

Hines

2019

Sustainability Report





Over the past 60 years, Hines has demonstrated that what makes our buildings successful and sustainable in the long term is the ability to provide a healthy, productive environment that supports businesses, employees, and residents.

It was through Dad's desire for better workspaces and more efficient operations that we began creating buildings that are better for people and the planet. His background in mechanical engineering and commitment to quality led us to adopt our own energy efficiency and indoor air-quality initiatives before industry standards were in place and to forge partnerships that have helped shape the well-building movement of today.

Now more than ever, creating value means providing safe, healthy places and communities for people to live, work, and play. While this report is published annually for the previous calendar year, given the circumstances, we'd like to address major issues happening in 2020. So far, this year has been so different than any year we've ever experienced.

Globally, we have been managing the effects of COVID-19 and leveraging our local teams' market knowledge across 24 countries to evaluate risks and respond accordingly. We know that finding solutions to the challenges we face requires collaboration—not only across our organization but with our investors, our project partners and design professionals, our tenants and clients, and our communities around the world.

I'm proud of our firm's ability to address this global crisis proactively and strategically. I'm also humbled by our employees' dedication and willingness to embrace new ways of communicating and working, with each other and with our tenants and partners. All of us at Hines are grateful for the continued support of our stakeholders as we navigate this challenge together.

I'm also proud of how our firm is addressing racial injustice, particularly toward the Black community in America. As a firm, we are committed to our values of an inclusive and diverse community and culture. We condemn discrimination and injustice in all their forms, as is clearly stated in our policies, and we actively support diversity and inclusion through our employee platform, OneHines. We still have work to do, and we're committed to having the important conversations and taking the actions necessary to further diversity and inclusion at Hines.

We continuously strive to further Dad's legacy of bringing value to people and communities through a built environment that meets the needs of the present and anticipates those of the future. Our history is both relevant and informative as we navigate a changing world, and our sustainability vision will continue to be bold, while remaining true to our values and delivering returns to our investors and partners.

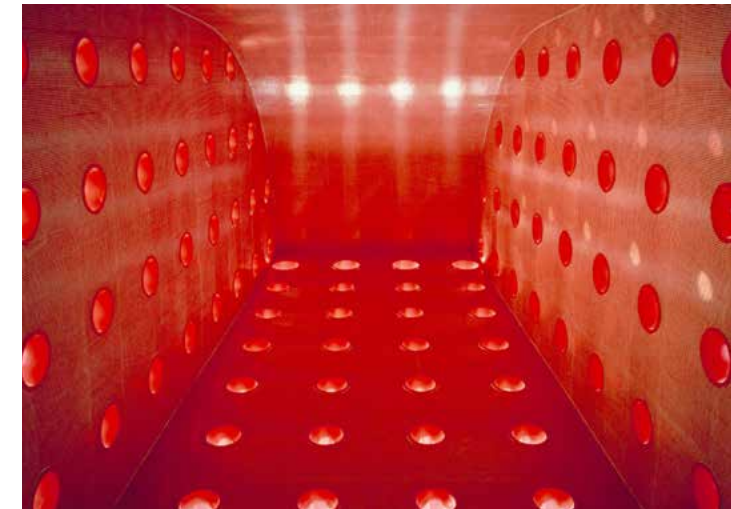
Jeffrey C. Hines

President

Chief Executive Officer



Our vision is to be the best real estate investor, partner, and manager in the world. Integrating sustainability into everything we do will help us get there.



Sustainability inspires us to innovate, prioritize resilience, and build for the future.



Our Firm

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Our People

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Responsible Investment

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Giving Back

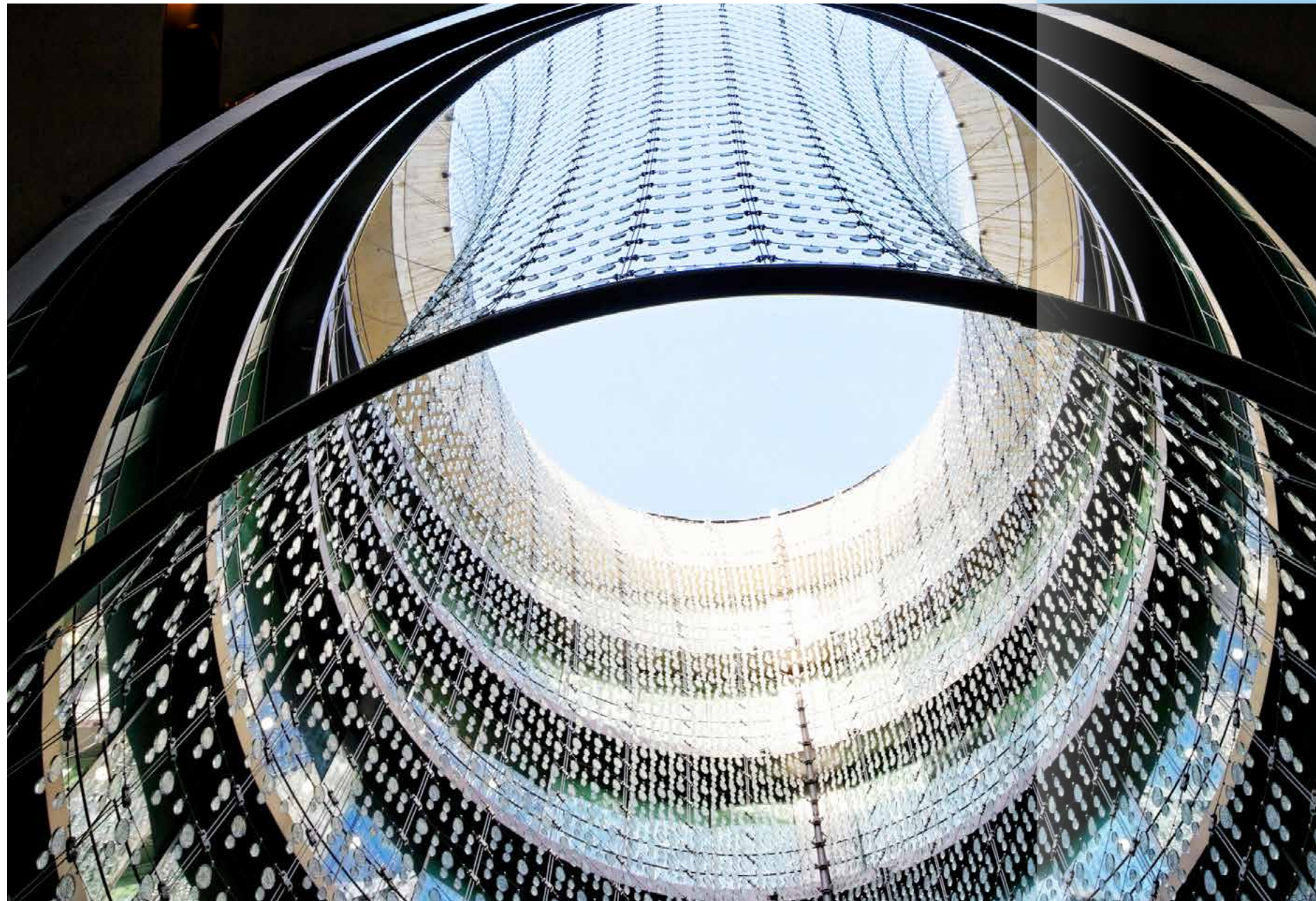
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Our Firm

At Hines, our vision is to be the best real estate investor, partner, and manager in the world. We strive to improve the built environment for people and communities by creating, managing, and investing in buildings that meet the needs of the present and remain resilient in the future.

Hines serves as asset manager of 32 Rue Blanche, a Class A, 237,506-square-foot office building in central Paris.



One Museum Place, Shanghai



Hines was founded in 1957 as a privately owned, real estate development firm based in Houston, Texas. Over more than six decades, we have expanded our business to include real estate investment and management, and our firm now has a presence in 205 cities and 24 countries across the globe. We have more than 4,560 team members worldwide and \$133.3 billion of assets under management.¹

Since our beginning, Hines has valued and pioneered sustainability in the built environment. Our founder, Gerald D. Hines, believes in creating long-term value for the people and communities we touch, and that ethos and commitment has driven us to become one of the largest and most respected real estate organizations in the world.

As our firm has evolved and grown, our definition of sustainability has expanded. Through all the work we do at Hines, we endeavor to positively impact people and communities, employ the highest ethical standards, and minimize our footprint — and we strive to be the best investor, partner and employer in our industry.

Lines of Business

Hines’ integrated approach to real estate includes investment management, development and acquisition, and property and facilities management. Our deep market knowledge and expertise, and our commitment to sustainability and innovation, enable us to deliver lasting value to clients and partners across the globe. We’re staying ahead of the trends influencing the built environment and leading our industry in creating buildings and spaces for the future.

Investment Management

Hines is a vertically integrated investment management firm. We combine ground-up operating expertise and local knowledge with top-down research and investment management to minimize risk and generate sustainable returns for our investors. Our investment team pursues a variety of strategies, including open and closed-end

commingled funds, separate accounts, joint ventures, and non-traded REITs, and our policies and processes help us integrate environmental, social, and governance (ESG) factors in evaluating and managing investments.

Since we launched our investment management platform in 1993, we have sponsored 55 strategic investment funds and numerous one-off investment vehicles, totaling more than \$61.3 billion of equity.

Development

Hines began as a developer of landmark office buildings in U.S. cities. Even before our global expansion, we revolutionized the industry by introducing signature architecture for retail, housing, industrial, and mixed-use buildings. We also brought higher standards to all aspects of building design, operations, and management. Today, Hines has completed, acquired, and/or redeveloped projects totaling more than 459.1 million square feet.

Property & Facility Management

Hines knows buildings inside and out. We approach property and facility management from an owner’s perspective, and we bring the same operational excellence to our clients’ buildings as we do our own. Property management and facility management are key elements of our overall client offering, and we continue to explore innovative ways to make buildings and spaces inspiring and comfortable for the people who live and work in them.

Today, we manage more than 232 million square feet worldwide, including assets in Australia, Brazil, Canada, China, Denmark, Finland, France, Germany, Greece, India, Ireland, Italy, Mexico, the Netherlands, Panama, Poland, Russia, Spain, the United Kingdom, and the United States.



“Since Dad founded our firm in 1957, we have been committed to quality investments in real estate, a more functional built environment, better cities and a more sustainable world. We are proud of our past, and we are even more excited about what the future holds.”

JEFFREY C. HINES



T3RiNo, Denver



Sustainability and Business Integration

Sustainability has always been integral to the way we do business at Hines. Today, we prioritize social and environmental impacts and outcomes that deliver the most value to our stakeholders, our firm, and the planet, and we’ve formalized a sustainability policy to guide our work. This commitment drives us to make business decisions — big and small — with our employees, investors, industry partners, and tenants in mind. And it helps us bring benefit to communities while leaving the smallest environmental footprint possible.

For us, this means providing great career experiences and leadership opportunities for Hines employees, who strive to create great environments for the people who live and work in our buildings. It means pursuing sustainable development and investment opportunities that prioritize resilience and mitigate risk. And it means building supply chains and implementing systems that optimize energy efficiency, minimize waste and water impacts, and deliver value at every step.

Our focus on sustainability drives innovation at Hines, provides a platform for us to engage and collaborate with like-minded partners, and challenges us to stay on the leading edge of our industry. To benchmark our progress and keep important sustainability goals top of mind, we’ve elected to reference the Global Reporting Initiative (GRI). You’ll find the GRI content index at the end of this report.

