

# Hines Tools for Asset-Level Sustainability

V1 | 2025

We are committed to prioritizing sustainability at Hines assets, from acquisition through development and management.

To support this work, we have created a robust set of proprietary tools and resources that prioritize sustainability across the building life cycle, helping our assets remain competitive, striving to deliver stable returns, and meet investor expectations for both stewardship and profitability. These state-of-the-art tools enable us to drive progress toward our sustainability targets – including net zero operational carbon by 2040<sup>1</sup> – reduce risk, and enhance long-term value across our portfolio.

While many are applied globally, some tools are tailored to Hines' geographies (the Americas, Europe, and Asia-Pacific) based on regional practices, regulations, and market needs, so adoption and usage may vary.



# Acquisition

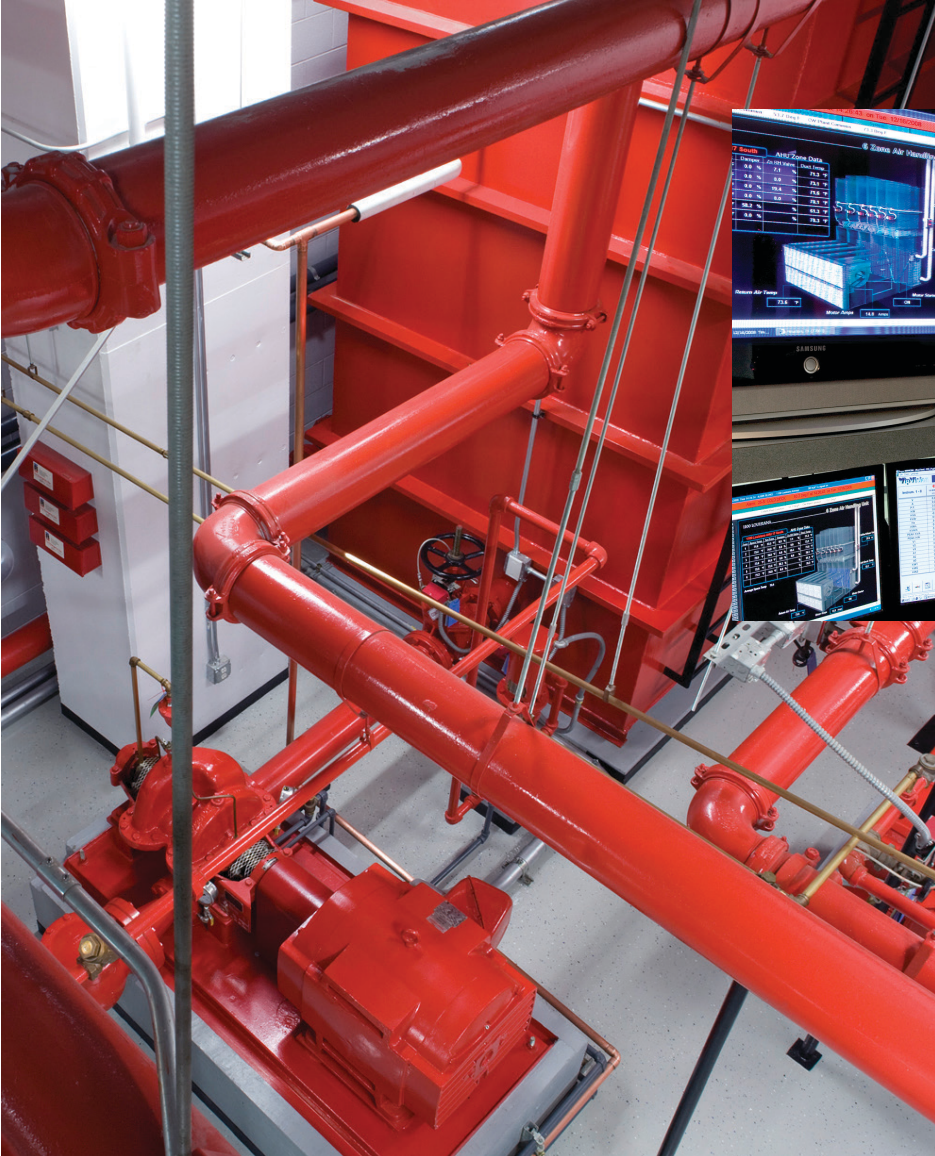
Sustainable real estate begins with rigorous due diligence. Our acquisition process identifies and addresses sustainability considerations early, so our investments align with firm- and fund-wide goals and deliver long-term value.

