

Sustainability4.0

Hines



PEOPLE ARE OUR MOST IMPORTANT ASSET

Since the founding of Hines, we have believed that our successful growth to the scale of a global company was linked to the principle that “people are our most valuable asset.” This is truer today than ever. Hines’ success as a firm, and the progress we have made in the world of sustainability, is the result of the work, dedication and commitment of Hines employees.

A 90 percent response rate by our team of over 3,400 people to the 2014 Hines employee survey was in itself a testament to the fact that our employees strongly believe that their opinions can and will shape the future of the firm. According to the survey, they also believe that the firm operates with the utmost integrity and honesty (rated 33 percent ahead of the global norm), a guiding principle for Hines since its founding. Our people are the ones to deliver on this commitment in the work they do every day.

This is why our people are also our best ambassadors for sustainability at Hines. Sustainability means something different in each of the 19 countries—and 185 cities—where we actively develop real estate and manage properties around the world. While sustainability is clearly a global issue, we need to imagine new solutions locally so that we can address issues that are most important to the regions in which we operate.

We have made tremendous progress over the years in advancing our sustainable practices including the publication of this, our fourth report. In last year’s report, we asked, “What’s next for sustainability in the built environment?” As we speak with other industry leaders, an answer we hear repeatedly is the need for organizations to continue to integrate sustainability practices at every level and to figure out how everyone can participate in sustainability.

This year, in addition to continued reporting on sustainability metrics and new initiatives at Hines, we also celebrate the individuals who are leading the way for sustainability in their regions, in their offices and properties, and within their communities. We do this in part to express our gratitude for the progress made and to report to you what we have accomplished. We also hope that it makes clear our belief that each individual can, in their own way, advance the cause of sustainability worldwide. These employees are the social agents for change helping to advance sustainability in their city or town—but their collective efforts are global.

In this report, we asked them to tell their stories so that we can continue to learn from each other and, together, aim for ever higher standards of excellence. We think you will see why we consider them such an important asset for our firm and for our steady progress toward a more sustainable future.



Jeffrey C. Hines
President
Chief Executive Officer

“We shape our buildings, and afterwards our buildings shape us.”

Winston Churchill

About This Report

The global sustainability program at Hines is a collection of activities, some performed locally at the building or city level, and some regionally or centrally. Behind every one of our ideas and actions are individuals who feel passionately about real estate, the communities in which we work, the investors and clients we serve and, most importantly, about being the best real estate professional he or she can be. That is why the focus of this report is the people of Hines.

We place a spotlight on certain individuals, each called “myStory.” These are individuals who have made significant contributions to sustainability, the firm and their communities over an extended period of time. You will also see hundreds of photos of current employees arranged in mosaics. This is meant to illustrate the enormous effort it takes to lead and execute in this important area of our business, and that each individual initiative contributes to the greater whole.

Each of these people is supported by a global organization with sustainability at its core. From Hines’ founding, the organization embraced efficiency, quality and service. It was in 1961 that Gerald Hines, when addressing a group of engineering professionals, said, “Developers must provide high-quality architecture and engineering to the public they serve with a responsibility to the future.” Mr. Hines understood the enormous responsibility we have as professionals who help shape the built environment for future generations.

This year we have again utilized the Global Reporting Initiative (GRI) G4 Guidelines and the Construction and

Real Estate Sector Supplement as the framework for our report. This globally recognized reporting platform allows us to report on the topics most material to our business operations. We have focused on our core competencies: investment management, project development, property operations and engineering, employee learning and the communities in which we live and work. Importantly, we also provide an overview of the entire organization and the way in which we govern our practice.

Engagement with stakeholders and feedback is critical to the continual improvement of our sustainability program. We welcome your comments, observations and ideas. Sustainability and the technology that supports it is rapidly evolving. We must encourage each other to tackle the most pressing sustainability issues facing us. It’s our great hope that this report gives you a better understanding of how we go about that at Hines.



Gary M. Holtzer
*Senior Managing Director
Global Sustainability Officer*

For reporting, we have utilized the Global Reporting Initiative (GRI) G4 Guidelines and the Construction and Real Estate Sector Supplement (CRESS). This report is prepared “In accordance”—Core. Results are as of December 31, 2014, and cover property operations internationally unless otherwise noted.