Business Governance

The Hines Executive Committee is composed of ownership representatives and leading regional and

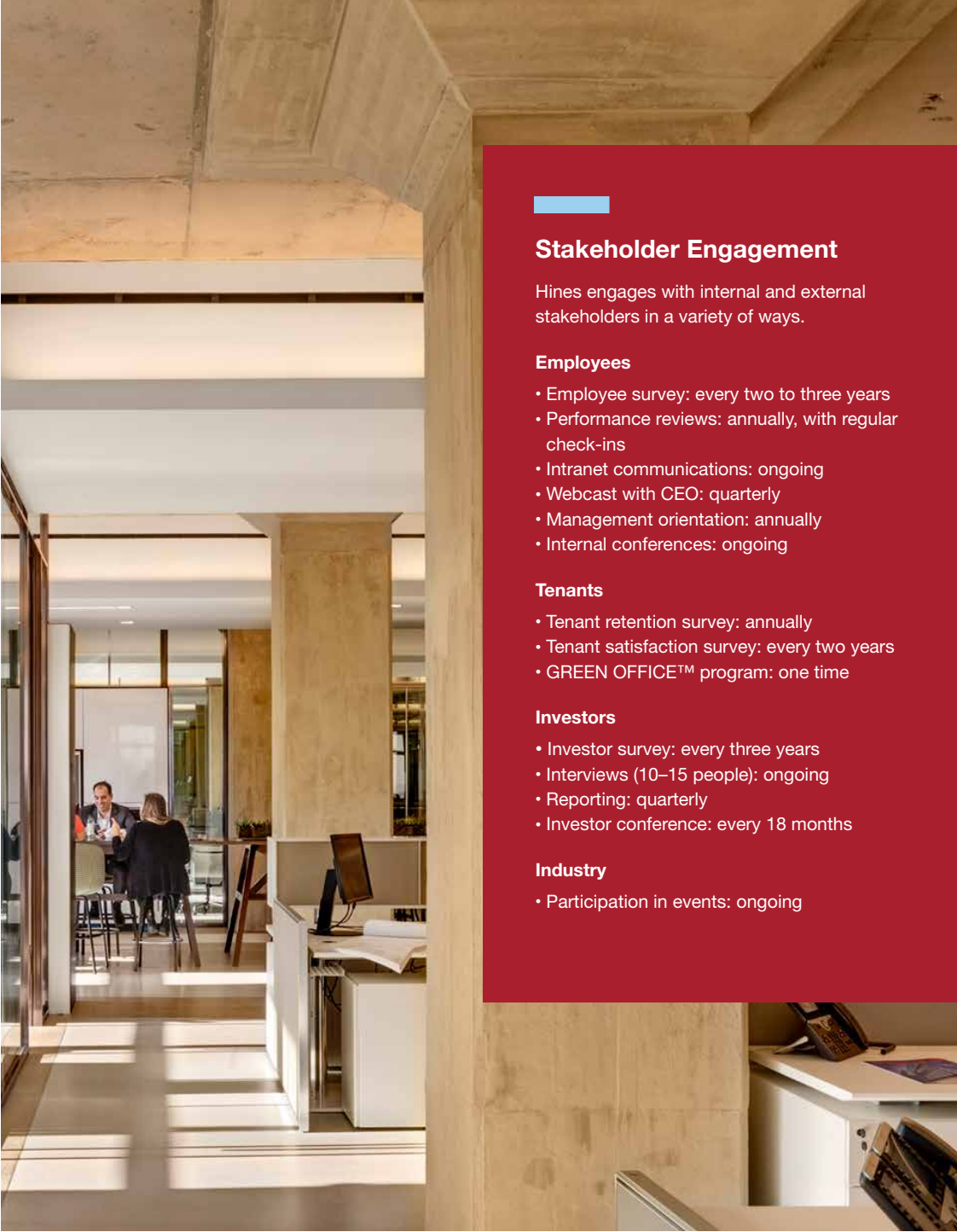
central senior executives across the globe. This group serves as our board of directors and is responsible for overall governance and decision-making. Our Global Investment Committee, Steering Committee, Audit and Compliance Committee, and Personnel Committee provide oversight, as well.

Our decentralized, regional operating structure puts everyday decision-making closer to the real estate, and our regional CEOs (who are members of our Executive Committee) direct the activities of geographic organizations that source and execute investments and oversee regional development and operations.

Global Code of Business Conduct and Ethics

Excellence, integrity, and trust are at the core of everything we do at Hines. This year, we expanded our code of conduct to include all the countries where we do business. Our enhanced Global Code of Business Conduct and Ethics complements our Guiding Principles and affirms a company-wide commitment to our core values and priorities. The code provides an overview of the regulations and policies that guide our firm and employees, and helps us make decisions as individuals and as a business.

The global code covers key topics, including fair business practices, safeguarding resources and reputation, avoiding conflicts of interest, respect in the workplace, and health and safety, and is designed to be accessible to everyone at Hines.



Stakeholder Engagement

Hines engages with internal and external stakeholders in a variety of ways.

Employees

- Employee survey: every two to three years
- Performance reviews: annually, with regular check-ins
- Intranet communications: ongoing
- Webcast with CEO: quarterly
- Management orientation: annually
- Internal conferences: ongoing

Tenants

- Tenant retention survey: annually
- Tenant satisfaction survey: every two years
- GREEN OFFICE™ program: one time

Investors

- Investor survey: every three years
- Interviews (10–15 people): ongoing
- Reporting: quarterly
- Investor conference: every 18 months

Industry

- Participation in events: ongoing

The Hines Executive Committee

Gerald D. Hines
Founder and Chairman

Jeffrey C. Hines
President and CEO

C. Hastings (Hasty) Johnson
Vice Chairman

Laura Hines-Pierce
Senior Managing Director,
Office of the CEO

David L. Steinbach
Global CIO Co-Head,
Investment Management

Christopher D. Hughes
CEO, Capital Markets
Co-Head, Investment
Management

Alfonso Munk
Chief Investment Officer,
Americas

Alex Knapp
Chief Investment Officer,
Europe

Sherri W. Schugart
CEO, Core Fund, REIT
& BDC Group

Thomas D. Owens
Chief Product and
Services Officer

Keith H. Montgomery
Chief Financial Officer

Lars Huber
CEO, European Region

Douglas H. Metzler
CEO, West Region

Mark A. Cover
CEO, Southwest Region and
Mexico/Central America

Raymond M. Lawler
CEO, Asia Pacific

C. Kevin Shannahan
CEO, Midwest and Southeast
Regions, Canada and South
America

Sarah Hawkins
Chief Operating Officer,
East Region

S. Lee Timmins
CEO, Eurasia Region

Sustainability Governance

Hines’ Global Sustainability Officer oversees our worldwide sustainability efforts, including promoting firm-wide ESG performance with investors, tenants, and clients. Hines’ Sustainability group engages with our Executive Committee, as well as our regional and central business units, on our ongoing ESG strategy.

The Hines Sustainability Policy

Hines recognizes that investment, development, construction, and management in real estate impact our stakeholders and the communities in which we operate. In recognition of these impacts, we maintain sustainability policies and procedures to mitigate negative environmental effects, engage stakeholders, and enhance our investment performance. Hines also utilizes the precautionary principle in decision-making.

205

cities where Hines is located (exclusive of facilities management)

454

cities with facilities management assignments

24 countries

- | | | |
|-----------|------------|----------------|
| Australia | Greece | Netherlands |
| Brazil | Hong Kong | Panama |
| Canada | India | Poland |
| China | Ireland | Russia |
| Denmark | Italy | South Korea |
| Finland | Japan | Spain |
| France | Luxembourg | United Kingdom |
| Germany | Mexico | United States |

TOTAL ASSETS UNDER MANAGEMENT

\$133.3 B

\$71.0 B

for which Hines serves as an investment manager, including non-real estate assets

\$62.3 B

for which Hines provides third-party property-level services



DEVELOPMENTS WORLDWIDE

165 886

projects currently underway, 62 M sf completed projects, 258.6 M sf



PROPERTY AND ASSET MANAGEMENT

539

properties, 232.4 M sf

The Hines Guiding Principles

- The Hines standard represents the global real estate benchmark for value creation, integrity, service, and quality for all clients.
- All Hines products and services are of the highest standard as appropriate for the mission.
- The Hines employee is the greatest example of the Hines standard and the company's most valuable asset.
- Hines is committed to fostering an inclusive culture where diversity is respected and valued.
- We will continually strive to be the industry leader in sustainability and the premier real estate company in the world.

Operating with Integrity

Hines is dedicated to conducting business in accordance with the highest ethical standards and to following the letter and spirit of the laws and regulations applicable to our business.

We encourage and expect our employees, shareholders, and business partners to report conduct they believe to be unethical or in violation of the law, our code of conduct, or Hines policies and principles.

EthicsPoint enables individuals to anonymously and confidentially report actual or suspected violations by phone 1-866-384-4277 or online, at ethicspoint.com.

1957

Mechanical Engineer Gerald D. Hines founds the company with an eye toward energy efficiency.



1961
Gerald Hines addresses the Houston Chapter of ASHRAE about providing high-quality architecture and engineering to the public with a responsibility to the future.

1975
Pennzoil Place in Houston, designed by Johnson/ Burgee Architects, sets a new standard for architectural excellence in speculative office buildings. New York Times architecture critic Ada Louise Huxtable dubs it the "Building of the Decade."

1978
Hines engineering begins firm-wide energy tracking and energy management focus.

1992

Hines develops indoor air guidelines before the EPA issues its standards.

1994
Hines implements environmental and engineering accountability protocols for its Engineering Standards program in the U.S.



1996
Hines develops the Cesar Pelli–designed Owens Corning World Headquarters in Ohio with the first raised-floor technology in North America.

1997
Hines hosts its first Modern Buildings Prototype Conference with experts in efficient design from the Rocky Mountain Institute and Gensler, among others.

The University of Houston names its School of Architecture in honor of Gerald Hines.

1998
Hines joins USGBC to guide and grow the global market for high-performance buildings.

1999
Hines develops the 55-story Main Tower in Frankfurt, Germany, with operable windows.



Hines designs 560 Mission in San Francisco to use 100% outside air in its HVAC system, enhancing indoor air quality.

Hines develops 600 13th Street in Washington, D.C., with electronic air-cleaning technology, significantly improving indoor air quality.

2000
Hines reconvenes the Modern Buildings Prototype Conference in Denver and develops the Hines Best Practices program with industry experts.

Hines develops its CFC Management Guidelines, resulting in a 62% reduction in the release of harmful CFCs over the next four years.

1999

28 Hines buildings receive the EPA's ENERGY STAR® label when it expands into commercial real estate.

2001

The EPA names Hines ENERGY STAR Partner of the Year.

Hines manages nearly a quarter of all non-government commercial office space that is ENERGY STAR labeled.

2002
Gerald Hines is awarded the ULI J.C. Nichols Prize for Visionaries in Urban Development.

Hines funds the ULI/ Gerald D. Hines Student Urban Design Competition.

Hines' participation represents 30% (by square footage) of the USGBC's LEED® for Existing Buildings Pilot Study.

2003
Hines develops Metropolitan in Warsaw, designing for more natural light than any other building in Poland.



2004

Hines becomes the first real estate firm to win ENERGY STAR's Sustained Excellence Award for long-term commitment to conservation.

2005
The Hines-developed 1180 Peachtree Tower is the first high-rise office building to be pre-certified Silver in LEED's Core & Shell Rating System. Later that year it achieves LEED Gold.

The Hines mixed-use, brownfield redevelopment Diagonal Mar in Barcelona receives the inaugural ULI Europe Award of Excellence.

The Hines-developed One South Dearborn in Chicago is the first high-rise office building in Illinois to be pre-certified LEED Silver.

2006
Hines' executive leadership makes a firm-wide commitment to pursue LEED certification on all new projects.

The Hines-developed Tower 333 in Bellevue, WA, is the first high-rise office building on the West Coast to be pre-certified LEED Silver.

The Hines-developed mixed-use mega-project Porta Nuova in Milan is the first in Italy to adopt the LEED standard.

Porta Nuova's Cesar Pelli–designed office towers are pre-certified LEED Gold.



Hines partners with California Public Employees' Retirement System (CalPERS) to establish the nation's first green real estate development fund.

2007
Hines founds the German Sustainable Building Council with other partner organizations.



2009
Hines unveils its proprietary GREEN OFFICE™ Program for tenants to enhance the sustainable features and operations of its office space.

The Hines-developed 717 Texas is the first commercial office building in Houston's business district to receive LEED certification.

2011
Hines launches proprietary myCommunity to enable Hines employees to give back to their communities through volunteer activities.

2016
Hines appoints its first Innovation Officer.

Gerald D. Hines receives Asia Society Texas Center's Roy M. Huffington Award for Contributions to International Understanding.

2017
Hines invests in Fifth Wall, a real estate venture capital firm.

Hines becomes Founding Alliance Member of Well Living Lab.

2018
Hines provides a three-year, \$90,000 gift to create the ULI Women's Leadership Initiative (WLI) Hines Innovation Grants



2019

Hines hires its first Chief People Officer.

The Hines Pan-European Core Fund is named a Private Diversified Global Sector Leader by GRESB for the third consecutive year.

Hines receives the ENERGY STAR Sustained Excellence Award for the 12th time.

Constitution Center is the first Hines project to achieve Fitwel certification, recognizing the property's efforts in optimizing occupant health and well-being.

One Museum Place is one of the first major projects in Shanghai to achieve LEED Platinum and wins Best Green Development at the 2019 MIPIM Asia Awards.



2012
Hines publishes its first sustainability report based on the GRI framework.

2013
Gerald Hines receives the President's Award from the USGBC.

Hines hires its first Director of Diversity & Inclusion.

The Hines Pan-European Core Fund is named a Private Diversified Global Sector Leader by GRESB for its commitment to sustainability.

2015

Hines recycles 100% of the building materials while demolishing the Elevation Chandler in Phoenix, making way for Chandler Viridian on the same site.

