunities Hines can address, ensuring we remain proactive and engaged in a rapidly changing world. The framework builds upon Hines’ legacy of leadership and innovation while supporting broader efforts to deliver client-centric solutions on a global scale.

The Sustainability Framework is composed of three themes, nine

focus areas, and key foundational elements, which align firm-wide targets, policies, and standards aiming to drive value creation. It applies across all aspects of Hines – from corporate strategy and investment impact, to development and operations – and is reinforced by strong firm-wide governance.

The framework helps our Fund prioritize environmental and social initiatives that create and protect value at our assets and for our stakeholders.



Foundations: Data, Policies, Processes, Disclosures, and Reporting

DEEP DIVE ↗

Read more about sustainability at [Hines.com](https://www.hines.com/sustainability)

# HAPP Sustainability Progress Overview

**DEEP DIVE** ↗  
Review our detailed progress and targets.

THEMES	FOCUS AREAS	2024 PROGRESS
<b>Investment Value Creation and Protection</b>  <i>SDGs: 9, 11, 12, 13, 17</i>	<b>Investment Intelligence</b>	<ul style="list-style-type: none"><li>• All new acquisitions will utilize the updated Investment Committee (IC) process to identify and include sustainability considerations into business plans.</li><li>• Utilize internal or external tools and resources, such as the Carbon Impact Assessment Tool and a third-party climate-data platform, to inform analysis for underwriting.</li></ul>
	<b>Portfolio Management</b>	<ul style="list-style-type: none"><li>• Submit to GRESB in 2025 and evaluate opportunities to improve scores.</li><li>• Publish the Fund’s 3rd annual Sustainability Report and report against annual SFDR Article 8 disclosures.</li></ul>
	<b>Innovation Leadership</b>	<ul style="list-style-type: none"><li>• Monitor opportunities for innovation and integrate initiatives where appropriate.</li></ul>
<b>Environmental Stewardship</b>  <i>SDGs: 9, 11, 12, 13, 17</i>	<b>Building Operations and Performance</b>	<ul style="list-style-type: none"><li>• Improve green building certificate coverage and conduct gap analyses where appropriate.</li><li>• Complete asset decarbonization prioritization exercise by 2025 year end.</li></ul>
	<b>Sustainable Design and Materials Circularity</b>	<ul style="list-style-type: none"><li>• Evaluate the scope to complete an embodied carbon assessment for major development projects, where appropriate.</li></ul>
	<b>Climate and Nature Risk</b>	<ul style="list-style-type: none"><li>• All new acquisitions will complete a physical climate risk assessment as part of the IC process.</li></ul>
<b>Thriving Communities</b>  <i>SDGs: 3, 5, 8, 10, 11, 12, 13, 17</i>	<b>People-Centric Places</b>	<ul style="list-style-type: none"><li>• Maintain existing wellness-related certifications and evaluate opportunities where appropriate.</li><li>• Conduct tenant surveys to identify opportunities to improve stakeholder well-being and satisfaction.</li><li>• Improve green lease coverage and integrate green clauses into all new or renewal leases where appropriate.</li></ul>
	<b>Building Economic Resilience</b>	<ul style="list-style-type: none"><li>• Participate in volunteering events to improve community engagement.</li></ul>
<b>Foundations</b> <i>SDGs: 12, 13, 17</i>		<ul style="list-style-type: none"><li>• Where feasible, 100% of landlord energy data will be collected and uploaded to the Carbon Impact Assessment Tool, including tenant data where available.</li><li>• Employees supporting the Fund will set sustainability-linked objectives that align with firm or business unit objectives.</li></ul>



# Investment Value Creation and Protection



## Investment Intelligence

HAPP leverages data to enhance investment decision-making by integrating key sustainability factors across various processes, from acquisition to asset management. This approach enables us to align financial performance with evolving market expectations and regulatory requirements, long-term value creation and resilience.

## Due Diligence

We apply Hines' comprehensive Sustainability Acquisition Due Diligence Checklist during each acquisition, ensuring compliance with key criteria and enabling proactive planning to address potential gaps. Streamlined in 2024, the checklist evaluates topics such as historical data availability, climate risk assessment, and renewable energy feasibility. Following the acquisition due diligence, risks and opportunities are integrated into capital expenditure (CAPEX) budget planning and business strategies.

We utilize advanced tools, including the Carbon Impact Assessment Tool and a best-in-class third-party platform to assess climate risk and evaluating exposure to hazards such as floods and cyclones across multiple climate scenarios and time horizons. This data-driven approach supports long-term resilience and seeks to preserve asset value.

## Screening for Physical Climate Risk

In 2024, Hines enhanced its global due diligence process to include physical climate risk screenings for all new investments. Using a third-party platform, teams assess exposure to hazards over the hold period and flag assets as "high risk" when estimated losses exceed 5% of replacement value. For these assets, physical risk management plans are developed with CAPEX estimates for resilience improvements. HAPP has adopted this process to prioritize climate resilience across the portfolio.



Westgate Tower, Seoul





## CASE STUDY

# Creating Value Through Enhancement at Dash Living on Prat



Dash Living on Prat, formerly known as The Butterfly on Prat Hotel, is an 18-story building with one basement level, featuring a NLA of approximately 6,500 square meters and 159 units. Located strategically in the heart of Tsim Sha Tsui, Hong Kong, this innovative co-living space caters to young urban professionals.

The Fund acquired the property in 2021 and completed a comprehensive renovation in October 2022,

which rebranded the property into a premier co-living complex, emphasizing sustainability enhancements to improve operational efficiencies and focus on community engagement.

The basement floor now includes shared work areas, a pantry, and social spaces to encourage collaboration and foster a sense of community.



## Award-winning Experience

In recognition of its exceptional performance and commitment to an outstanding guest experience, Dash Living on Prat was awarded the Agoda Gold Circle Award 2024, placing it in the top 1% of hotels in Hong Kong on Agoda.