Hines’ regional teams across the Americas, Europe, and Asia-Pacific deploy a suite of purpose-built tools to assess sustainability risks and opportunities associated with each potential acquisition.

**Sustainability Acquisitions Due Diligence Checklist:** Designed to integrate sustainability considerations into every stage of the acquisition process, this checklist helps teams thoroughly evaluate key sustainability criteria. It covers aspects such as energy efficiency,

carbon performance, and resilience, helping teams identify potential risks and opportunities before finalizing investments. By embedding sustainability factors into the decision-making process, this tool supports informed investments that align with Hines’ broader sustainability goals and promote stable, long-term returns, reduced risks, and increased asset marketability.

**ESG Due Diligence Scoping Document:** This document provides a detailed roadmap for uncovering and evaluating environmental risks and opportunities at acquisition. It defines crucial asset-level due diligence factors – such as electrification, energy-efficiency measures, on-site renewables, data collection, and building certifications – and ensures consistency across ESG evaluations.



Investing in Tomorrow: Hines’ acquisition tools support informed, value-driven investing by aligning assets with sustainability goals that enhance resilience.

It also supports the procurement of third-party due diligence reporting and helps teams assess and price sustainability improvements as capital expenditures (CapEx) in the business plans for operational assets, new developments, major refurbishments, and forward purchases. This standardized approach strengthens decision-making and aligns investments with Hines’ broader sustainability commitments.

**The Cost of Decarbonization Tool:** This tool helps teams assess the challenges, opportunities, and CapEx necessary to achieve Hines’ carbon targets at potential assets. The tool can estimate the cost of decarbonizing an asset based on available building information and allows deal teams to incorporate net zero CapEx into underwriting.

**Net Zero Carbon Scoping Document:** This document ensures consultants creating net zero pathways for Hines’ assets use a consistent approach that reflects best practices established by the firm and the market. This standardized approach supports alignment across asset- and portfolio-level decarbonization strategies, supporting broader fund-level goals.

**District Energy Guide:** This guide provides a structured approach to understanding the impact of Europe’s district energy systems (DES) on an asset’s carbon performance. It outlines a two-step process and decision matrix to evaluate a DES during technical assessments:

1. Identifying the carbon intensity of the fuel mix currently powering the DES
2. Assessing the provider’s or municipality’s carbon reduction plans for the DES

By applying these criteria, teams can accurately estimate the carbon implications of connecting assets to a DES and determine alignment with Hines’ sustainability goals.



# Design, Development, and Refurbishment

We believe integrating sustainability into design and development drives long-term asset value. By focusing on operational efficiencies and decarbonization at the beginning of a project, we prioritize marketability, resilience, and financial performance while minimizing regulatory risks, in alignment with Hines' investment goals.

## ESG Development Brief:

Each Hines geography has a tailored development brief to account for regional practices, regulations, and market needs. These comprehensive