Our People

Community members enjoy an outdoor yoga class at CityCenterDC, a mixed-use development in heart of the nation's capitol.



At Hines, we believe in giving our employees a platform for doing well by doing good. Through the work we accomplish together every day, our global team contributes to a sustainable built environment that supports a resilient planet and helps people live healthier, happier lives.

We couldn't realize the Hines vision without our people. They bring diverse experiences and expertise, drive innovation across our company and our industry, and propel our expansion and growth — and their power and passion fuels our efforts to be a sustainable, responsible business. Hines employees are our most valuable asset, and we do our best to provide a work environment and career experience that enable them to thrive.

Diversity and Inclusion

We know that a wide range of skills, viewpoints, and backgrounds make Hines a stronger and more competitive company — and one that attracts top talent. Our OneHines initiative hones the firm's commitments to diversity and inclusion, and fosters a culture where all employees feel valued and have ample and equal opportunities to shape and grow their careers. As part of OneHines, we are bolstering leadership development across the company, increasing opportunities for coaching and mentoring, and encouraging open dialogue between employees and their managers. Through these efforts, we are consciously creating an employee experience of inclusion and respect.

In 2019, we focused on broadening our diversity-education offerings and incorporating diversity programming into many of our events and conferences. We also engaged more than 1,300 employees in a training program called "Managing Self and Bias Awareness" and plan to continue this effort next year. We continue to revise and enhance our diversity and inclusion strategy as we advance in our journey and adjust to the needs of our people and the communities in which we operate.

OneHines Local Ambassadors

Our OneHines Local Ambassadors help us bring diversity and inclusion efforts to life across the company. These volunteers, who represent nearly every Hines region, make a one-to-two year commitment to promoting diversity and elevating inclusion in the workplace. Our ambassadors are conduits, engaging with colleagues and sharing perspectives with HR. They also play an integral



Laura Hines-Pierce, Senior Managing Director, Office of the CEO

role in outreach to our local communities and coordinate service work and collaboration with nonprofits.

This year, our OneHines Local Ambassadors hosted 29 events across the globe in honor of International Women's Day and several events focused on elevating equality and cultural intelligence in recognition of Global Diversity Awareness Month. We also held an inaugural OneHines Local Ambassadors Global Summit in Houston, with the goal of increasing cultural awareness, promoting professional and personal development, and recognizing ambassadors who go above and beyond to foster diversity and inclusion at Hines.

Industry Partnerships

Hines also supports and partners with outside organizations that share our commitment to diversity and inclusion and promote these strategic imperatives in our industry. Many of our employees are involved in or support Commercial Real Estate Women (CREW), the Urban Land Institute's Women's Leadership Initiative (ULI/WLI), and Kayo, which provide skill-building, networking, and career-development opportunities for professional women. The Real Estate Associate Program (REAP), ULI Colorado's Real Estate Diversity Initiative and CRE Immersion Programs, sponsored by NAIOP and others, are additional organizations with which we actively engage to bridge the gap between underrepresented minorities and the industry.

OUR WORKFORCE

Over the past few years, Hines has made a concerted effort to increase diversity in our workforce. We know we have farther to go, but we are excited to celebrate our progress and set goals for continued improvement.

Global Employees

4,562

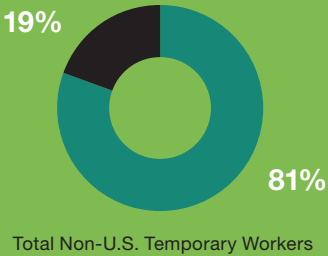
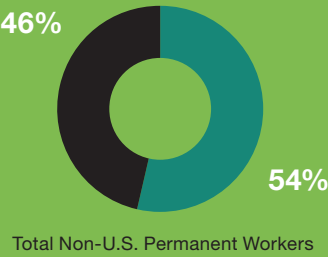
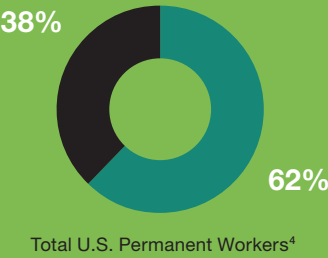
Gender Diversity³



Executive Committee Members

3 Female 15 Male

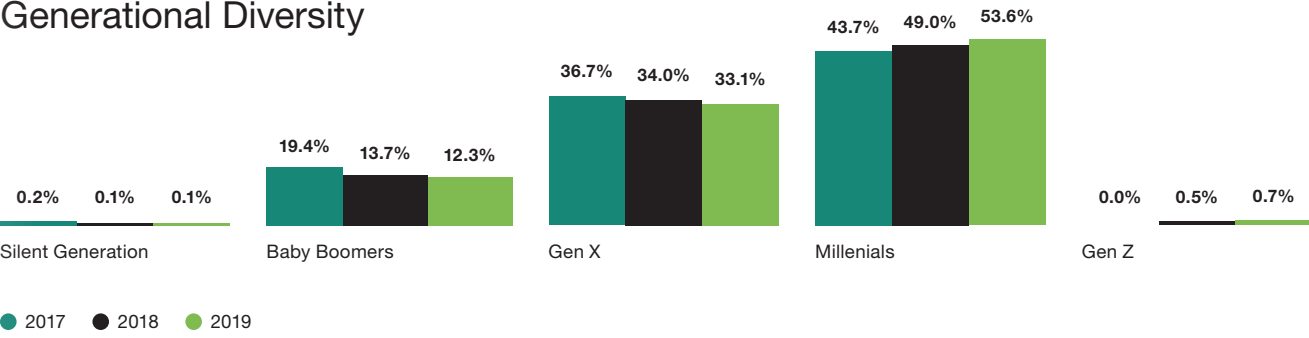
Permanent vs temporary employees, U.S. and non-U.S. by gender



Male Female Not Specified

U.S. employees covered under collective bargaining agreements: 13.26%

Generational Diversity



Talent Acquisition and Employee Retention

Hines strives to recruit and retain the best people in our industry. Our talent acquisition team works closely with Hines leadership to understand company needs, find quality candidates for important roles across our regions and lines of business, and create a robust talent pipeline. We prioritize diversity and inclusion in our hiring process and endeavor to attract, retain, and promote a diverse and multicultural workforce that reflects Hines communities.

Our partnerships with groups like ULI/WLI, Forté Foundation, The Consortium, and EMERGE have helped us connect with diverse talent, and our university partnerships — such as Harvard Undergraduate Women in Business, University of Pennsylvania’s Black Wharton Undergraduate Association, and The University of Texas McCombs Diversity Council — have helped us expand diversity in our internship program. As a result, Hines has increased minority hires to more than 40% over the past two years, and, within property management, women and minorities now make up 69% of our U.S. employees.

We are also committed to creating a culture where the people of Hines can grow and shape their careers with us over time. Our aim is to provide opportunities for employees to develop as leaders and ensure a bright future for themselves and our company. This year, we began formalizing a firm-wide leadership model that articulates the competencies and qualities we value at Hines. We also started developing a program to enhance support for employees who are caregivers—which is particularly important to us as a family owned firm. Both

of these initiatives, which will debut in 2020, are designed to enhance the employee experience, so we can continue to support and cultivate the exceptional people of Hines. As we move forward, we will continue to focus on bringing more diversity to Hines’ senior leadership and cultivating local leaders across our global business.

Learning and Career Development

Hines Learning and Development creates programs, resources, and educational opportunities to help onboard new hires and support employees at all stages of their career growth. In 2019, this group produced or assisted with 529 sessions, including both traditional and virtual classroom programs, which reached more than 8,000 participants. More than 600 of our employees participated in Hines’ proprietary real estate classes this year. We also reimburse U.S. employees up to \$4,000 per year for job-related courses and education programs that can be applied toward a degree. In 2019, over 50 employees participated, with a total reimbursement of nearly \$66,000 in tuition, class fees, and books.

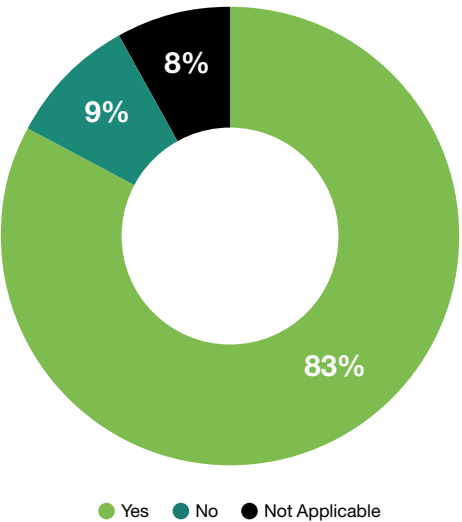
MAP

This year, we rolled out a new Management Acceleration Program (MAP) to equip Hines managers with the training and resources they need to be effective supervisors. MAP’s core track (for new managers) and continuing track (for existing managers and graduates of the core program) create a structure for management training and growth, and include traditional classroom learning, virtual classrooms, and e-learning. MAP also provides opportunities for Hines managers to network and share best practices with peers across the firm and gives us

2019 OneHines Local Ambassadors Golbal Summit in Houston, Texas



Question: “Has the MPACT check-in approach positively enhanced communication with your manager?”



a platform to recognize and celebrate the exceptional managers who are helping our culture and company thrive. We created MAP in direct response to employee feedback from our 2017 engagement survey, and more than 300 managers completed MAP in 2019.

MPACT

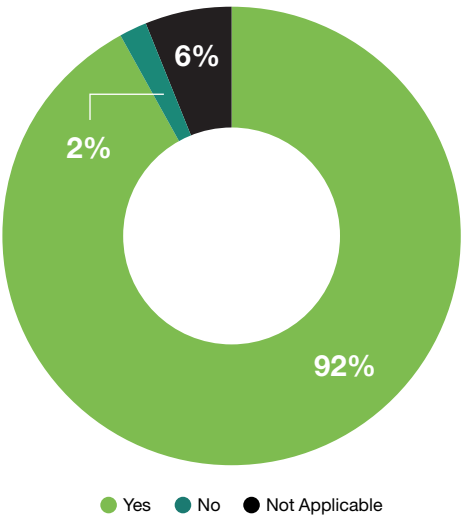
Managing Performance and Cultivating Talent (MPACT, pronounced “impact”) is the Hines approach to performance management. Another outcome of our 2017 employee survey, MPACT was developed to enhance communication and feedback across Hines by encouraging more frequent conversations between managers and employees throughout the year. The program reflects our culture of continuous improvement as well as our commitment to cultivating emerging leaders and supporting career development at Hines.

Our employees report high satisfaction with how MPACT keeps them aligned with their manager and prompts regular conversations to share performance feedback.

Employee Benefits

Hines strives to provide comprehensive benefits tailored to the local regions and countries where we operate. These include competitive pay, health insurance, retirement, and time off, as well as health and wellness initiatives. Our employees in the U.S. can take advantage of the Hines myWellness program, which gives them and their spouses access to an interactive platform called Vitality. Participants can utilize nutrition courses, gym rebates, and mental-health support, and create wellness plans that help them set goals, adopt healthy habits, and

Question: “Are you satisfied with the frequency of check-ins with your manager(s)?”



stay motivated. We also encourage Hines employees to complete Vitality’s health review and biometric screening each year.

In 2019, the myWellness program continued to increase participation at Hines by:

- Engaging 40 Vitality Champs in 15 U.S. cities to help promote a culture of wellness
 - 1,581 participants completed a Vitality Health Review
 - 938 participants completed a Vitality Check
- Offering educational opportunities related to physical, emotional, and financial wellness
- Continuing to offer challenges to foster regional, team, and individual competition
- Expanding participation incentives to include spouses and domestic partners

Our benefits for U.S. employees are available [online](#).

A conversation with Stephanie Biernbaum, Chief People Officer

You're Hines' first Chief People Officer. What compelled Hines leadership to create this position, and how does having a CPO help Hines stay competitive in the marketplace?

With Hines' continued growth ambitions, it's more important than ever to nurture and invest in our people — and to do it in industry-leading ways. There's been a big shift in the way modern, growth-oriented businesses think about human resources, from focusing on avoiding risk, managing cost, and ensuring compliance to considering “human capital” and how to best support it.

Having a CPO helps Hines focus on our competitiveness as an employer, increase employee engagement and retention, and ensure we have the right talent focused on the most critical business opportunities — all driven by a global HR organization that is proactively adjusting approaches as the external environment changes. A CPO also helps to lead fundamental organization design, partner with the business on major growth projects and strategic mergers and acquisitions (M&A), and even serve as an executive coach for others on the leadership team. This position is really a strategic investment in the people and future of Hines.

You have the opportunity to work with the other business leaders at Hines on the people side of their strategies. What does that look like?