AGODA  
Gold Circle Award







Green Leases with Tenants

The building’s ground-floor restaurant tenant operates under a green lease, incorporating sustainable fit-out requirements and operational practices, including:

- Environmental performance data sharing and review;
- Tenant fit-out compliance
- Cleaning products and protocols;
- Energy Efficiency Measures: Optimization of ceiling and wall insulation, procurement of energy-efficient electrical appliances, and installation of zone lighting systems.

Strategic Refinancing with Lenders

When the rare refinancing opportunity for Dash Living on Prat arose in November 2024, the team explored and successfully refinanced with Green and Sustainability-Linked Loan features. The Green Loan is in alignment with the Green Loan Principles issued by the Loan Market Association, APLMA and the Loan Syndications and Trading Association in February 2023. As a result of those features, this refinancing was estimated to save approximately HKD 364,000 over the loan term, given reduced loan margins from meeting the sustainability targets. This achievement highlights our dedication and commitment to sustainable investments with our partners.

Community and Industry Engagement

In November 2024, Hines hosted members of the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV) Young Professionals Working Group on a site tour at Dash Living, creating a platform for cross-industry connection and collaboration among emerging real estate leaders.

CERTIFICATIONS

LEED (O+M)  
Gold



WELL  
Health-Safety  
Rating





# Portfolio Management

HAPP embeds sustainability into each investment, aligning environmental, social, and financial performance. Asset-level plans guide energy efficiency, minimize embodied carbon in refurbishments, and enhance tenant and public health and well-being.

## Standards and Frameworks

We utilize external sustainability governance frameworks and benchmarks to hold ourselves accountable, disclose our objectives, report our progress, and promote continuous improvement. We communicate our targets and achievements to stakeholders through several channels – including tenant and investor meetings, outreach, and events – and embed sustainability-related KPIs in our employee reviews.

HAPP is classified as an Article 8 fund under the SFDR. We are committed to transparent sustainability reporting and comply with relevant disclosures.

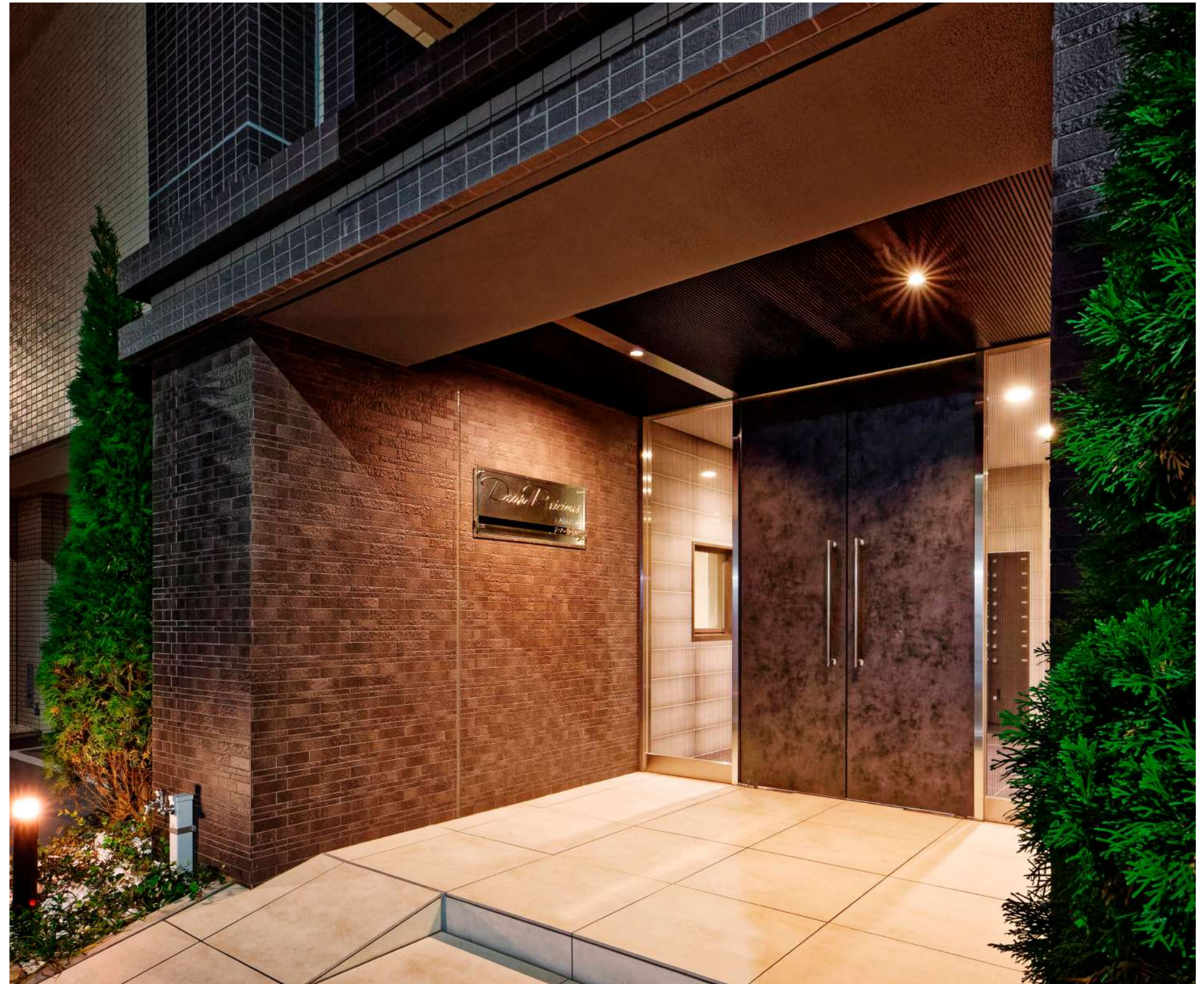
Like our firm, HAPP supports the ambitious vision of the United Nations’ Sustainable Development Goals (SDGs), and we prioritize those that align with our Fund’s strategies. Our annual investor report is aligned with the European Association for Investors in Non-Listed Real Estate Vehicles’ (INREV) reporting guidelines.

## Consistency and Expertise

Our portfolio benefits from Hines’ holistic approach to sustainability strategy and implementation.