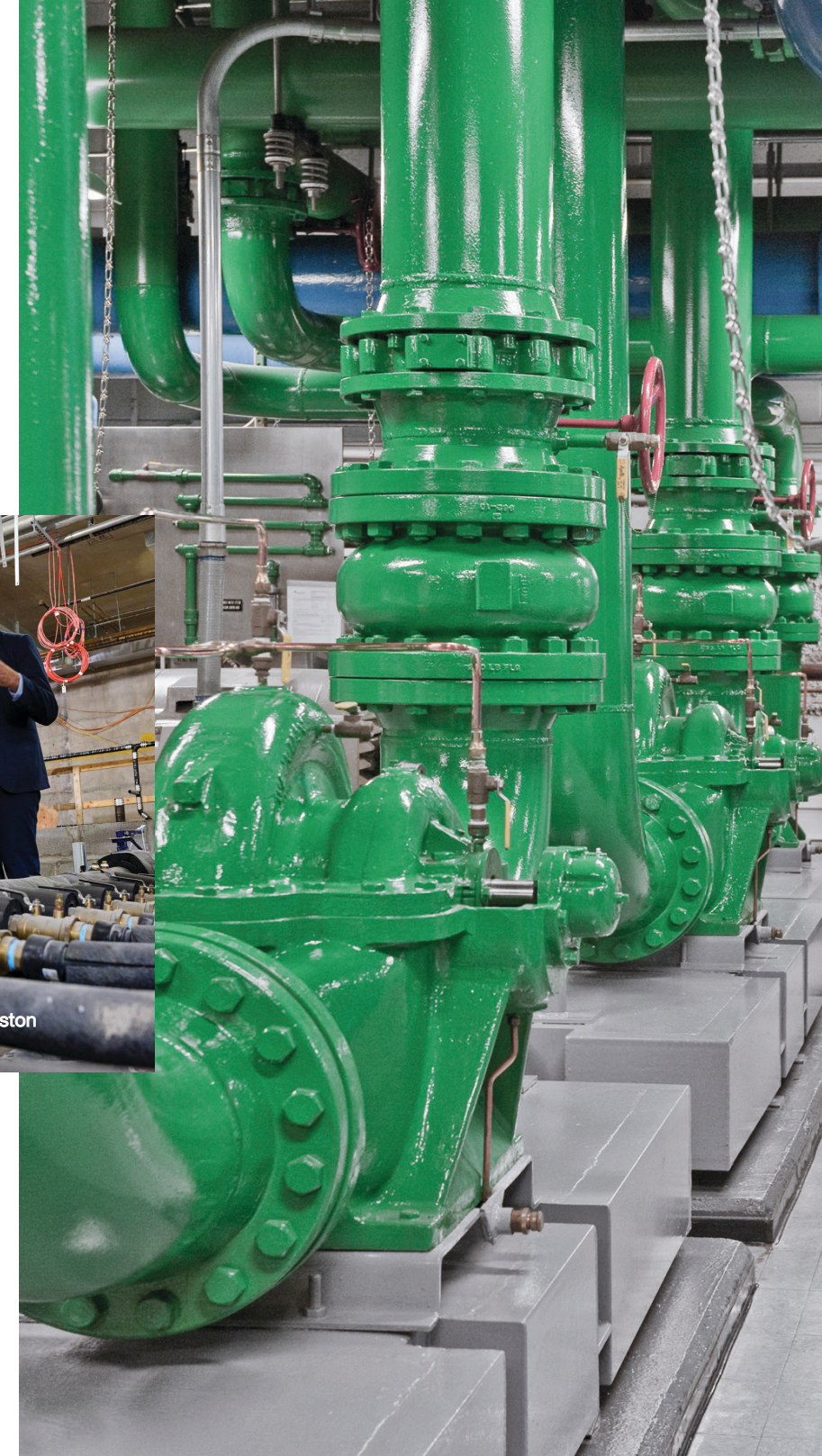
resources provide project teams with practical guidance to embed sustainability in every phase of development and refurbishment. The briefs emphasize key areas like energy efficiency, low-carbon materials, and circular systems, helping future-proof assets to meet emerging market expectations and maintain competitiveness in a rapidly evolving regulatory landscape.

The briefs define clear project-level targets that align with Hines' sustainability strategy to inform individual project plans while providing a

**Future-Proofing Investments:** Hines' development and refurbishment tools help teams enhance asset value by planning for long-term sustainability, meeting market demand for efficient, low-carbon properties.



Mike Izzo, Jennifer Dudgeon, and Stacie Livingston at 555 Greenwich, New York City



consistent framework for assessment and reporting. We continue to evolve and adapt the briefs to new regional and industry standards and emerging best practices.

## Whole Life Carbon Assessments (WLCA):

A WLCA quantifies both embodied and operational carbon impacts throughout a building's life cycle – from construction and operation to retrofits, demolition, and material salvage. This essential tool helps us understand and manage carbon risks, reduce emissions, and preserve asset value in a carbon-conscious market. Our teams use WLCAs to assess carbon impact at every stage of development, refurbishment, and repositioning, supporting informed decision-making and practical reductions.

## Embodied Carbon Reduction

**Guide:** Developed in partnership with Magnusson Klemencic Associates (MKA) in 2021, this guide provides actionable solutions that help project teams make informed decisions that support Hines' sustainability goals and align with evolving market and regulatory expectations. It offers strategies to reduce construction-related emissions – such as reusing materials and adopting procurement practices based on life cycle assessments – and helps teams control costs while meeting growing regulatory and tenant demands for sustainable properties.