We recently launched a new growth mandate within Investment Management as well as new fund offerings. Doing this well required not only business strategy and realigning our external-facing efforts, but adjusting incentive design, shifting the nature of some critical roles, bringing in new senior talent, and doing some very thoughtful change management. I get tremendous energy from partnering with our leaders on these aspects of value creation. I love seeing the impact in our results when we are just as thoughtful about the people side of deals as we are about the real estate side.

In your view, what are some of the most exciting people-focused initiatives Hines accomplished this year?

We have a very special culture at Hines, and as we get larger and more complex, maintaining the culture requires more work. For example, to bring the same Hines culture and values to every Facilities Management client we have in our longest-standing regional development offices requires a solid people and culture strategy.



“We want to maintain the firm’s unique legacy of inspirational leadership, of mutual trust between leaders and employees, and of providing employees an unparalleled platform for growth.”

Overall, we want to maintain the firm’s unique legacy of inspirational leadership, of mutual trust between leaders and employees, and of providing employees an unparalleled platform for growth. We’re doing this through a focus on leadership development and growing our internal talent, and we’re also continuing to invest in programs like performance management and diversity and inclusion that create an even playing field for people of all backgrounds to have an equal shot at growth and contribution.

In 2019 alone, the Human Resources department:

- Hired more people through our Talent Acquisition group than ever before
- Increased the diversity of our new hires, particularly within campus hiring for business generation roles
- Supported hundreds of employees through management training and over 1,000 through in-person diversity training — programs that didn’t exist two years ago
- Built capability to support large-scale reorganizations and M&A integrations

Hines has been making strides in diversity and inclusion. Can you tell us a bit about some of that progress and where you hope to see it lead?

While we aspire to even higher levels of success and have farther to go, we celebrate recent achievements such as improved representation of diverse employee groups, improved representation of women in senior leadership, significant rollout of D&I-related training programs, significant grassroots activity in our OneHines Women’s groups, and robust external partnerships for D&I recruiting.

Our go-forward strategy aims to build significantly on our success to date. In 2020, we will focus on aggregating and empowering our grassroots affinity groups as a way to better scale our efforts. We’ll be giving them programming focused on specific, rotating topics of material importance for moving the needle on D&I (e.g., how to interview and select new talent in a way that is free from bias), so our global employee base can learn new skills at scale.

As part of our broader leadership development effort in HR, we’re launching a five-part model that articulates our expectations of leader behavior at each tenure level and job family. This will give the business an objective, consistent set of criteria to use in coaching employees and making promotion decisions, significantly reducing the chance that bias enters into these processes.

We also plan to enhance our caregiver support programs, including family leave approaches and wellness benefits. Home growing talent is important to us, and it’s likely that while growing a successful career at Hines, many of our employees will also be growing their families. We want our employees to fully take advantage of robust caregiving and/or parental leave options while maintaining their career trajectories and excitement about working at Hines.

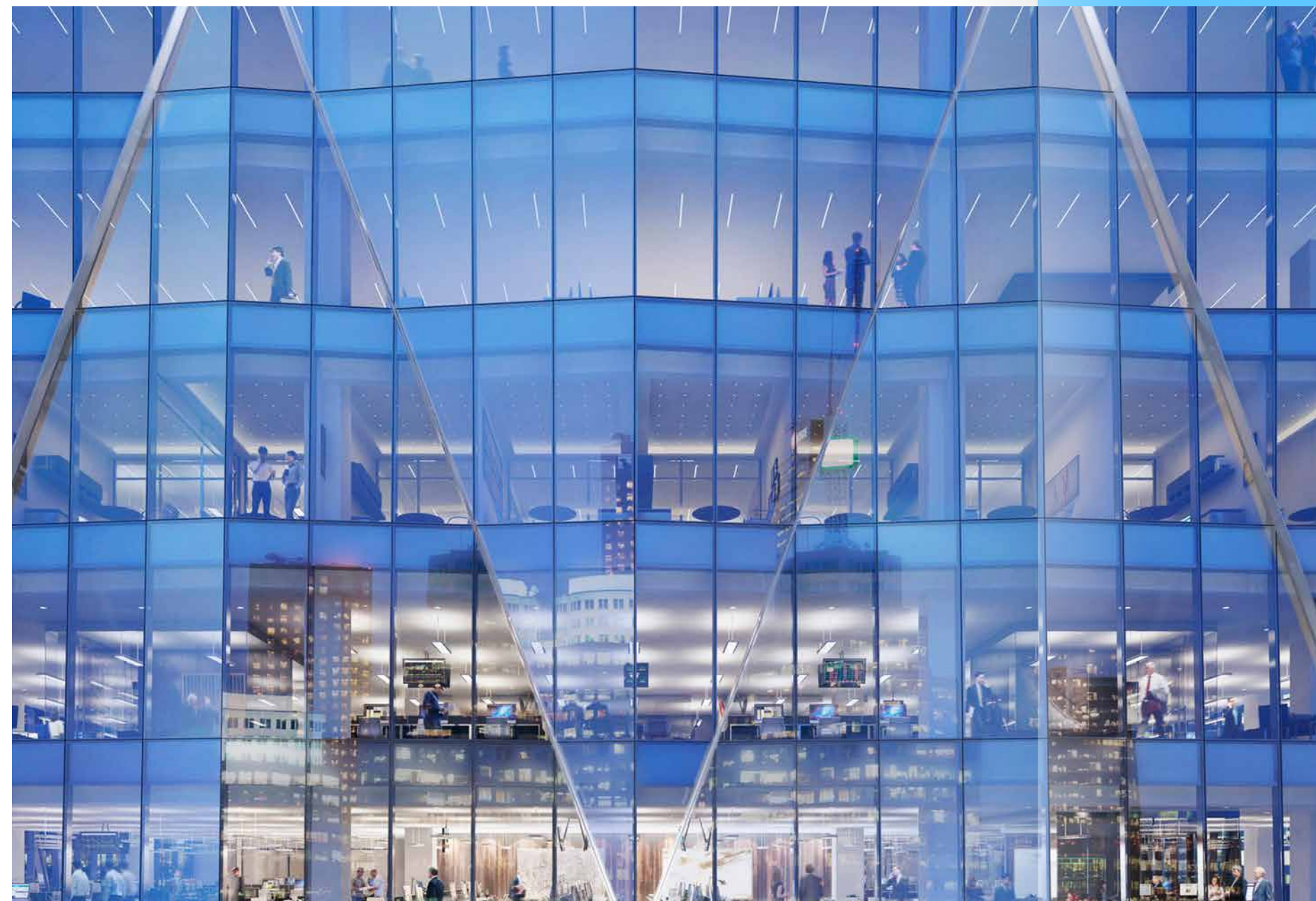
Environmental Stewardship

CIBC Square will be a 2.9 million-square-foot two-tower downtown campus that will set a new international office building standard in Toronto.



Salesforce Tower Chicago

Hines is committed to improving the built environment for people and the planet. Since our firm's beginning, we've endeavored to bring the most responsible, sustainable practices to Hines projects, and we continue to lead our industry in creating sustainability benchmarks, setting and raising the bar, and building for the future.





At Hines, we know that a sustainable approach to real estate isn't just better for people, communities, and our environment, it also makes good business sense. For example, our strong focus on energy efficiency addresses climate change while also maintaining comfort for the people who live and work in our buildings, lowering costs for our tenants, and creating value for our partners and investors.

We integrate sustainability into all Hines projects — from property development and management, to facilities management — and address waste, water, and energy impacts across our business and supply chain. We also focus on the human side of sustainability, through systems and initiatives that make buildings healthier and more comfortable for the people who live and work in them. Moving forward, we will continue to innovate and explore new ways to improve our performance by testing emerging technologies, collaborating with building owners and tenants, and working with industry leaders to promote and strengthen certification programs that help drive excellence.

Sustainable Development

At Hines, sustainable development is driven by people who have a deep understanding of the markets we serve and a passion for bringing quality and efficiency to every Hines building. The Hines development team utilizes in-house expertise and empowers our regional leaders to deliver innovative, sustainable solutions that address client and community needs, while leaving the lightest footprint possible. These include systems and technologies that optimize efficiency and comfort, as well as amenities that allow occupants and guests to engage with each other and the outdoors.

We pursue green-building and well-building certifications and ratings to measure our success and benchmark our progress. Focusing on environmental and social impacts and opportunities pushes us to create buildings that meet the needs of the present and remain resilient in the future.

Conceptual Construction

Gerald Hines has always been keenly interested in sustainable buildings that bring value to communities. He started the Conceptual Construction division over 40 years ago to serve as a central resource for best practices and lessons learned across Hines projects, and to look for new, innovative ways to build and operate buildings that maximize quality and efficiency, minimize risk, and set Hines apart from our competition.

Today, Conceptual Construction is a team of 29 people with diverse expertise — from engineers to designers to lobby and amenity specialists focused on guest and tenant experience — that supports our regional development groups across the globe. They are true “building people” who see Hines projects through every phase of preconstruction, understand the sustainability opportunities and impacts at play, and can anticipate how decisions made at one stage of development will affect others down the road.

The group also collaborates closely with our regional project teams, sustainability team, Corporate Operations and Engineering Services, and the Hines Office of Innovation to test emerging technologies, refine and strengthen existing systems, and develop new products that make buildings better for people and the environment. From electrical systems that enable safer monitoring and maintenance, to heating and cooling systems that allow people to control the comfort of their own spaces, to floor-to-ceiling glass that delivers natural light without compromising energy efficiency, Conceptual Construction brings sustainable, innovative solutions to Hines projects worldwide.

Property Management

Hines has managed properties since our beginning. We recognize operational excellence as a core value, and we are committed to the highest standards of social and environmental responsibility in every building we own or manage for third parties. As a real estate investor, manager, developer, and owner, we are able to leverage

2019 Tenant Satisfaction Survey

Hines commissioned Kingsley Associates to conduct tenant-satisfaction surveys across the firm's U.S. office portfolio this year. We were pleased that the online survey, which we sent through an email invitation, had a 92% response rate. When asked to rate overall satisfaction with Hines, 95% of tenants rated their satisfaction as “good” or “excellent.” Ninety-seven percent of tenants rated their satisfaction with Hines property management as “good” or “excellent,” which exceeded the Kingsley Index by 6% percent. Furthermore, tenant satisfaction with Hines' commitment to sustainability increased to 84% this year.

We were also thrilled to see that our tenant companies value sustainability initiatives that address human and environmental health and make good business sense.

REASONS TENANT COMPANIES ARE INTERESTED IN SUSTAINABILITY INITIATIVES

75%

Healthier work environment

50%

Corporate responsibility goals / initiatives

49%

Cost savings

33%

Attracting / retaining employees

28%

Engaging customers / community

our global knowledge and real estate expertise into management strategies that are efficient and effective in the present and ensure our buildings remain resilient in the future.

Our expert team of building engineers strives for optimal environmental performance in Hines-managed buildings across the globe. They track and manage energy use and efficiency, water consumption, and waste diversion and pursue awards and certifications like LEED®, ENERGY STAR®, and Fitwel that help us set, reach, and even exceed our sustainability goals. Beyond our operations, we are working to reduce environmental impacts across our supply chain and incorporate sustainability requirements into contracts as appropriate.

Integrated Facilities Management

Our Integrated Facilities Management practice is another way we bring value to Hines clients—and bring sustainable policies and practices to life. Hines applies the same best practices, subject-matter expertise, and standard of care to our clients' buildings as we do our own, and each client benefits from our broad knowledge base.

Hines builds strong relationships with our clients, and our facilities managers are deeply embedded in their spaces. We sit on their sustainability councils and manage and influence things like energy efficiency, water consumption, and waste diversion. We carefully consider a firm's culture and goals when we approach sustainability solutions and pursue certifications, and we strive to reach desired outcomes in ways that best serve each client.

Because we know there are strong connections between workspace comfort, amenities, and productivity, we leverage our real estate expertise to optimize employee experiences. By controlling things like light, layout, and engagement with the space, and prioritizing wellness and comfort, we work with our clients to improve their spaces in ways that attract and retain great people. In this way, we help Hines clients maintain strong workforces and remain sustainable, resilient businesses.

SUSTAINABILITY LEADERSHIP

Hines Partnerships, Certifications and Programs

Hines has helped pioneer sustainability in real estate from the beginning. Gerald Hines’ dedication to creating a built environment that is good for people and the planet has guided our company to take a leadership role in developing and implementing sustainable practices across the real estate industry.

As early as 1978, Hines engineers were tracking energy use in our buildings to identify ways to lower consumption, and in 1992 — before government regulations were in place — we developed air-quality guidelines for our buildings that helped shape the certification programs of today. Hines has also influenced the industry’s direction on social initiatives and programs that enhance the health and well-being of people who live and work in our buildings. We’re proud that Hines is on the leading edge of the green-building and well-building movements, and we will continue to set a high bar for sustainable policies and practices across our business and our industry.