A team of professionals drive a comprehensive agenda across Hines providing guidance from acquisition to implementation, including:

- Coordinating regional carbon reduction standards and initiatives
- Defining social programs that support stakeholder engagement
- Implementing transparent and accountable governance frameworks



Japan Residential Portfolio I, Tokyo

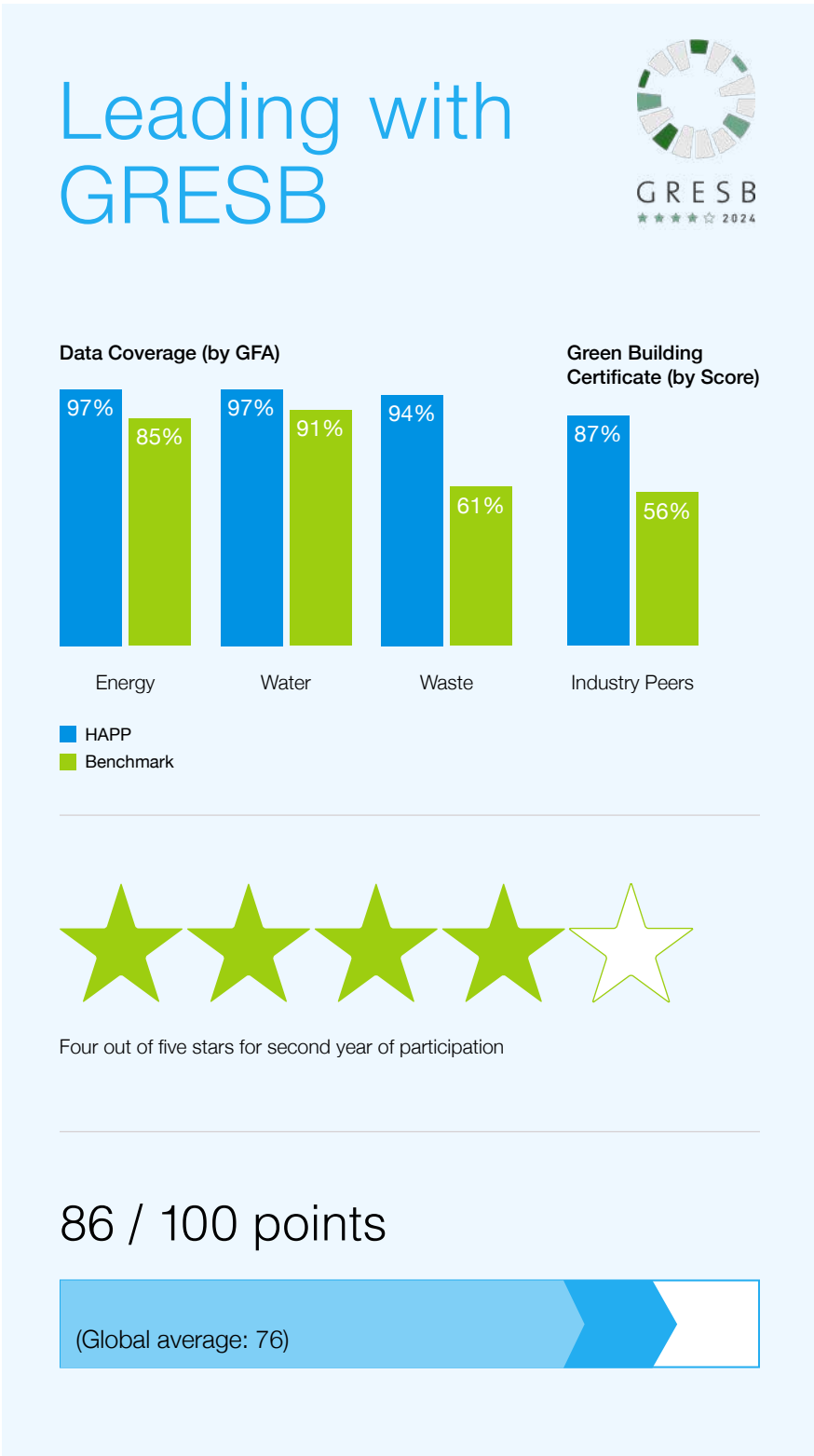


## GRESB Success

The Fund uses recognized industry initiatives including the Global Real Estate Sustainability Benchmark (GRESB) to benchmark and report performance for real assets. We participate in GRESB on an annual basis to measure our performance and provide investors with transparent reporting on related risks and opportunities.

Performance highlights include:

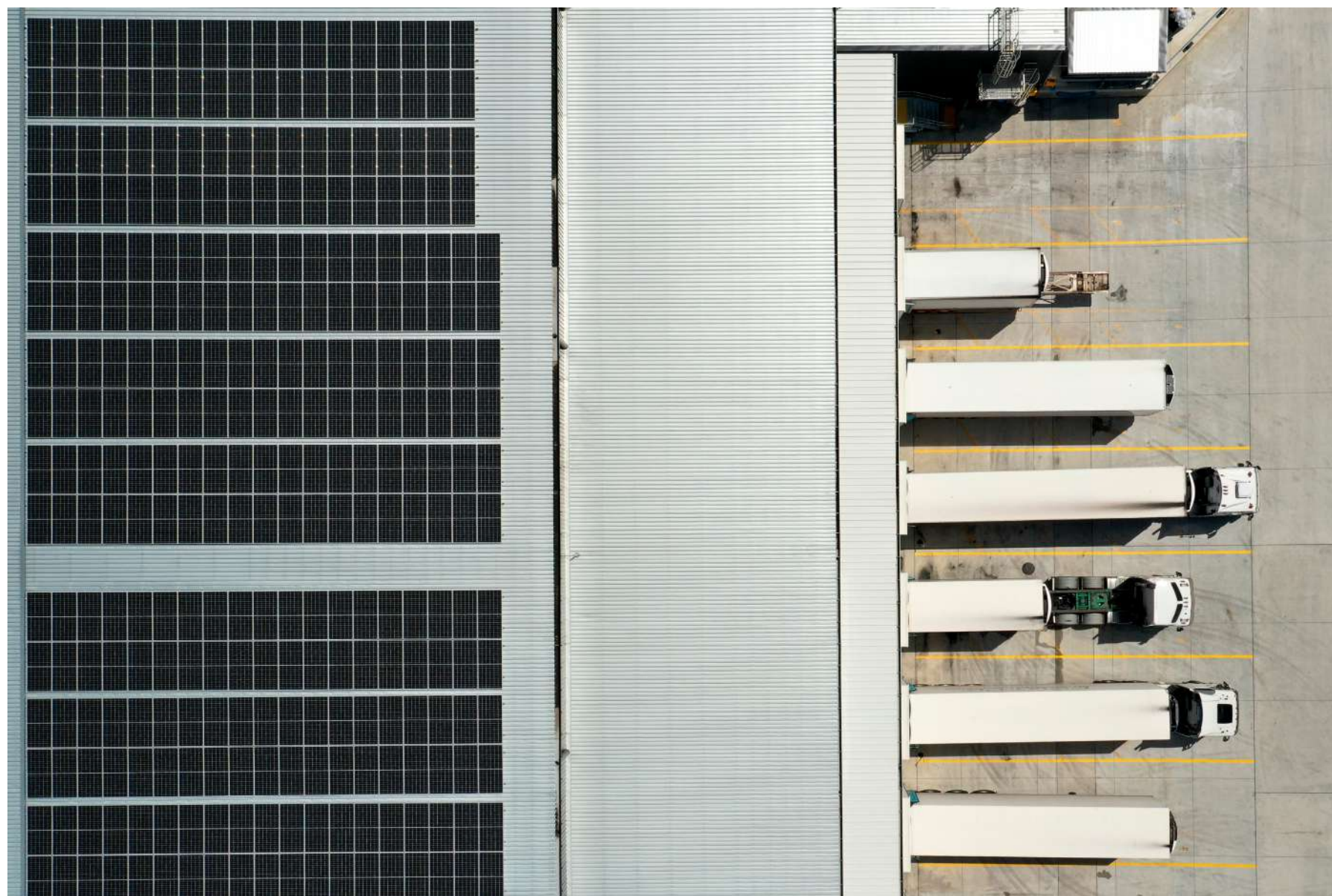
1. Green Building Certification (Scoring under Building Certifications by GAV): Began 2023 with no certificates and obtained more than 30 green building certificates in the year, covering more than 90% GAV.
2. Data Coverage (Aggregated across property sub-types by GFA): Energy, water and waste data were collected across both common areas and tenant spaces across the 39 properties for the reporting portfolio in 2023. Green lease clauses such as data sharing and cooperation were rolled out and integrated into all new or renewal leases where possible.





# Environmental Stewardship

Ormeau Cold Storage, Brisbane



## Building Operations and Performance

We strive to minimize the environmental impact of our buildings and are dedicated to enhancing performance and minimizing operational carbon. These are achieved through actively monitoring energy consumption, utilizing renewable energy sources, and implementing water efficiency and waste management initiatives. We also benchmark progress through green building certifications. As our assets progress through different stages of the building life cycle, we aim to minimize the gap between design intent and actual operational performance, promoting long-term sustainability and efficiency.

### Decarbonization

We leverage the Carbon Impact Assessment Tool, powered by Carbon Risk Real Estate Monitor (CRREM) analysis, to assess our assets' positioning and progress on decarbonization pathways. We use insights from this analysis to develop a comprehensive model of mitigation strategies, including operational improvements and equipment retrofits, and integrate them into our investment strategy to drive informed action.

### Energy Optimization

HAPP prioritizes energy optimization with a focus on sourcing cost-effective green energy. We actively collaborate with tenants to encourage the adoption of green tariffs for their leased spaces and aim to expand the use of renewable energy for all landlord-procured electricity, where commercially feasible.

We work closely with Hines professionals and external consultants to analyze operational energy across our assets, ensuring accountability and identifying opportunities for improvement. These insights empower us to drive enhancements in energy performance and cost efficiency through targeted CAPEX investments.





Renewable Energy

Our team actively explores solar feasibility and business models for suitable properties across the HAPP Fund’s portfolio, with plans to add 2,200 kW of solar power over the next two to three years.<sup>3</sup> This initiative supports both tenant needs and our shared commitment to sustainability.

Osaka Minoo Logistics, Osaka



Osaka Minoo Logistics:  
Powered by  
Renewable Energy

In March 2024, HAPP acquired Osaka Minoo Logistics, a Grade A facility located just 30 minutes from central Osaka, one of the most populous cities in Japan. Completed in 2022, the property offers approximately 64,470 sqm NLA and is fully leased to one of the country’s largest third-party logistics provider.

The asset distinguishes itself through a robust renewable energy strategy with 100% of its electricity generated from renewable sources. This includes a rooftop solar system with a 1.8 MW generation capacity, which yielded approximately 646 MWh in 2024, meeting close to 56% of the tenant’s electricity needs. This contributed to a reduction of more than 470 tCO2e, equivalent to the annual emissions of 100 gasoline-powered passenger vehicles.<sup>4</sup>

Additional energy-efficient features include LED lighting, a heat pump HVAC system, and three electric vehicle charging stations.



“

Japan remains one of the most liquid of the major real estate markets in the world with the lowest interest rates. We continue to see demand rise as tenants gravitate towards well-located, green premium buildings, reflecting employers’ growing interest in sustainability as well as talent recruiting.



**JON TANAKA**  
Head of Hines Asia Pacific and  
Co-Head of Japan

CERTIFICATION

CASBEE  
New Construction  
Very Good





# Environmental Performance

HAPP prioritizes data collection to be transparent, identify areas for improvement, and benchmark year-on-year. In 2024, we strengthened our data collection and analysis by utilizing our Carbon Impact Assessment Tool. This approach ensures compliance with GRESB, facilitates regulatory reporting, and supports carbon impact planning.