With the GRI G4 Guidelines, materiality and stakeholder engagement are given greater importance. The framework has shifted away from minimum requirements and A,B,C levels, emphasizing that reporting companies should select and report on topics that are most material to their business and to their stakeholders. To help shape this and future reports, Hines is currently exploring additional ways to directly engage stakeholders to gauge priorities and expectations as they relate to Hines sustainability initiatives, performance and reporting.

For the full GRI index, visit:
hinessustainability.com/gri-index

Stakeholder Engagement Channels

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

Group / Channel	Frequency
Investors	
Investor Survey	3 years
Interviews (10-15 people)	Ongoing
Reporting	Quarterly
Investor Conference	18 months
Tenants	
Tenant Retention Survey	Annually
Tenant Satisfaction Survey	2 years
Green Tips	Quarterly
Green Office Program	Onetime
Employees	
Employee Survey	2-3 years
Performance Reviews	Annually
Intranet Communications	Ongoing
Webcast with Jeff Hines, CEO	Quarterly
Management Orientation	Annually
Industry	
Participation in Events	Ongoing

Contents

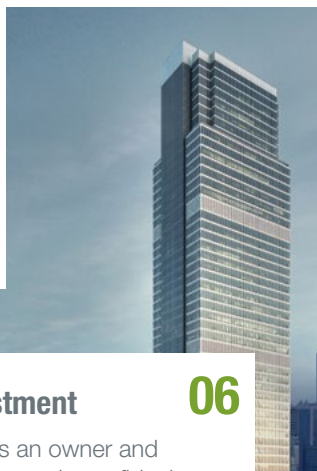
Supplemental material to this report can be found at hinessustainability.com.



Our Employees

02

We create a work environment that values a capable, diverse workforce, provides challenging opportunities for employees, rewards performance and is respectful of work/life balance.



Sustainable Development

10

We create value through real estate investments that improve the quality of the built environment.



Property Management and Engineering

16

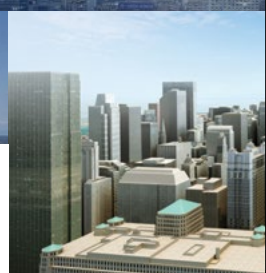
We identify and implement ways to minimize energy consumption, greenhouse gas emissions, water use and waste. We encourage vendors, suppliers and tenants to engage in sustainable practices.



Responsible Investment

06

We perform our role as an owner and operator of real estate—and as a fiduciary to our clients and partners—with the highest ethical standards and governance in place to be sure these standards are followed.



Our Communities

22

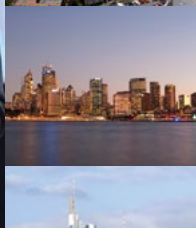
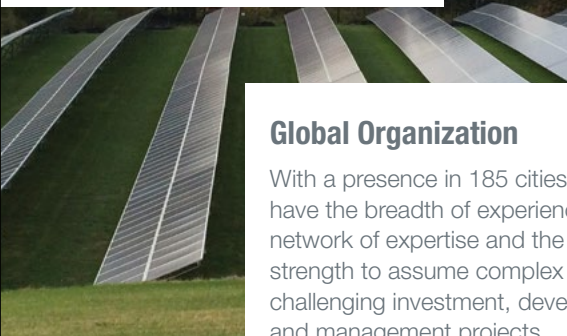
We enhance and contribute to the communities in which we operate.



Global Organization

26

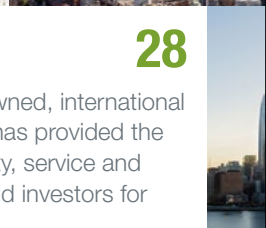
With a presence in 185 cities, we have the breadth of experience, the network of expertise and the financial strength to assume complex and challenging investment, development and management projects.




Company Profile

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We are a privately owned, international real estate firm that has provided the highest level of quality, service and value to its clients and investors for more than 58 years.



Hines

A photograph showing a group of people in a professional setting, likely a meeting or training session. In the foreground, a man with short brown hair, wearing a dark blue suit jacket over a white shirt, is shown in profile, looking towards the right. Behind him, a woman with long brown hair, wearing a quilted brown jacket, is also looking in the same direction. Further back, another man is partially visible, resting his chin on his hand. The background is slightly blurred, showing other people and a warm, indoor lighting. The overall tone is professional and focused.

The continual development of our people is a guiding principle of the firm. Training is an ongoing process through a mix of formal coaching, small instructor-led groups, mentoring and hands-on learning. The younger generation of employees has the benefit of learning from the experience of more tenured leaders.