U.S. Green Building Council and LEED

The U.S. Green Building Council (USGBC) is committed to transforming the way buildings and communities are designed, built, and operated to create a more environmentally and socially responsible built environment. In 1998, Hines collaborated with USGBC to formalize the energy-efficiency standards we’d set forth in our own buildings, helping to create what is now the Leadership in Energy and Environmental Design (LEED) certification program. We continue to be actively involved in LEED, with more than 100 projects — representing more than 66.8 million square feet — that have been certified, pre-certified, or registered under various LEED rating systems.

International Green Building Organizations

As we’ve expanded internationally, Hines has become involved in green-building certification programs across the globe. These include the German Sustainable Building Council (DGNB), the Russian Green Building Council, the Green Building Council Brasil, the Green Building Council España, the Green Building Council Italia, the Indian Green Building Council, the Building Research Establishment Environmental Assessment Method (BREEAM) program and EPCs in Europe, the Haute Qualité Environnementale (HQE) program in France, Australia’s NABERS program, and others.

Urban Land Institute

Founded in 1936, the Urban Land Institute (ULI) is the oldest and largest network of cross-disciplinary real estate and land-use experts in the world. This nonprofit organization works to shape the future of the real estate industry and create thriving communities around the globe. Hines has been a longtime supporter of ULI. Several Hines leaders helped to develop ULI’s sustainability programs, including the ULI Greenprint Center for Building Performance and the ULI/Gerald D. Hines Student Urban Design Competition, which has been held in North America for the past 17 years. Our involvement also includes a \$90,000 gift to create the ULI Women’s Leadership Initiative aimed at increasing the visibility and number of women in real estate leadership roles.

ENERGY STAR

The Environmental Protection Agency’s (EPA) ENERGY STAR program is the leading energy benchmarking and tracking system for the commercial real estate sector in the U.S. It helps companies identify the best operating practices and technologies, and establish benchmarks for quality and performance. In 1999, Hines became the first international and privately held real estate company to commit to ENERGY STAR, and, to date, we have earned 1,969 labels.

In 2001, we established an ENERGY STAR Management Group to create and lead our strategy for the program. This team of central and regional leaders collaborates with their engineering colleagues to support energy conservation across Hines-managed properties. They also work with EPA representatives to learn about emerging energy initiatives and products. Hines’ leadership and active participation in the program have earned us recognition from ENERGY STAR. In fact, 2019 marked the 15th time Hines has been recognized by the EPA and the 12th time Hines has received the Sustained Excellence Award.

HinesGO

Hines GREEN OFFICE™ (HinesGO) is a voluntary program we launched a decade ago to encourage sustainable practices at Hines-managed office buildings worldwide. Through the program, we award “Leaf Credits” to tenants who implement strategies or improvements in six areas: energy efficiency; people and atmosphere; reduce, reuse, recycle; LEED; travel and commuting; and remodeling and construction. If an office achieves 70 Leaf Credits, it is designated as a GREEN OFFICE™.

Well Living Lab

The Well Living Lab is the first research institution dedicated solely to understanding how indoor environments shape human health. Hines became a founding alliance member of the Well Living Lab in order to help maximize the health, happiness, and productivity of our employees, tenants, and partners. We’re pleased to be part of this collaboration with Delos and the Mayo Clinic, which goes beyond certification programs to pioneer research that will create better human environments.

WELL

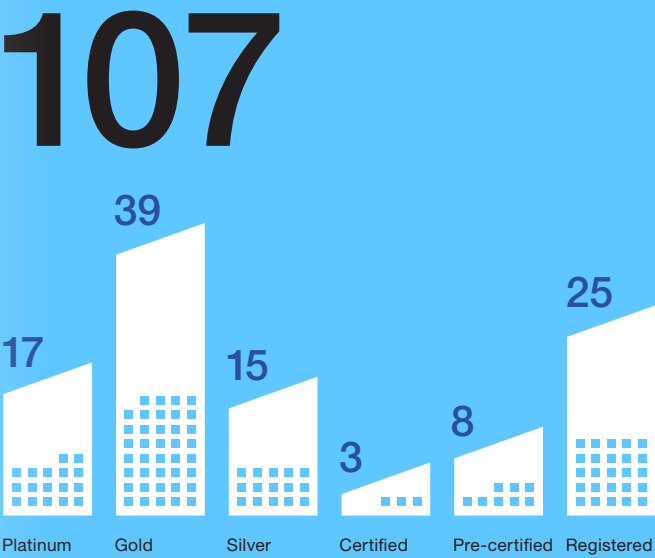
The International WELL Building Institute administers the WELL certification program, one of the premier global building standards aimed at enhancing occupant health and wellness. WELL focuses on seven primary categories: air, water, nourishment, light, fitness, comfort, and mind. Hines achieved our first WELL certification in 2018, and we’ve registered multiple properties for WELL certification.

Fitwel

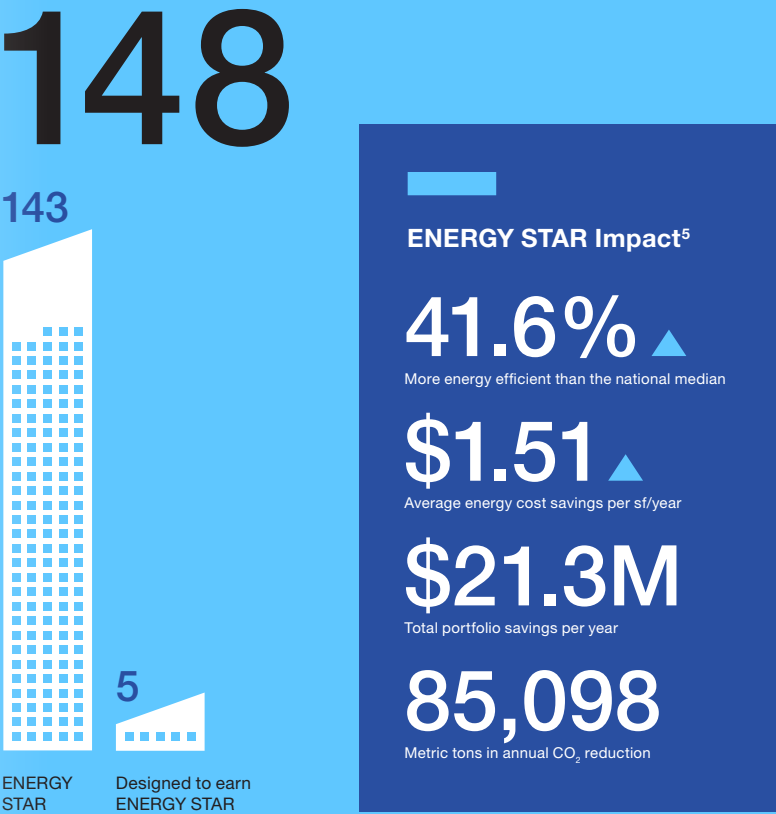
Fitwel is one of the world’s leading certification system for building health. With review and rating systems for both new and existing buildings, the program helps address a broad range of health impacts, behaviors, and risks associated with the built environment. In 2019, Hines achieved its first two Fitwel certifications at Constitution Center in Washington, D.C. and Owens Corning World Headquarters in Toledo, Ohio.

2019 IMPACT

LEED Buildings



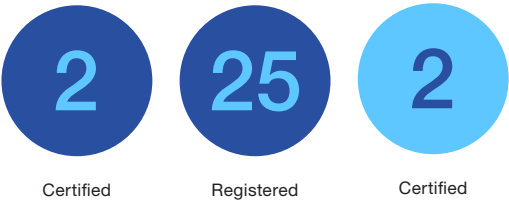
ENERGY STAR Buildings



ENERGY STAR Awards



WELL Fitwel

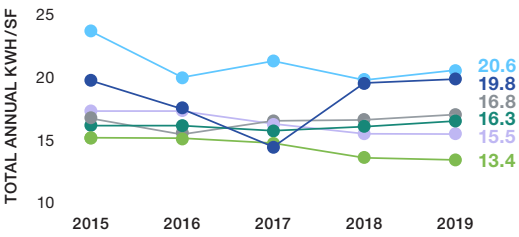


International Green Building Certifications

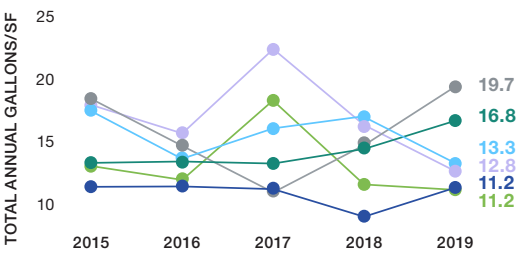


Hines supports environmental performance across our supply chain and the properties we manage, with a particular focus on energy, water, and waste. We also comply with local, state, and federal regulations around hazardous waste disposal.

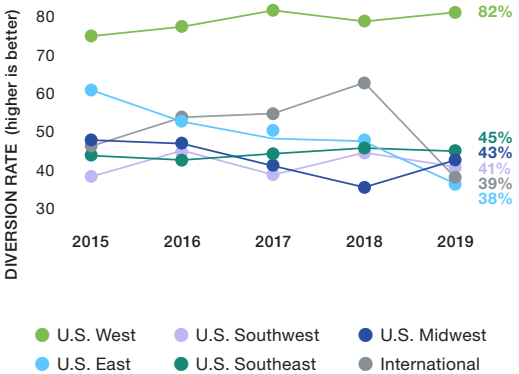
Building Energy Intensity⁶



Building Water Intensity⁷



Landfill Waste Diversion⁸



Highlights from 2019

Abatement Falconry at Park Tower

At Park Tower in San Francisco, pest birds were congregating in public spaces, disrupting businesses and tenants, damaging property, and creating a health hazard. Rather than using traditional methods — like netting, poisons, and chemicals — to address this issue, Hines wanted a sustainable alternative and called on Airstrike Bird Control for help.

During the initial abatement, a falconer flew a pair of Harris hawks for eight hours a day, four days a week, for six weeks. The consistent presence of two hungry falcons made the pest birds reconsider their roosting place and move on. Since then, Mia (pictured) continues to patrol the area twice a week, just to make sure new pest birds don't appear on the scene. People love to watch Mia do her job, and she's become the mascot of Park Tower.

Fun facts about abatement falconry:

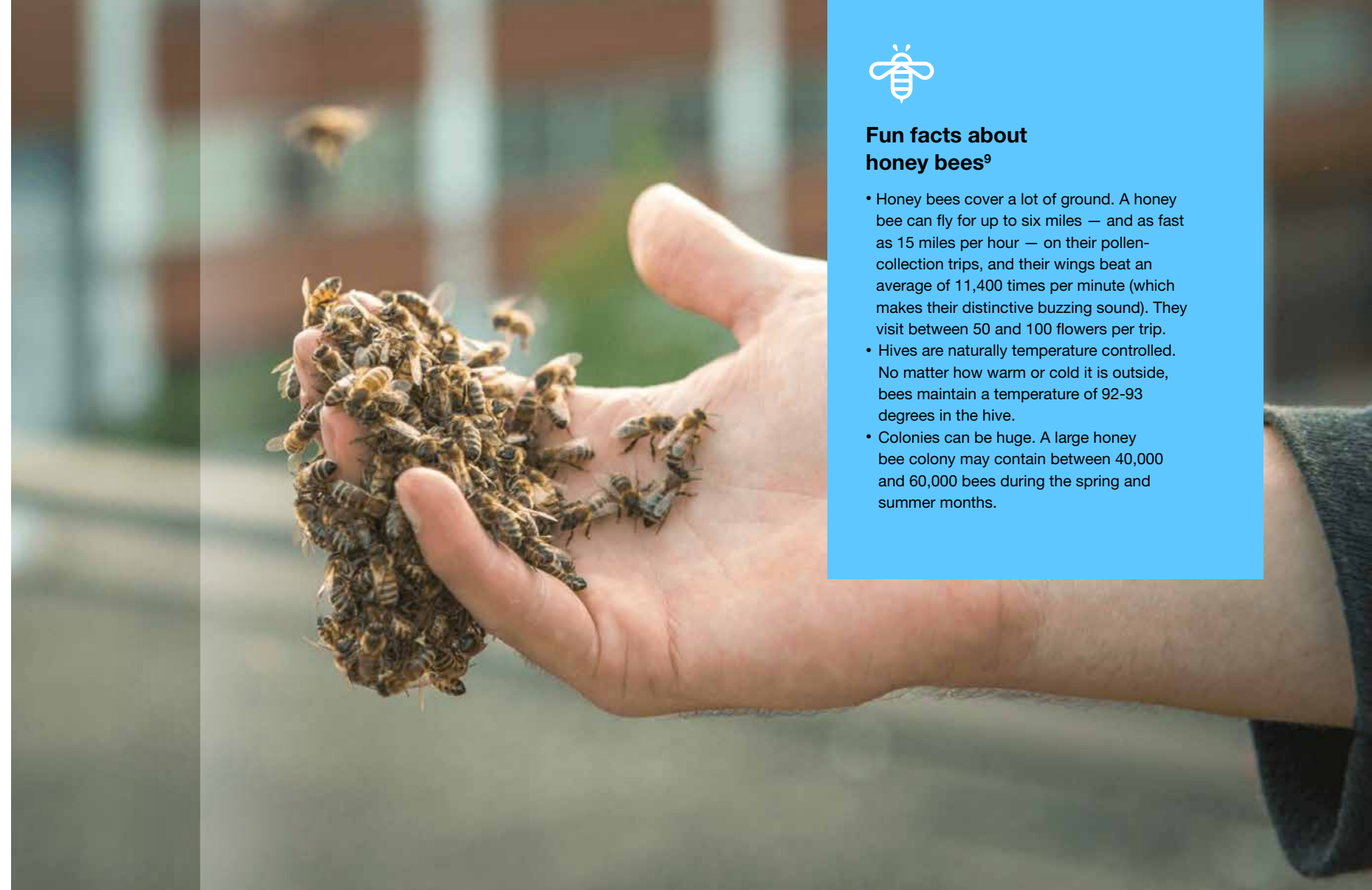
- Professional falconers have years of experience. Would-be falconers must undergo a two-year apprenticeship with someone recognized by the State of California as a Master Falconer. To get an abatement permit, a falconer must have seven years of experience.
- Falconry takes teamwork. Each falconer has a team of raptors that are bonded to him or her. Harris hawks, like Mia, are social raptors, and perfectly suited for falconry work. They live in family groups, hunt together, and like to be part of a team.
- Falcons live at home. The raptors reside with their falconer in an aviary that must be approved by The Department of Fish and Wildlife. Random inspections are conducted to ensure the raptors' well being.