## ENERGY

Data Coverage (by GFA)

Landlord controlled areas

100%

Tenant controlled areas

94%

Consumption (MWh)

33,868

## CARBON EMISSIONS

Scope 1 and 2 (tCO<sub>2</sub>e)

2,917

Scope 3 (tCO<sub>2</sub>e)

11,601

## WATER

Data coverage (by GFA)

93%

Consumption ('000 m<sup>3</sup>)

354

## WASTE

Diversion rate

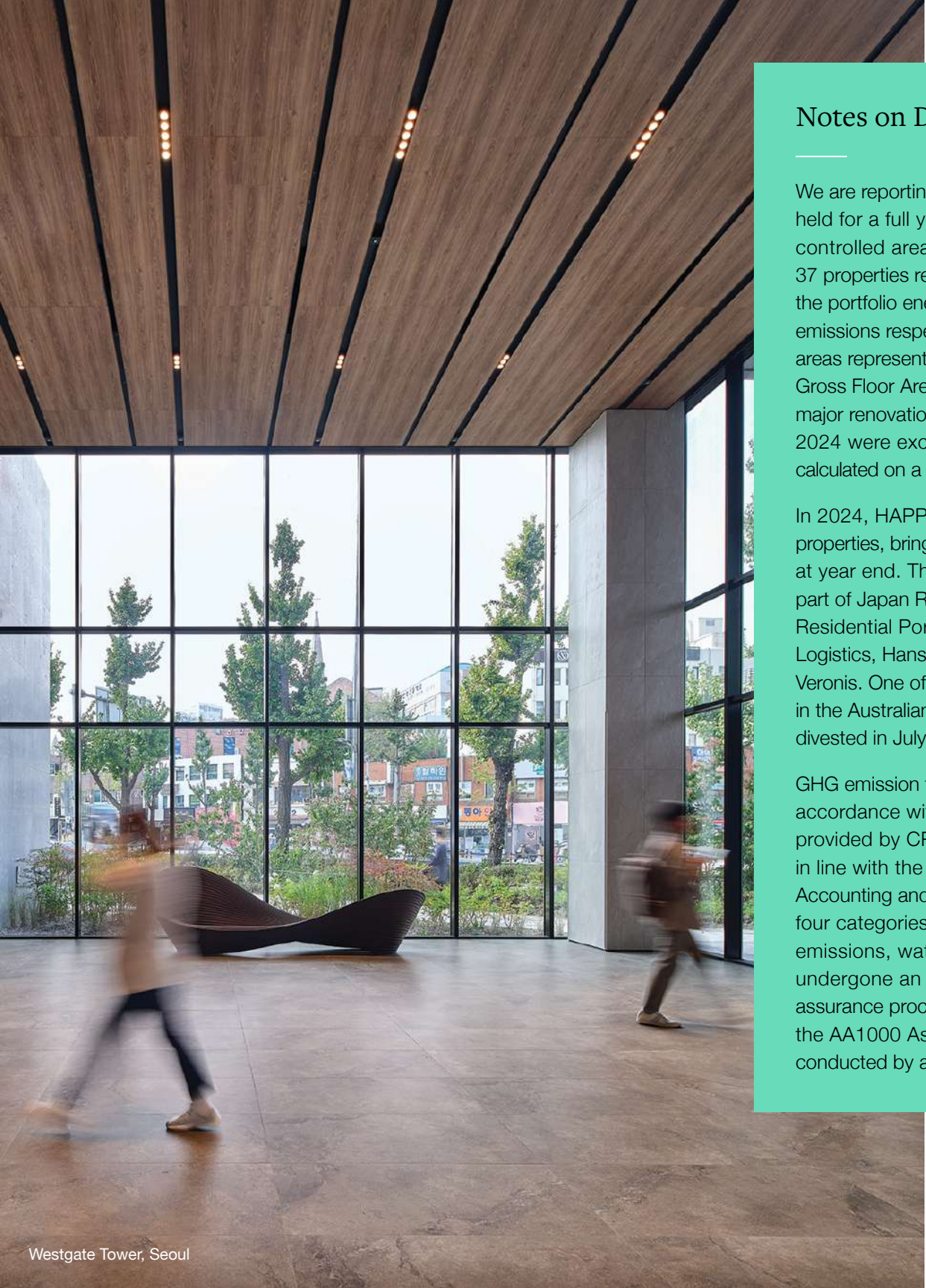
40.2%

## Notes on Data Reported

We are reporting 2024 data for properties held for a full year that include landlord-controlled areas. Collectively, these 37 properties represent 88% and 80% of the portfolio energy consumption and GHG emissions respectively. Tenant-controlled areas represent 80% of these properties' Gross Floor Area (GFA). Properties under major renovations for a significant period in 2024 were excluded. Emissions are calculated on a location-based approach.

In 2024, HAPP acquired or closed eight properties, bringing our total to 46 properties at year end. These investments include part of Japan Residential Portfolio 3, Japan Residential Portfolio 5, Osaka Minoo Logistics, Hanssem Building and Sinchon Veronis. One of the industrial properties in the Australian Industrial Portfolio 1 was divested in July 2024.

GHG emission figures were prepared in accordance with the emission factors provided by CRREM and are reported in line with the GHG Protocol Corporate Accounting and Reporting Standard. These four categories across energy, GHG emissions, water and waste have undergone an external review and assurance process in accordance with the AA1000 Assurance Standard v3, conducted by an independent third party.



Westgate Tower, Seoul



# Green Building Certification

Building certifications help drive performance and align with stakeholder needs and expectations. These certifications serve as catalysts for improvements across our assets, setting rigorous standards for resource efficiency, environmental stewardship, and tenant comfort, which can eventually translate to lower operational costs and higher leasing income.

In 2023, HAPP embarked on a green building certification roadmap to pursue both globally and locally reputable certifications that recognize building efficiency and quality. Over the course of that year and through 2024, we obtained 42 green building certificates covering approximately 95% GAV. We are pleased to report this progress and are committed to continuous improvement.



Hanssem Building, Seoul

## GREEN BUILDING CERTIFICATION

95%

Green building certification coverage  
(40 assets certified with 42 certifications obtained)

CASBEE	25
BREEAM	9
WELL Health & Safety	2
LEED	3
OTHERS	3

DEEP DIVE ↗  
Review our certifications by investment.