“When I joined Hines, I immediately felt encouraged and empowered by the opportunities I was able to pursue. I couldn’t ask for a better group of people to learn from, or a better place to grow my career.”

Claire Thielke *Director, Investment Management*

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Our Employees

More online:

Employee Tenure
Local Hiring
Employment Policies
Benefits Programs

hinessustainability.com/our-employees

Hines is committed to attracting and retaining exceptional talent by providing challenging and rewarding professional opportunities. We attract best-in-class local talent for training, and we recognize and reward employees who deliver notable performance in maintaining financial, customer service and environmental standards. Hines is dedicated to the continual improvement of our employees through education including programs for job skills, personal development and management training. Through annual performance reviews, interviews and ongoing communication across all levels of the organization, Hines offers valuable feedback and opportunities to employees.

myLearning

myLearning, when launched in 2015, will provide an online portal for employees around the globe to access Hines training resources. Within myLearning, employees and their managers experience a streamlined process for scheduling, completing and reporting on training requirements and initiatives. Also, 40 classes, addressing a variety of topics, are available within the platform. As training opportunities expand, myLearning is poised to facilitate ongoing learning across the company.



What We Said:

Hines will launch an integrated suite of industry-leading tools as the new platform to unite HR, payroll, benefits and learning management in a web-based environment that better serves our employees and the organization. We will release the new global employee survey.



What We Did:

Partnered with Workday to launch a secure, cloud-based HR platform to enhance and streamline corporate services to all employees, including payroll and benefits. Concluded the 2014 global employee survey.



What's Next?

Hines will expand its benefits program through additional health insurance options; provide a web-based system to locate high-quality and recommended doctors, hospitals and medical services; and encourage further participation for all eligible U.S. employees. Launch myLearning to provide an online learning management platform for global training.

2014 Employee Survey

According to Towers Watson, our survey administrator, we are ahead of other companies (the “global norm”) for every question in the survey. One of the most important and telling questions is, “Would you recommend Hines to others as a place to work?” According to the survey results, Hines is 15 percent ahead of other companies for this measure. The survey also shows that the top three reasons employees stay at Hines are our reputation, culture and work/life balance.



Hines also significantly outperforms other U.S. employers in the following areas:

- Flexible work schedules
- Training and development
- Intercompany teamwork

2014 Overall Results:

- 95%** It is clear to me how the work I do on a day-to-day basis impacts our internal and external customers (external customers include tenants, investors, third-party owners).
- 95%** Hines conducts its business activities with honesty and integrity.
- 92%** Hines clearly communicates its expectations for ethical behavior.
- 92%** I am proud to work for Hines.
- 90%** The people with whom I work treat each other with respect regardless of race, religion, gender, age or any other protected class.

Vitality/Benefits

Hines offers eligible U.S. employees and their spouses or domestic partners the opportunity to engage with Vitality, a wellness platform that provides tools, motivation and a personalized approach to achieve better health. Vitality plays a major role in Hines’ wellness program. Each year, Vitality participants are encouraged to complete a health questionnaire (Vitality Health Review) and biometric screening (Vitality Check) in order to identify areas of concern before they become serious.

2014 Vitality Program Benefits

1,051 employees completed a Vitality Health Review

652 employees completed a Vitality Check

Vitality also hosts STEP OUT challenges, which allow participants to compete with one another on an individual and regional basis for most steps logged using a fitness tracking device. STEP OUT participants walked a total of 862,457,478 steps or 431,229 miles—the equivalent to walking around the earth a total of 17.3 times.

In 2014, Hines Benefits offered 42 benefits and wellness-related educational opportunities in addition to co-hosting monthly webinars with Vitality.

Learning and Career Development

Hines develops training based on specific job functions, management level and personal development to educate employees about Hines properties, processes and policies, as well as our unique and valued culture. In 2014, Hines Learning and Development sponsored 92 courses (71 classroom/21 webinars) with a combined total of 2,450 attendees.