Image credit: Alvéole



Fun facts about honey bees⁹

- Honey bees cover a lot of ground. A honey bee can fly for up to six miles — and as fast as 15 miles per hour — on their pollen-collection trips, and their wings beat an average of 11,400 times per minute (which makes their distinctive buzzing sound). They visit between 50 and 100 flowers per trip.
- Hives are naturally temperature controlled. No matter how warm or cold it is outside, bees maintain a temperature of 92-93 degrees in the hive.
- Colonies can be huge. A large honey bee colony may contain between 40,000 and 60,000 bees during the spring and summer months.



Urban beekeeping at 300 North LaSalle

Honey bees are creating quite a buzz at 300 North LaSalle in Chicago. Hines partnered with Alvéole, an urban beekeeping company, to install hives on the sustainable green roof on the building's 58th floor. Since then, Alvéole's expert beekeepers have cared for the hives, provided educational opportunities for tenants, and harvested 100 jars-worth of honey for all to enjoy.

At Hines, we see urban beekeeping as a way to inspire curiosity, bring people together, and connect city dwellers to the natural world. What's more, the hives and resident honey bees provide an interesting context to discuss critical issues facing our environment and agricultural systems. Initiatives like urban beekeeping help our clients attract and retain employees and tenants who care about the environment, and we look forward to bringing bees to other Hines properties in the years to come.

Hines Recognized as Owens Corning's 2019 Supplier of the Year

Hines was the development manager for Owens Corning World Headquarters in Toledo, Ohio 25 years ago. Since we became the facility manager in 1996, our team has collaborated closely with Owens Corning to bring sustainable practices to life across the campus and meet their own ambitious sustainability goals. In 2005, we enrolled Owens Corning in ENERGY STAR to measure and manage energy consumption. The facility became Hines' first certified project in the LEED for Existing Buildings program in 2007 and earned Fitwel certification in 2019.

We recently executed "Workplace Forward" at Owens Corning, an 18-month, multi-phase project that included a \$30-million complete building renovation and construction of a two-level client center. Throughout the project, the Owens Corning campus remained fully occupied with over 1,400 employees. What's more, we were able to divert over 87% of project waste through recycling, reuse, or donation.

Our partners at Owens Corning appreciated Hines' creative, client-focused approach to the renovation and were thrilled with the results, and we are proud to be recognized as their 2019 Supplier of the Year from a list of over 20,000 suppliers.

T3 Expands to Include Six Buildings

T3 — which stands for Timber, Transit, and Technology — utilizes all-timber construction to create a vintage aesthetic and warehouse environment with the efficiency and amenities of new construction. Unlike many building materials, timber is rapidly renewable when sustainably sourced and has a smaller environmental footprint than its reinforced steel and concrete counterparts. It's lighter, requires few interior finishes, and is relatively sound proof, as well.

What's more, T3 office buildings feel natural, and the warmth and character of the wood creates a positive environment for the people who work in them. Together with our partners, we focus on bringing expansive views and natural light into T3 spaces, equipping them with the most efficient

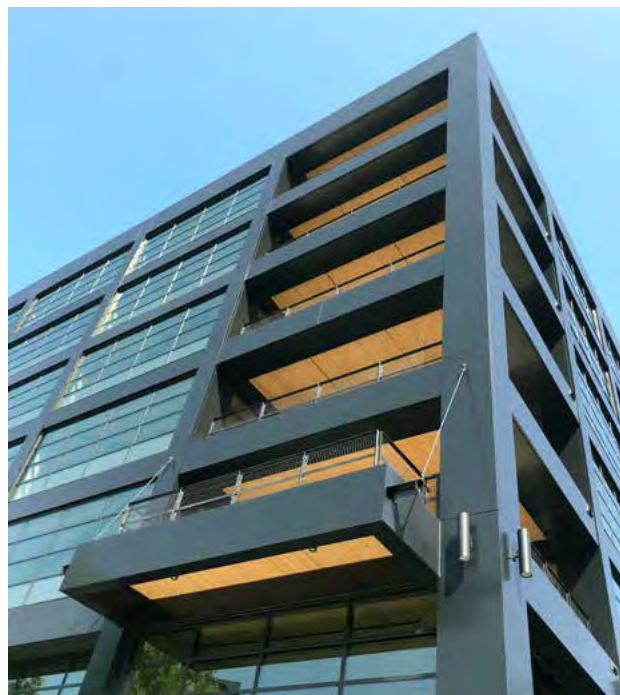
systems and technologies possible to keep people productive and comfortable, and providing amenities like fitness centers and convenient bike storage to promote health and wellness.

This was a big year for T3 at Hines. By the end of 2019, we had a total of six T3 properties completed or underway, including four projects in development — T3 Bayside Toronto; T3 RiNo, in Denver; T3 Sterling Road in Toronto; and 36 Wellington in Melbourne — and two finished buildings, T3 West Midtown, in Atlanta, and our first T3 project, in Minneapolis, which earned LEED Gold certification. We're excited to further T3's successful trajectory as we continue to develop innovative approaches to building sustainably.

ABC Westland

In 2019, Hines acquired ABC Westland logistics park in the Netherlands. The property encompasses 13 existing buildings totaling 117,000 square meters of warehouse and commercial office space, along with land for future development. Situated between the Port of Rotterdam and The Hague, ABC Westland predominantly serves companies and suppliers in the fresh fruit, vegetable, and floriculture industries, and provides a wide range of services including production, logistics, wholesale and trade, and packaging.

ABC Westland is also known for containing the world's largest greenhouse area. To help meet energy needs, the property's roofs are equipped with 18,285 solar panels, which generate 4.5 MW of electricity—30% of the current energy consumption in the park. In order to address the energy consumption more sustainably, the Hines asset management team is working with tenants to explore capital improvements that will both increase efficiency and improve their bottom lines.



T3 West Midtown, Atlanta



A groundbreaking moment at Cherrywood, Dublin

Cherrywood

Hines acquired Cherrywood, in South Dublin, in 2014. It includes an existing 570,490-square-foot office park and a 800-acre master-planned site, which will be developed in multiple phases and years to include a mixed-use town center, more than 8,000 apartments and houses, and amenities like light rail stations and community parks.

Cherrywood is designed to be a sustainable, resilient community that prioritizes people and the planet. The new development will be fossil-fuel free and utilize renewable energy sources when possible. The planning scheme, which includes a total of 2,780 bike-parking spaces, promotes multi-modal transportation — walking, biking, and public transit — for up to 60% of local trips. It also includes a car-share system. Landscaping will include green roofs, native vegetation, and a proposed community farm and orchard in one of several large parks. And the site will be developed with climate resilience in mind to mitigate flood risk and potential damage from increased rainfall and runoff.

Cherrywood is positioned to earn impressive recognition for its sustainability efforts. It will be certified as a WELL Gold Community and three office buildings will be WELL Gold certified for core and shell. The residential development is set to achieve a minimum BREEAM Very Good rating, and the retail town center is targeting LEED Gold Certification.

Bayside Toronto

Bayside Toronto is a 10-acre site south of Queens Quay, in the heart of the emerging East Bayfront waterfront district and a mile from Toronto's downtown core. Positioned to be Toronto's next great neighborhood, Bayside will be a sustainable, innovative, world-class destination connecting Toronto to the waterfront and bringing new life to the city's inner harbor.

Designed by EEK and Cesar Pelli, and developed in partnership with Tridel, this Hines master-planned community will include 1,600 residential units, 12,000 square feet of retail space, 450,000 square feet of office space, and vibrant parks and public spaces. The two office buildings, T3 Bayside I and II, will bring daytime activity to the community, and condo developments Aqualina, Aquavista, Aquabella, and Aqualuna will provide gorgeous views, waterfront access, and amenities that help residents prioritize health and wellness.

Bayside is Toronto's first LEED-ND Gold Certified neighborhood. Aqualina has earned LEED Platinum certification from the Canada Green Building Council becoming the first LEED Platinum multi-unit residential high-rise (>10 stories) condominium in Toronto and the second in Canada. Aqualuna, the fourth and final condominium project, received the 2019 MIPIM / Architectural Review Future Project Award in the Residential category for its innovative design and contribution to the community.



T3 Bayside Toronto

Responsible Investment

With its partner AG Real Estate, Hines is co-developing HEKLA, a 818,056-square-foot office tower in Paris-La Défense, the largest business district in Europe.



Piazza Cordusio, Milan

Hines' investment business builds on our legacy of sustainability, continuous improvement, and industry innovation. By taking a global view, and collecting and applying data and analytics that inform investing decisions and predict partner and tenant needs, we're able to capture new opportunities, address challenges more quickly, and solidify our position as the partner of choice for investors, clients, and tenants.

“We see a market opportunity to create something new in the real estate space, connecting the dots of product innovation and future-proofing, on-the-ground knowledge, and global scale to be a disruptive force of change in the industry.”

DAVID STEINBACH, GLOBAL CIO AND CO-HEAD OF INVESTMENT MANAGEMENT

Co-Heads of Investment Management Chris Hughes (left), CEO of Capital Markets, and David Steinbach, Global Chief Investment Officer



Parcel F, San Francisco

The Hines investment platform leverages our development expertise and emphasizes our strength as a vertically integrated real estate business. Our investment strategies are based on sound research and local market knowledge, so we can manage risk, build resilience, and generate sustainable returns. What’s more, Hines is a responsible investor. We believe environmental, social, and governance (ESG) factors are critical performance indicators, and we deliver value to our partners and our company by optimizing ESG opportunities.

Since we began our investment business in 1993, Hines has sponsored 55 strategic investment funds and numerous one-off investment vehicles, totaling more than \$61.3 billion of equity and with \$133.3 billion of assets under management. We are the second largest real estate investment manager in North America and the fourth in the world.¹⁰

Investment Management Governance

We believe good governance makes Hines a sustainable, resilient business. Over the past 63 years, we have built a robust structure to support our growing investment business and ensure that we continue to lead the industry. The Hines Global Chief Investment Officer and the CEO of Capital Markets, our Co-Heads of Investment Management, are now joined by local CIO leadership covering Europe, the Americas, and Asia Pacific. Supported by a team of investment professionals — including an Investment Committee Counsel comprised of Research, Risk and Strategy; Capital Markets coverage across institutional and retail partners; and a nimble Portfolio Management & Finance group serving our teams globally — this group works in partnership with all Hines regions to provide a broad perspective on real estate opportunities across our markets and establish a “house view” on key investment topics, including ESG.

Our new structure is built for scale and speed, and it helps us better leverage our competitive advantages as a firm. We will keep adapting and evolving our investment business and structure to meet the changing landscape and to ensure that Hines remains a leader and a driving force in our industry.