Aquaria Tower, Yokohama

### Tenant Engagement

We are dedicated to helping our tenants reach their sustainability aspirations while also prioritizing Fund and firm-wide goals. We collaborate closely with our tenants to implement energy efficiency measures and actively promote sustainable fit-outs by providing comprehensive guidelines on material selection, waste management, water conservation, and other key considerations.

### Green Leases

Green leases provide a platform for HAPP and our tenants to collaborate toward shared ambitions. Hines’ Green Lease Template for the Asia Pacific region equips our asset teams with consistent language and guidance around green leasing. The template includes clauses on data sharing, right of access and metering, renewable energy procurement, and building certification, as well as language requiring tenants to designate personnel to work directly with our team on key initiatives. It also provides a split incentive clause to share savings related to sustainability CAPEX.

In 2024, HAPP integrated clauses related to data sharing and collaboration into all relevant new and renewed leases.

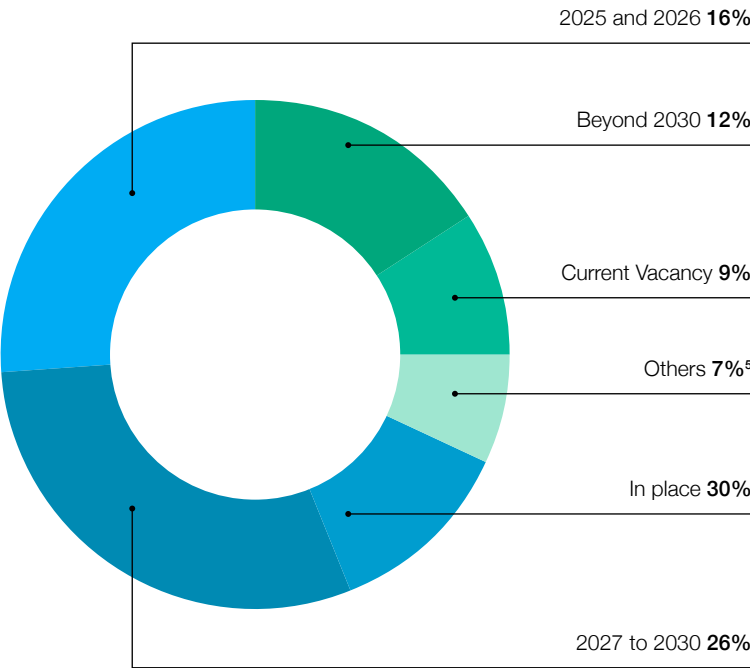
30%

of HAPP leases by NLA include a green lease clause

46%

of HAPP leases by NLA planned to include green lease language by 2026

### Green Leases In Place or Planned





# Physical Climate Risk

HAPP is committed to identifying, assessing, and managing climate-related risks that could impact investments and operations as well as social and environmental health and well-being.

We are in the process of adopting Hines’ inaugural Climate Strategy Report, published in December 2024, which outlines our firm’s approach to embedding climate risk management across the asset life cycle. Aligned with TCFD recommendations, the firm-wide strategy emphasizes transparency and communication around climate risk as well as the importance of consistent, quality data.

In line with this strategy, we are leveraging our data to actively assess climate risks at existing HAPP assets and prioritizing solutions that mitigate the effects of chronic and event-driven physical hazards to promote resilience.



## Hanssem Building: Strengthening Resilience Through Targeted Adaptation

In September 2024, HAPP acquired the Hanssem Building, a prime office property in Seoul’s central business district. The Fund’s climate risk screening process identified moderate river flood risk due to the asset’s proximity to the Han River—despite its location falling outside designated high-risk zones on the national flood map.

To manage this exposure, a flood prevention report was commissioned and site-specific adaptation measures were implemented, including dewatering pumps and readily accessible emergency hoses and sandbags. While the property has no history of flooding, these actions reflect HAPP’s proactive approach to physical climate risk.

We will continue to build resilience across the HAPP portfolio by identifying vulnerabilities early and applying practical, locally tailored solutions that safeguard long-term value.

Hanssem Building, Seoul



# Thriving Communities

## People-Centric Places

HAPP believes buildings can support human health and well-being, foster community engagement, and enhance economic resilience. We strive for positive social impact at all HAPP assets and endeavor to contribute to surrounding communities.

We measure success through tenant surveys and certifications, such as WELL, and are pleased to report that Dash Living on Prat and 50 Ann Street were awarded the WELL Health-Safety Rating in 2024.

### Supporting Well-Being

At Dash Living on Prat, HAPP actively organizes well-being events and campaigns that meaningfully engage tenants and foster a healthy and inclusive environment, such as bi-weekly yoga classes.



★

### Celebrating Community at Westgate Tower

A stunning renovation transformed Westgate Tower, a prominent office building in Korea, into a vibrant and welcoming space. To celebrate the completion, HAPP hosted a special gathering for employees. The event was a delightful occasion filled with delicious food, camaraderie, rich conversations, and lasting memories.

Traditional Korean fish bread, a beloved winter snack that has been cherished across generations, was a particular highlight. This snack holds symbolic meaning, representing fulfillment and warmth – values that resonate deeply with the spirit of Westgate Tower as we strive to offer a sense of comfort and community for all.





# Community Engagement

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

Across Asia Pacific, employees commemorated Hines’ fourth annual Founder’s Day—our firm’s global day of service—by giving back to local communities and supporting meaningful causes close to our hearts.

## Employee Volunteering

**Singapore** | Our team volunteered at St Luke’s ElderCare Residence, dedicating the day to cleaning the nursing home. The team brought joy and lifted the spirits of the residents through pockets of interactions during the activity. This initiative also strengthens community cohesion by building a sense of mutual aid and social support between generations.

**Japan** | Following the office relocation in Japan, and in line with our commitment to giving back in the community, the Japan team donated IT equipment to a local school. This effort gave the equipment a second life while supporting education.

**Hong Kong** | Partnering with Green Little & Green Ladies, an NGO that gives second life to fashion, the team helped sort donated clothes in preparation for resale. Beyond sorting, the team recognized recycling as a vital solution for managing excess clothing and curbing impulsive consumption. Through this, Hines Hong Kong was also awarded the Social Enterprise Supporter Award for year 2024, in recognition of our efforts in supporting ethical consumption and social enterprises in Hong Kong.