2014 Training Highlights¹

92 courses conducted

2,450 course attendees

TOTAL NUMBER
OF EMPLOYEES

3,450

NUMBER OF
NEW EMPLOYEES
IN 2014

598

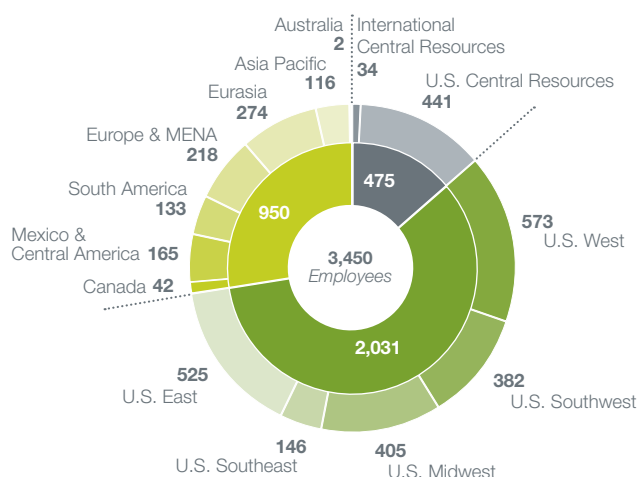
AVERAGE TENURE
OF EMPLOYEES
(YEARS)

8.49



David LeVrier
Senior Vice President,
Chief Administrative Officer

Hines Employees by Location



Cultural Diversity

Hines is driven by values and innovation, and diversity is a key expression of both. Our international, multi-cultural platform allows for divergent viewpoints and the advancement of ideas to foster our entrepreneurial nature, which benefits our work as well as our partners and investors.

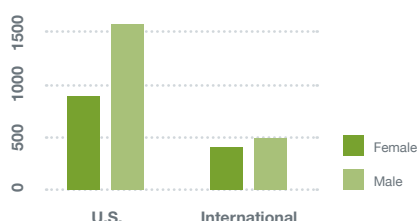
Employees are essential to our success, and we are committed to attracting, retaining and promoting a talented, diverse workforce. We strive to support an environment where everyone can reach his or her full potential, and where differences are valued and celebrated.



Global Workforce

Advancing gender diversity in the workplace is an essential step in building a great culture. Hines does not discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin, age or sexual orientation, or any other status protected by state or federal laws.

Female	Male	
897	1,573	U.S. employees
407	493	International employees ²



myStory

"Hines is committed to attracting and retaining exceptional talent by providing challenging and rewarding professional opportunities."

In 1979, David LeVrier was hired as a security officer at Setec Protection Service, then a wholly owned subsidiary of Hines. Early in the firm's history, Setec was formed by Gerald Hines to provide security services to Hines properties in Houston and Dallas because the quality of other security services did not meet the Hines standard. Over the next nine years, David rose in the ranks at Setec to the level of general manager.

In recognition of David's organizational abilities and people-management skills, he was promoted, moved out of Setec and made head of Human Resources for the entire Hines firm. David's capable leadership and experience in this position prepared him for his next step at Hines. The Executive Committee promoted David to the newly created position of chief administrative officer overseeing Aviation, Corporate Communications, Corporate Facilities Services, Central Operations and Engineering Services, Information Technology, Human Resources, Payroll, Training, Hines Government Contracting Services and Sustainability.

David's rise through the ranks at Hines into a senior position is emblematic of Hines' view of how leadership is achieved at the firm. Leadership at Hines is earned and not granted. Leaders emerge because others choose to follow them. Competence, respect for others and professionalism are essential traits for effective leadership.

Steve Dolman, senior managing director, Investment Management, shares his knowledge with a select group of the firm's employees during a breakout session at the 2015 Investment, Marketing, Asset, and Project (IMAP) Managers Conference in Houston.



“A solid foundation of research gives us new insight into the drivers of our historical investment performance to identify areas of strength and weakness so we can make better investment decisions going forward. This is at the very core of sustainability.”

Adam Hastings *Director, Research*

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Responsible Investment

More online:

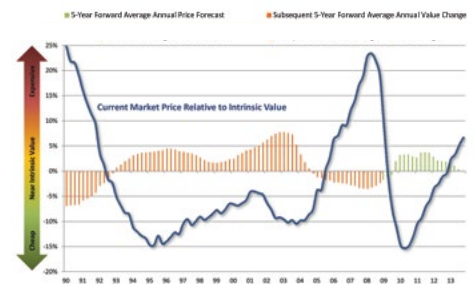
Management Committees
Hines Policies
Risk Management
Investment Management

hinessustainability.com/responsible-investment

Hines operates with the philosophy that what is good for the investor is good for the firm. To clearly understand our stakeholder objectives, we engage our clients and partners through a variety of means. We implement investment strategies based on sound research and local market knowledge, and account for economic and environmental risks both in the firm's overall investment strategy and for individual acquisitions. It is our objective to be the best real estate investor, partner and manager in the world.