55
strategic
investment
funds

200+
institutions

600+
high-net-worth individuals

140,000+
retail investors

How Hines Adds Value

- Proven track record since 1957
- Global business as an investment manager with a vertically integrated operating platform
- Fourth largest real estate investment manager worldwide by assets under management
- Unparalleled depth of local real estate teams and execution
- Proprietary in-house research framework
- Scalable organization designed to bring the best of Hines to every investment
- Experienced and trustworthy leadership and consistent culture
- Growth powered by performance and innovation

\$133.3
billion

\$71.0 B for
which Hines
serves as an
investment
manager



\$62.3 B for
which Hines
provides third-
party property-
level services

34 COUNTRIES REPRESENTED BY INVESTORS

- | | | |
|----------------|-------------|----------------------|
| Austria | India | Poland |
| Belgium | Ireland | Qatar |
| Brazil | Italy | Russia |
| Canada | Korea | Singapore |
| Chile | Lebanon | Spain |
| Czech Republic | Luxembourg | Sweden |
| Finland | Mexico | Switzerland |
| France | Monaco | United Arab Emirates |
| Germany | Netherlands | United Kingdom |
| Greece | Norway | United States |
| Hong Kong | Oman | |
| Hungary | Panama | |

Integrating Sustainability Into Investment Decisions

Our investment team places emphasis on environmental sustainability and improving the footprint of our assets under management. Our investments are guided by the Hines Responsible Investment Statement and viewed through the lens of our Sustainability, Resilience, and Responsible Investment Framework. Monitoring ESG factors helps us evaluate opportunities and identify risks. It also helps our investment team ensure that we're meeting or exceeding legislation, local policies, and community expectations related to important global issues, including energy use and climate emissions, as well as water, waste, and labor impacts.

As we continue to evolve our investment business, we are finding new ways to deepen our commitment to sustainability and further integrate ESG factors and opportunities into each real estate fund's activities. We believe we can make a tangible impact on improving energy efficiency and reducing greenhouse gas emissions while delivering value for our business, our investment partners, and communities worldwide.

HECF Advances with GRESB

The Hines Pan-European Core Fund (HECF) was

established in 2006 to pursue core acquisitions and manage a diverse investment portfolio across Europe. The fund has a central focus on sustainability, which differentiates it from competitors and enhances performance. Our HECF management team and local asset-management teams regularly revise their sustainability strategy for each asset in the fund by looking for opportunities for improvement, including capital expenditures for energy audits and reduction initiatives, data management and metering optimization, conversion to 100% renewable energy sources, sustainability certificates, and more.

Since 2017, HECF has been an active participant in the Global Real Estate Sustainability Benchmark (GRESB),¹¹ the leading organization that assesses the ESG performance of real estate and infrastructure investments worldwide. HECF has achieved the highest possible rating of five out of five green stars in the GRESB Real Estate Assessment and, for three consecutive years, HECF was named GRESB Global Sector Leader and ranked first among European diversified office/retail portfolios. HECF also ranked first among 230 European non-listed vehicles and 11th globally among 964 vehicles that participated in GRESB in 2019. For a more detailed picture of HECF's performance, please visit the [2019 HECF Asset Sustainability Review](#).

Hines acquired Caleido Stuttgart on behalf of HECF.



Hines Sustainability, Resilience, and Responsible Investment Framework

This proprietary framework helps our investment team identify ESG risks and opportunities and further enhance sustainability and resilience in potential acquisitions and developments.

Clients/Partners

- Does the prospective client or partner have publicly disclosed or privately expressed sustainability policies and goals? If so, are they being adequately addressed when considering the investment?

Investment

- Is the sustainability objective for this investment to acquire a building with strong environmental performance or to acquire an environmentally underperforming asset with an emphasis on improvement?
- If improvement is the objective, what environmental goals have been set for the investment? Does the investment hold period provide the necessary time to meet these goals?

Regulatory Compliance

- What ESG regulations apply to this property that may require disclosure of environmental performance, audits, or commissioning, expedited permitting, or other ESG compliance?
- Are there environmental regulations coming that may affect the operation or value of the asset or its place in the market?

Operations

- What are the operational risks due to ESG?

Environmental

- What are the opportunities to enhance the environmental performance of the property?
- Are there targets for performance or a specific green rating?
- Is this property a candidate for net zero (emissions, water, and waste)?
- Are there immediate environmental concerns, such as water scarcity or an unstable energy grid, which could impact the performance of this property?
- Is there environmental compliance set by the municipality, client, or a tenant that could impact the performance of this property?

Social

- Does Hines' client/partner have labor union policies that apply to this investment that could impact asset performance or affect other Hines investments?
- Does the local market necessitate the use of labor unions?
- How have tenants expressed interest in the sustainability performance of the property?
- Are there public agency or neighborhood concerns that could affect the execution of the investment thesis on the building?
- How does this property currently impact the community?
- How will Hines' investment in or development of this project enhance the community?

Governance

- What regulatory frameworks, such as environmental performance or mandatory performance disclosure, would apply to this investment?
- What legislation may be instituted regarding sustainability that could affect this property?
- What subsidies and incentives for renewable energy or other technologies would apply to this investment?

Tenant(s)

- Has the evolving tenant profile and space use of the building been included in the underwriting? Examples include consolidation by FIRE tenants and smaller size requirements due to a mobile workforce.
- How is the building able to be repurposed to respond to evolving tenant use?
- Does the budget integrate strategies to potentially repurpose the building?
- If Hines is not the manager, does the third-party management firm have environmental policies in place that are at least as stringent as Hines' own policies and practices? Can Hines standards be incorporated into third-party contracts?

Resilience

- How resilient is the city and submarket of this investment?
- How vulnerable is the building to earthquakes, hurricanes/ storm surge, river flood, tsunami, and wind?
- Is the investment subject to social unrest or unstable local or national governments?
- How prepared is the city to respond to the relevant natural events?
- How prepared is the property to respond to the relevant natural events?

Highlights from 2019

Corporate Analytics Group

Hines formed the Corporate Analytics Group in 2019 to formalize our process for gathering and cataloging data across all points of the asset life cycle. This group oversees the firm's broader data and analytics strategy, and makes consistent data available to our investment teams, so they can derive actionable insights that help us identify opportunities and course correct when necessary.

The firm's data strategy has four distinct pillars:

- **External data** helps us identify trends and opportunities.
- **Internal financial data** helps us monitor portfolio performance and expenditures.
- **Internal operational data** provides a snapshot of operations and expenses at a building-by-building level.
- **Client experience and service data** includes information like space utilization, tenant engagement, and parking analytics.

Data is particularly important to our ESG efforts. It gives us a portfolio-wide view of how our buildings are performing from a sustainability perspective and helps us manage risk and plan for greater resilience. Moving forward, the firm will be looking for new data sources to help us collect more and better environmental metrics.

Regional Roadshows

Hines is committed to protecting the core of our culture and to ensuring that our people feel engaged and inspired as we grow. In order to align the whole firm on the new investment management structure and strategies, a group of Hines senior officers hit the road in August of 2019, visiting all of the firm's U.S. regions, as well as Central, Asia Pacific, and Europe, and connecting with Hines employees around the world.

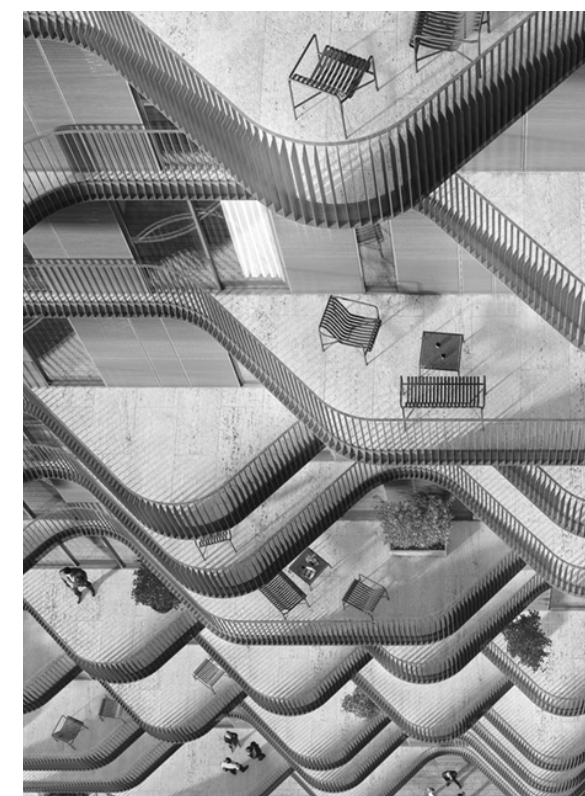
These regional roadshows were designed to share the vision for investment management at Hines, now and in the future. Presenters addressed the business and strategic case for change and outlined the organization and way of working needed to support our growing investment management practice. They also emphasized the importance of embracing Hines' firm-wide approach to maintaining an investor-first mindset and leveraging our strengths as a company with a proven track record and a wealth of diverse perspectives. The regional roadshows are an example of our leadership's dedication to moving forward together — for the benefit of our employees, investors, communities, and company — as One Hines.

“We have a huge opportunity to leverage our vertical integration to develop unparalleled market knowledge relative to our competitors and be the go-to investment manager of choice.”

**ADAM HASTINGS, MANAGING DIRECTOR,
CORPORATE ANALYTICS**



Aqualuna at Bayside Toronto



Hines Responsible Investment Statement

Hines is committed to performing its role as an owner and operator of real estate, and as an investment manager to our clients and partners, with the highest ethical standards. We strive to create value through real estate investments that improve the quality of the built environment and enhance the communities in which we operate. While doing so, we engage our tenants, partners, suppliers, and employees in sustainable practices to improve asset performance, conserve energy, and reduce greenhouse gas emissions.

Specifically, we:

- Operate with the highest level of ethical standards, with governance in place to ensure that these standards are followed.
- Work diligently to meet stakeholders' mutually agreed business objectives.
- Engage employees, clients, and partners to understand the needs of each and the contribution they make to Hines' business practices.
- Create a work environment that values a capable, diverse workforce, provides challenging opportunities for employees, rewards performance, and is respectful of work/life balance.
- Enhance and contribute to the communities in which we operate.
- Encourage respect for the environment, identify and implement ways to limit greenhouse gas emissions, reduce energy consumption, limit water use, and minimize waste.
- Encourage vendors and suppliers to engage in sustainable practices and consider those who do so when selecting contractors and vendors.

Giving Back



Hines has an enduring commitment to investing in our communities and our industry. Our corporate philanthropy and partnerships, and our robust volunteer program for employees, enable us to reach beyond the built environment to help people and places thrive.

Corporate Giving

Gerald Hines’ personal dedication to philanthropy inspires us to give back as a company. Our corporate philanthropy spans a range of causes, with primary focus on education, health, and supporting our industry’s future leaders. We provide ongoing funding for United Way and have forged a strong philanthropic partnership with the Urban Land Institute (ULI).

As part of our work with ULI, Hines pledged an endowment and annual support for ULI/Gerald D. Hines Student Urban Design Competition, which provides funding for graduate students to tackle real land-use challenges in U.S. cities. Since its inception, more than 8,610 students on over 1,720 teams have participated in the competition. We also support ULI with grants designed to elevate and accelerate women’s leadership in real estate, including a \$25,000 contribution this year to four district council ULI Women’s Leadership Initiative groups.

Through these partnerships and contributions, Hines is able to help those in need, support the communities we touch, and drive innovation and diversity in our industry.

Employee Volunteering

At Hines, we believe in helping our employees across the globe give back to communities and causes they care about. Whether they focus on supporting the arts, education, social services, health and wellness, or environmental initiatives, we are proud of Hines employees for bringing our firm’s core value of service to life through volunteering.

Our internal, opt-in, volunteer program in the U.S., called myCommunity, gives employees one paid day each year to volunteer for a charity of their choice. Some Hines offices organize group volunteering initiatives, like service projects and fundraising events, for those who are interested, and others encourage family participation. By allowing our people and regional offices to pursue their own passions, myCommunity creates a unique opportunity for Hines employees to contribute to local causes that matter to them.

“The Hines volunteers were an amazing group. The energy and spirit they brought with them was awesome. They packed lessons to impact over 8,400 students. They also discovered some of their team members are serious artists!”

NITHYA KRISHNAN, ART IN ACTION



A chilly morning with Feeding the Homeless Project in Atlanta

CORPORATE PHILANTHROPY

In 2019, Hines donated approximately

\$2.7 million¹²

EMPLOYEE VOLUNTEERING

Since 2011, 1,666 Hines employees have contributed nearly 9,988 volunteer hours to 283 community causes across the U.S.