Singapore | Volunteering at St Luke’s ElderCare Residence



Hong Kong | Partnering with Green Little & Green Ladies



South Korea | Volunteering at Yongsan Veterans Center



Australia | Volunteering with the Foundation of National Parks and Wildlife

**South Korea** | The team partnered with Love Food Truck and volunteered at the Yongsan Veterans Center. Love Food Truck provides free meals to senior citizens and low-income families. The team prepared, cooked, and served food to veterans. Honoring veterans and connecting with the local community was incredibly meaningful and strengthened team bonds.

**Australia** | The Sydney team volunteered with the Foundation of National Parks and Wildlife (FNPW) at Ghubbuh Ghubbuh (Middle Head) on Sydney Harbour.

The team helped to pull invasive weeds from the land, promoting the rejuvenation of native Australian flora. This experience highlighted the ecological significance of the area while fostering a deeper sense of community responsibility and environmental stewardship.



05

Annex





# HAPP Investments as of December 31, 2024

OVERVIEW ↗  
See our portfolio overview.

Investment Name	Location	Asset Type	Number of Properties	Certification(s)
Dash Living on Prat	Hong Kong	Living	1	LEED Gold
Garden Hills	Japan	Living	1	
Japan Residential Portfolio 1	Japan	Living	5	CASBEE Very Good
Japan Residential Portfolio 2	Japan	Living	7	CASBEE Superior, Very Good
Japan Residential Portfolio 3	Japan	Living	5	CASBEE Superior, Very Good
Japan Residential Portfolio 4	Japan	Living	4	CASBEE Very Good
Japan Residential Portfolio 5	Japan	Living	3	
Sinchon Veronis	South Korea	Living	1	G-SEED
Australia Industrial Portfolio 1	Australia	Industrial	3	BREEAM Acceptable, Pass
Ormeau Cold Storage	Australia	Industrial	1	BREEAM Good
Stapylton	Australia	Industrial	2	BREEAM Acceptable
Japan Industrial Portfolio 1	Japan	Industrial	5	CASBEE Very Good
Osaka Minoo Logistics Center	Japan	Industrial	1	CASBEE Very Good
Recaro	Japan	Industrial	1	BREEAM Acceptable
Triumph	Japan	Industrial	1	BREEAM Pass
50 Ann Street	Australia	Office	1	NABERS Energy 4.5 stars, NABERS Water 4.5 Stars, WELL Health-Safety Rating
Aquaria Tower Yokohama	Japan	Office	1	CASBEE Superior
Zenith Minami Shinjuku	Japan	Office	1	CASBEE Very Good
Hanssem Building	South Korea	Office	1	LEED Gold
Westgate Tower	South Korea	Office	1	LEED Gold



# HAPP ESG Commitments and Targets

OVERVIEW ↗  
See our high-level sustainability goals.

## Environmental Commitments

FOCUS AREA	2024 TARGET AND PROGRESS	2025 OBJECTIVES / TARGETS
Environmental Performance	<ul style="list-style-type: none"><li>Maintained high property data coverage for Energy, Water and Waste across properties since 2023 and acquisitions made during 2024. Refer to page 13 for the Fund's 2024 Environmental Performance.</li><li>Achieved 100% energy property data coverage for landlord controlled areas.</li><li>The property-level data, including greenhouse gas emissions, have been externally reviewed and assured against AA1000AS v3 standard which adheres the principles of inclusivity, materiality, responsiveness and impact.</li></ul>	<ul style="list-style-type: none"><li>Continue to obtain, manage, and monitor utility consumption data (including energy, water, and waste, where feasible).</li><li>Continue to achieve 100% data coverage for landlord-controlled areas.</li><li>Continue to explore opportunities to unlock data coverage and improve data quality for tenant controlled areas.</li></ul>
Renewable Energy	<ul style="list-style-type: none"><li>Acquired Osaka Minoo Logistics, a site fully powered by renewables including a rooftop solar system with a 1.8 MW generation capacity. Refer to page 12 for further information regarding this property.</li><li>Identified high potential logistics properties with significant roof space for solarization opportunities, including 16 Quarry and Ormeau Cold Storage.</li></ul>	<ul style="list-style-type: none"><li>Continue to review and pursue opportunities for on-site renewable energy, including the identified properties.</li><li>Increase coverage of renewable energy for all landlord-procured electricity where commercially feasible.</li></ul>
Building Certifications	<ul style="list-style-type: none"><li>40 out of 45 properties were certified across various schemes, including LEED, CASBEE, NABERS, and BREEAM, or 95% of the portfolio GAV.</li><li>Obtained 8 additional CASBEE certifications for properties in Japan and 9 BREEAM In-Use certificates for industrial properties across Japan and Australia. certified properties in Australia were the first ever industrial properties in Australia to achieve BREEAM In-Use scheme certification.</li><li>Obtained LEED Gold for Hanssem Building 6 months after acquisition.</li><li>Refer to page 14 for the Fund's progress on Green Building Certification.</li></ul>	<ul style="list-style-type: none"><li>Develop a certification roadmap for all new acquisitions and seek to achieve 100% portfolio coverage for all assets where feasible.</li><li>Maintain or upgrade existing building certificates where practical.</li></ul>

## Social Commitments

FOCUS AREA	2024 TARGET AND PROGRESS	2025 OBJECTIVES / TARGETS
Tenant engagement	<ul style="list-style-type: none"><li>Rolled out Green Lease Template to support asset and property managers in communicating sustainability considerations with prospective and existing tenants. c.30% of portfolio NLA have integrated certain green clauses within the leases.</li><li>Conducted tenant surveys across all commercial, industrial, and living properties. Following feedback review, follow up plans were designed to improve or address tenant concerns.</li></ul>	<ul style="list-style-type: none"><li>Continue to integrate green lease provisions into leases where new or renewal opportunities arise.</li><li>Continue to share green fit-out guide with tenants in advance of fit-outs.</li><li>Survey tenants to gauge their satisfaction to promote health, safety, well-being, and productivity among building users.</li></ul>
Employee engagement	<ul style="list-style-type: none"><li>Embed sustainability considerations and performance embedded in their annual objectives to promote knowledge and capacity building.</li><li>Delivered internal sustainability training sessions throughout the year, including Carbon 101 and ESG 101 trainings.</li></ul>	<ul style="list-style-type: none"><li>Continue to embed sustainability objectives into performance reviews.</li><li>Promote our people practices by adopting workplace policies that achieve greater equity, retention, and representation.</li><li>Continue to deliver sustainability-focused training.</li></ul>



# HAPP ESG Commitments and Targets

OVERVIEW ↗  
See our high-level sustainability goals.