# Operations

We believe sustainability drives operational excellence. By embedding energy efficiency and decarbonization strategies into asset management, we aim to enhance performance, reduce emissions, and build resilience at our properties, meeting evolving tenant and market expectations. Our operational tools help drive improvements that contribute to long-term asset value and align with tenants' sustainability goals and ours.

## Carbon Impact Assessment

**Tool:** Based on the Carbon Risk Real Estate Monitor (CRREM) framework, Hines' Carbon Impact Assessment Tool provides a standardized, centralized platform for collecting and evaluating asset- and portfolio-wide operational data – from energy and emissions to water and waste – allowing for comprehensive evaluations of environmental risks and opportunities. The tool facilitates scenario planning, enabling teams to test assumptions and gain deeper insights into carbon stranding and transition risks. It also helps teams establish benchmarks, define KPIs, and provide transparent reporting.

## Operational Carbon Guide:

This guide was designed to integrate decarbonization strategies into both project plans and day-to-day operations, with a strong focus on improving energy efficiency and accelerating electrification. The guide is a living document, meaning it will evolve over time with valuable feedback from our teams, so our strategies remain relevant and effective.

## The Portfolio Prioritization

**Tool:** This tool helps us target asset-level opportunities for retrofits, on-site solar, and strategic power procurement by analyzing portfolios at scale and prioritizing the most impactful asset-level solutions, effectively allocating resources to lower operational and embodied carbon.

## Solar Energy Mapping Tool:

Developed with the Brattle Group, this tool uses Geographic Information System (GIS) technology to identify where on-site solar is most cost-effective, helping us maximize financial and environmental benefits while supporting our decarbonization goals.



**Empowering Tenants Toward Sustainability: Hines' operational tools foster tenant collaboration to meet environmental and social responsibilities.**

# Tenant Initiatives

Collaborating with tenants is key to realizing our sustainability goals – particularly in relation to Scope 3 emissions. We have created firm- and region-wide tools to help teams bring sustainability into conversations with tenants early and often, and to support tenants in reaching their own sustainability aspirations.

## Client Engagement for Decarbonization Guide:

A compendium of best practices gathered from Hines' teams across the globe, this guide was developed to help our asset and building management teams better engage with tenants around decarbonization efforts. The guide offers strategies and insights for successfully engaging with tenants on carbon reduction efforts – from fostering an ongoing dialogue about decarbonization, to integrating it into leasing documents, building rules and regulations, and fit-out guidelines.

## Green Lease Templates:

Green leasing language is key to our firm's decarbonization strategy. We have developed Green Lease Templates for all three Hines geographies to help teams integrate regionally specific, sustainability focused leasing language into tenant agreements whenever feasible. The templates emphasize energy efficiency upgrades, data sharing, and on-site renewable energy, and include minimum and aspirational sustainability clauses appropriate for each geography. The templates also require tenants to designate a sustainability contact to work directly with our team on key initiatives and provide a split-incentive clause to share savings from sustainability-driven capital investments.

## Sustainability Tenant Fit-out Guides:

Created for each Hines geography, these guides help occupants understand the benefits of prioritizing sustainability in a fit-out – including greater flexibility, energy savings, reduced costs, and improved well-being – and how to accomplish it. Our teams use best efforts to present the guides to all stakeholders involved in fit-out projects at the earliest possible stage, so sustainability can help drive decision-making.

**HinesGO and HinesGR:** Our firm's proprietary sustainability programs for occupiers, Hines GREEN OFFICE™ (HinesGO) and Hines GREEN RETAIL™ (HinesGR) help our tenants prioritize ESG efforts in their spaces.

These opt-in programs offer tenants a clear framework for setting and achieving sustainability goals. Each program includes a resource guide, helping tenants to establish performance benchmarks and track progress.

**HinesGO**  
GREEN OFFICE

**HinesGR**  
GREEN RETAIL

## Definitions:

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

## Endnotes

- 1 There is no guarantee Hines will achieve all of its ESG objectives.
- 2 This figure represents an improvement against the UKGBC Net Zero Carbon Framework target of 130 kWh/m<sup>2</sup>/year for 2020–2025 and aligns with its 90 kWh/m<sup>2</sup>/year target for 2025–2030.

## 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 prioritizing 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.

[hines.com/sustainability](https://hines.com/sustainability)