2019

240

employees participated in myCommunity

1,569

volunteer hours as part of myCommunity

2019 nonprofits supported through myCommunity

- 4-H Horse Camp
- American Red Cross
- Art in Action
- Bailey’s Crossroads
- BEAR...BE A Resource for CPS Kids
- Boro of Belmar Clean Communities Program
- Boy Scouts of America
- Charles Carroll Middle School
- Coast Keeper Garden
- Community First Village
- Cy Fair LSA
- Cypress Fairbanks Livestock Show
- DC Building Industry Association
- EPACENTER Arts
- Feeding the Homeless Project
- Food Lifeline

- Gilmore Elementary
- Giving Children Hope
- Habitat for Humanity
- Henry Ford Elementary
- Houston Food Bank
- Houston Livestock Show and Rodeo
- Houston Zoo
- Kids Meals
- Kiwanis Camp Casey
- Junior Achievement
- Lanakila Pacific
- Madison Meadows
- Camp Friendly
- Mary’s Place
- NJ Ocean Conservancy
- Operation Blue Santa
- Opstad Elementary
- Quail Creek Elementary
- Rebuilding Together Houston
- Ridgepoint Elementary School
- Salvation Army
- Save the Family
- Save the Harbor
- Seattle Symphony
- Second Harvest of Silicon Valley
- SL Start
- Solebury Township
- Steering Committee
- Special Olympics
- St. Anthony’s Padua
- Dining Room
- Texas Children’s Hospital
- Texas Children’s Hospital - West
- The Giving Gown Foundation
- The Guild Shop
- Urban League Seattle
- Velocity Dance Center
- Washington Trails Association
- Wrap up London



Gerald Hines: Building a Legacy of Philanthropy

Gerald Hines has a lifelong commitment to supporting causes he cares about through civic service and private philanthropy. In 1957 — the same year he founded our firm — he contributed to a project aimed at revitalizing a charity hospital in downtown Houston. In subsequent years, he donated money and in-kind resources, including free office space, to charitable organizations devoted to creating a better Houston. And in 1967, he spearheaded the effort to create a Houston chapter of the Urban League, which continues to provide social services to underserved communities today.

In more recent years, Hines has focused much of his philanthropy on education. He believes in the creative power of young people and has put his support behind schools and programs that teach students about the built environment. He provided funds for a real estate development fellowship at Rice University’s Jesse H. Jones Graduate School of Management and donated to the university’s Baker Institute for Public Policy. At the University of Houston, he created a permanent endowment for the Gerald D. Hines College of Architecture and Design. He also created and funded the ULI/Gerald D. Hines Student Urban Design Competition to inspire young people to solve real-life challenges in urban design.

Hines’ focus on giving back continues to inspire our firm to invest in people and places, in order to ensure a bright and resilient future for our communities, our industry, and the world.

Highlights from 2019

Hines D.C. Office Participates in DCBIA Community Improvement Day

For the 19th year in a row, Hines' Washington, D.C. office brought a team of volunteers to the annual District of Columbia Building Industry Association (DCBIA) Community Improvement day. This year's service project focused on rebuilding and restoring Oxon Run Park. Located between D.C.'s Congress Heights and Washington Heights neighborhoods, the park features playgrounds, an amphitheater, recreational trails, tennis courts, sports fields, and other amenities that support healthy activity and provide a place for people in the surrounding communities to gather and enjoy the outdoors.

Hines had an impressive turnout with more than 50 employee volunteers and family members. Our team pitched in on a variety of projects, including cleaning up trash site-wide, creating new grill and picnic areas, rebuilding the amphitheater, and laying new sod. After a few hours of hard work, the park was transformed. This event, which was DCBIA's 27th community improvement day, brought D.C.'s commercial real estate community together and gave Hines employees a chance to roll up their sleeves for a great cause.

Chicago Office Supports Illinois Special Olympics at Ducky Derby

A flotilla of 63,127 rubber ducks splashed into the Chicago River at the Wabash Avenue Bridge and floated to the finish line, raising more than \$260,000 for Illinois Special Olympians. Three hundred of those ducks were "adopted" by Hines employees who participated in the Chicago Ducky Derby as part of a OneHines event organized by their Local Ambassadors.



The Hines team and their flock of duckies raised roughly \$2,000 for Special Olympics, and our Chicago office hopes to increase employee participation in the derby next year by including Hines family members in the fun. And don't worry: All ducks were removed from the river by city Park District employees.

Hines Atlanta Team Supports Feeding the Homeless Project

Freezing temperatures and cloudy skies didn't deter the Hines volunteer team that hit the streets of downtown Atlanta to provide a hot breakfast for the homeless. On a morning when the thermometer stayed below 30 degrees, this group of employees and their families met the organizers at Feeding the Homeless Project at 6:30 a.m., ready to help. By 7:00 a.m., they were serving a crowd of 150 people.

This was Hines' second time volunteering with Feeding the Homeless Project, whose mission is to bring attention to the plight of Atlanta's homeless and give volunteers an opportunity to meet and serve those less fortunate than themselves. The nonprofit organization began as a grassroots effort by community members who made pancakes for their homeless neighbors, and it now feeds Atlanta's homeless population every Saturday morning.

"We felt the Ducky Derby was an ideal fit because it gave us an opportunity to support a great organization like Special Olympics. Their mission aligns well with the values of OneHines, seeking to create a better world by fostering acceptance and inclusion for everyone."

**ANGIE TANTS,
COMMUNITY MANAGER, HINES CHICAGO**



South Bay Teams Aid Community Partners

Hines employees from California's Peninsula South Bay supported four local nonprofits over two office-wide myCommunity days this year. Team members volunteered in groups and chose between organizations that focus on providing food for people in need and supporting the arts in the Bay Area.

- For the second year in a row, a group of Hines volunteers returned to St. Anthony's Padua Dining Room in Menlo Park, an organization that feeds the area's homeless and "charges no fees, asks no questions, and turns no one away." Our team helped by organizing and preparing food for the nearly 700 hot meals the charity provides six days a week, year-round.
- Another group of Hines employees served at Second Harvest of Silicon Valley, one of the nation's largest food banks, which provides food to more than a quarter of a million residents each month. Our volunteers helped with food sorting and inventory management at Second Harvest's San Jose warehouse.
- A team headed to Art in Action, which helps make arts education accessible and affordable by providing art curriculum, instructor training and supplies for Silicon Valley students in kindergarten through eighth grade. Hines volunteers helped organize and pack materials and art supplies for Art in Action to send to its subscriber schools.
- Hines volunteers spent the day at EPACENTER Arts, which offers free in-school, after-school, and summer instruction to East Palo Alto youth, with opportunities to learn digital, visual, literary and performing arts. Hines volunteers decorated and painted light sculptures for their new facility, which is scheduled to open in early 2020.

About This Report

We hope you’ve enjoyed our ninth annual sustainability report, which covers Hines’ environmental, social and governance impacts and performance in the 2019 calendar year. To report on the topics that are material to our business operations, this report references the Global Reporting Initiative (GRI), specifically: GRI Foundation 101 2016, GRI 102 General Disclosures 2016, GRI 103 Management Approach 2016, GRI 302 Energy 2016, GRI 305 Emissions and GRI 306 Effluents and Waste 2016, and 401 Employment 2016.

Hines is committed to keeping stakeholders informed on an annual basis about our sustainability efforts and performance worldwide. We invite your feedback, questions, and suggestions to help us continue improving our sustainability performance and reporting. You may contact us at sustainability@hines.com.

GRI Content Index

Organizational Profile Disclosures		
102-1	Name of the organization	pg 8
102-2	Activities, brands, products, and services	pg 8
102-3	Location of headquarters	pg 8
102-4	Location of operations	pg 8, 12
102-5	Ownership and legal form	pg 8
102-6	Markets served	pg 8, 12
102-7	Scale of the organization	pg 13, 19
102-8	Information on employees and other workers	pg 19
102-9	Supply chain	pg 27, 29
102-10	Significant changes to the organization and its supply chain	No significant changes were reported
102-11	Precautionary Principle or approach	pg 11
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102-13	Membership of associations	pg 28, 40

Strategy, Ethics and Integrity, and Governance Disclosures		
102-14	Statement from senior decision-maker	pg 1
102-15	Key impacts, risks, and opportunities	pg 10, 35-43
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102-22	Composition of the highest governance body and its committees	pg 10

102-23	Chair of the highest governance body	pg 10
102-26	Role of highest governance body in setting purpose, values, and strategy	pg 10
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Stakeholder Engagement Disclosures		
102-40	List of stakeholder groups	pg 11
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102-44	Key topics and concerns raised	pg 20-21, 27

Reporting Practice Disclosures		
102-45	Entities included in the consolidated financial statements	Hines does not publically disclose this information
102-46	Defining report content and topic Boundaries	pg 50
102-47	List of material topics	Hines does not publically disclose this information
102-48	Restatements of information	Hines did not restate any information in this report
102-49	Changes in reporting	No significant changes from previous reporting periods
102-50	Reporting period	pg 50
102-51	Date of most recent report	pg 50
102-52	Reporting cycle	pg 50
102-53	Contact point for questions regarding the report	pg 50
102-54	Claims of reporting in accordance with the GRI Standards	pg 50
102-55	GRI content index	pg 50
102-56	External assurance	Hines does not utilize external assurance for the data in this report

Economics Topic Disclosures		
103-1	Economic performance: Explanation of the material topic and its Boundary	pg 13, 38-39
103-2	Market presence: Explanation of the material topic and its Boundary	pg 12

Environmental Topic Disclosures		
103-1	Materials: Explanation of the material topic and its Boundary	pg 26
103-2	Energy: Explanation of the material topic and its Boundary	pg 29
302-1	Energy consumption within the organization	pg 29
103-1	Water: Explanation of the material topic and its Boundary	pg 29
103-2	Water: The management approach and its components	pg 29
103-1	Emissions: Explanation of the material topic and its Boundary	Hines does not track GHG emissions at this time
103-1	Emissions: The management approach and its components	Hines does not track GHG emissions at this time

Environmental Topic Disclosures (continued)		
302-4	Direct (Scope 1) GHG emissions	Hines does not track GHG emissions at this time
305-2	Energy indirect (Scope 2) GHG emissions	Hines does not track GHG emissions at this time
305-3	Other indirect (Scope 3) GHG emissions	Hines does not track GHG emissions at this time
305-4	GHG emissions intensity	Hines does not track GHG emissions at this time
305-5	Reduction of GHG emissions	Hines does not track GHG emissions at this time
103-1	Effluents and Waste: Explanation of the material topic and its Boundary	pg 29
306-2	Waste by type and disposal method	pg 29
103-1	Environmental Compliance: Explanation of the material topic and its Boundary	pg 29
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103-1	Employment: Explanation of the material topic and its Boundary	pg 19
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pg 21
103-1	Labor management/relations	pg 19
103-1	Training and education: Explanation of the material topic and its Boundary	pg 20-21
103-1	Diversity and equal opportunity: Explanation of the material topic and its Boundary	pg 18
103-1	Non-discrimination: Explanation of the material topic and its Boundary	Discrimination and harassment prevention: Hines believes everyone deserves to be treated with dignity and respect and has a right to work free from harassment, abusive conduct and physical harm, and unlawful discrimination. Behavior that creates an offensive, hostile or intimidating environment, including pressure to donate money or purchase items, is not acceptable.
103-1	Local communities: Explanation of the material topic and its Boundary	pg 12, 46-47
103-1	Supplier social assessment: Explanation of the material topic and its Boundary	pg 37, 41
103-1	Customer health and safety: Explanation of the material topic and its Boundary	pg 27, 29

Endnotes

- Includes \$71 billion for which Hines serves as an investment manager, including non-real estate assets, and \$62.3 billion for which Hines provides third-party property-level services.
- All data are as of December 31, 2019, unless otherwise noted.
- 2019 gender diversity data calculated on an aggregate number of 4,562 employees globally. 1.5% of employees did not specify their gender in 2017, 2.4% did not specify in 2018, and 0.3% did not specify in 2019.
- There are no temporary workers in the U.S.
- ENERGY STAR numbers are from the firm's 2020 ENERGY STAR Partner of the Year application, as evidenced by the Energy Performance Report from Portfolio Manager. The report covers data for properties with a score of 75 or greater.
- Energy intensity data in 2019 represents approximately 73.7 million square feet of predominantly office space in Hines' U.S. and international properties. Only properties with reliable complete building data (base building and tenant) have been included.
- Water intensity data in 2019 represents approximately 63.1 million square feet of predominantly office space in Hines' U.S. and international properties. Only properties with reliable complete building data (base building and tenant) have been included.
- Recycling and waste data represents approximately 19.1 million square feet of predominantly office space in Hines' U.S. and international locations.
- Source: American Bee Journal
- Source: Institutional Real Estate, Inc.
- TheGRESB Benchmark Report 2019 for HECF portfolio is available on request. There can be no assurance that HECF will maintain these scores in future periods.
- Includes HILP donation payments made by the domestic regions and central, inclusive of corporate pledges. This does not include personal donations or contributions.

Hines