## Governance Commitments

FOCUS AREA	2024 TARGET AND PROGRESS	2025 OBJECTIVES / TARGETS
GRESB	<ul style="list-style-type: none"><li>Completed second year of participation in GRESB for 2023 performance period, achieving a significant improvement with four out of five stars.</li><li>Conducted gap analysis for improvements which includes increasing coverage and quality for green building certifications.</li><li>Refer to page 10 for the Fund's performance in GRESB.</li></ul>	<ul style="list-style-type: none"><li>Continue participation in GRESB and seek to improve score to support benchmarking and communication of sustainability performance to management, investors, and other stakeholders.</li></ul>
Acquisition Due Diligence	<ul style="list-style-type: none"><li>Updated IC Memo with Sustainability section that includes quantification of sustainability-related metrics, embedded CAPEX and OPEX into business plan for property decarbonization measures, renewable energy identification amongst others.</li><li>Completed Acquisition Due Diligence checklists 100% of the Fund's acquisitions in 2024.</li></ul>	<ul style="list-style-type: none"><li>Continue to complete Sustainability Acquisitions Due Diligence checklist for all new acquisitions.</li><li>Regularly train and update the teams on Sustainability Acquisitions Due Diligence guidance.</li></ul>
Climate Risk and Resilience	<ul style="list-style-type: none"><li>Conducted risk assessment during acquisition for all properties which includes scenario analysis for the portfolio based on RCP 8.5 scenario which considers physical risks identified, with risk registry provided.</li><li>Incorporated physical climate risk as part of IC memo screening process which includes physical risk management plan for assets with potentially higher risks. Refer to page 16 for the Fund's strategy on Climate Risk.</li></ul>	<ul style="list-style-type: none"><li>Continue to conduct climate risk assessments for all new acquisition and/or update when a material change has occurred, not less than every 3 years.</li></ul>
Sustainable Finance	<ul style="list-style-type: none"><li>Obtained Green and Sustainability Linked Loan for Dash Living on Prat during refinancing with margin improvements and savings achieved.</li></ul>	<ul style="list-style-type: none"><li>Continue to seek opportunities to secure green financing.</li></ul>





# Compliance

## INREV Alignment

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

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

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

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

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

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

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

Throughout the holding period, the local asset and property management teams track and report changing regulations to determine compliance implications for each asset. Furthermore, HAPP seeks to obtain green

building certifications for development/major refurbishment projects.

No enforcement notices have been received or applied to HAPP for ESG related issues. The Fund, to the best of our knowledge, is compliant with legislation. Local development management, asset management and property management teams will continue to monitor regulatory compliance through the 2023 reporting period and identify potential impacts of changing ESG regulations through quarterly reporting.

## Sustainable Finance Disclosures Regulation (SFDR)

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

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

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

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## Preliminary, Selective Information Only

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

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## Real Estate Related Risks

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

## Prior or Targeted Performance

Any investment entails a risk of loss, including loss of the entire investment. In considering any performance data contained herein,

each recipient should bear in mind that past performance is not indicative of future results, and there can be no assurance that an investment program will achieve comparable results or will achieve any target or estimated results.

The Fund will make investments in different economic conditions than those prevailing in the past. Thus, no guarantee is made that the Fund will have the same types or diversity of investment opportunities as prior vehicles. While Hines believes all performance targets and estimates to be reasonable and sound under the current circumstances, actual returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ materially from the assumptions and circumstances on which the estimated future cash flows and exit values used in the performance estimates and targets contained herein are based. Accordingly, nothing herein should be deemed to be a prediction or projection of future performance of the Fund and actual realized returns on unrealized investments may be materially different from the returns indicated herein. Additional information on the performance and other numbers presented herein is available from Hines upon request. Please refer to the Definitive Documents for detailed information on Fund performance.

## Track Record

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

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

ESG

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

Forward Looking Statements

This document contains projected results, forecasts, estimates, targets and other “forward-

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

Disclaimer

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

Definitions

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

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

**GRESB** is a mission-driven and investor-led organization that provides actionable

and transparent Environmental, Social and Governance (ESG) data to financial markets. GRESB collects, validates, scores and benchmarks ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions. Hines pays to participate in GRESB.

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

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

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

**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.

This report is a snapshot of the Hines Asia Property Partners as of December 31, 2024.

Unless otherwise noted, all data in this report is as of December 31, 2024.

Endnotes

- 1 Reflects all 21 closed investments and excludes non-controlling interests.
- 2 Excludes Tullamarine, which is undergoing preliminary development.
- 3 There is no guarantee HAPP will achieve all of its ESG objectives.
- 4 Based on estimates of US Environmental Protection Agency GHG reduction calculator.
- 5 Pertains to multifamily assets whose leases are short term in nature.



# 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.

Since our beginning, we have focused on creating and preserving 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. Sustainability is central to our business strategy, and we believe prioritising value creation through sustainability leverages our vertical integration and broad expertise – and differentiates us as a company.

We use sustainability as a lens to support decision-making, goal-setting, and continuous improvement across our business lines. Our commitment to environmental and social sustainability inspires us to tackle pressing climate challenges through innovation and supports our company vision: to be the best real estate investor, partner, and manager in the world.

**DEEP DIVE** ↗  
Learn more about our firm-wide focus on sustainability.

## Hines Asia Property Partners

**Simon Shen**  
Fund Manager  
Senior Managing Director  
simon.shen@hines.com