Hines Research

As an in-house capability, Hines Research adds insight from an investor perspective to other sources of information on markets, sectors and trends. Through proprietary tools, the Research team combines macroeconomic analysis with local insights to identify and support investment strategies, acquisition opportunities and hold/sell analyses.



What We Said:

Hines will complete a research project that will result in an enhanced ability to analyze detailed financial results from past decades. The tool will allow Hines to examine performance metrics on both historic and current portfolios to enhance our analysis of investment performance.



What We Did:

Created and launched the Hines Track Record Project to examine long-term investment performance, inform strategy and enhance investor relations. The tool examines performance metrics across geographies, property types, investment cycles and fund strategies.



What's Next?

The Hines Investments and Performance Committee will form a working group to spearhead the development of a suite of tools for asset management and underwriting. Drawing from best-in-class regional examples, these standardized tools will improve the consistency and timeliness of analysis and reporting.

Governance Structure

At the highest level, the primary bodies for governance and decision making at Hines are the Executive Committee, Audit Committee and Investment Committee. Hines’ decentralized regional structure puts decision making closer to the real estate. Regional CEOs, who are members of the firm’s Executive Committee, direct the activities of regional organizations that source and execute investments and oversee regional development and operations.



Fund and Separate Account Managers

Hines strives to achieve superior performance for investors by creating strategies that are expertly implemented. Hines’ fund managers reflect the diversity and reach of our global organization, and work closely with regional contacts to offer an informed and local view of each market. Most

importantly, relationships with our clients and partners are fundamental to our business. Collectively, this ensures the building of a suitable portfolio that is appropriately diversified by sector, geography, activity and management team, and designed to deliver attractive returns.



Leo Chen



Dave Congdon



Steve Dolman



Doug Donovan



Peter Epping



Gary Holtzer



Sherri Schugart



Mark Sears



Simon Shen



Paul White

Read biographies online at: www.hines.com

Hines Track Record Project

The Hines Investment Committee spearheaded a collaborative project to analyze long-term investment performance metrics across the Hines global portfolio. Asset-level information was collected with the help of our accounting professionals worldwide. Descriptive information was also captured, including geography, investment strategy, market cycle and property type, among other factors. Performance information is updated on a quarterly basis by Hines controllers globally.

The long-term performance data has furthered the efforts of Hines Research to analyze trends in local markets, informed RFP responses to investors, and enhanced investor relations and fund strategy.

Retail Resources Group

As early as 1957, Hines was developing single-tenant retail space in Houston. In 1970, the firm went on to build The Galleria in Houston. In all, Hines has developed, acquired or has in development 23.6 million square feet of retail space, which includes more than 2.5 million square feet of U.S. retail assets and more than 3.2 million square feet of international retail assets acquired since 2012.

The Retail Resources Group was recently formed at Hines to expand our retail depth and expertise to assist all firm-wide retail development, acquisition and redevelopment efforts. Having a centralized resource will help Hines be more efficient in our communication with global retailers and also help implement a best practices approach relative to retail.



NUMBER OF HINES
INVESTMENT
FUNDS/PROGRAMS
SPONSORED
SINCE 1991

48

INSTITUTIONAL
INVESTOR CLIENTS/
PARTNERS

150+

HIGH-NET-WORTH
INVESTORS

600+

RETAIL
INVESTORS

120K+

NUMBER OF
COUNTRIES
REPRESENTED BY
INVESTORS

26



Sherri Schugart
Senior Managing Director/CEO
Core Fund/REIT/GREIT

9

Poland Sustainable Income Fund

Hines, in partnership with the European Bank for Reconstruction and Development (EBRD) and other investors, launched the Hines Poland Sustainable Income Fund (HPSIF) in 2014. The fund invests in commercial property throughout Poland and creates value through active asset management, including repositioning, refurbishment, sustainability improvements, green building certifications, sustainable facility management and green leases. Fundamental in this undertaking is the definition of sustainability, which encompasses not only actions to improve the physical asset, but also the people and places impacted by our business.

Sustainability assessment tools and a Green Lease Pack have been developed by Hines to analyze and track sustainability metrics in addition to investment performance. A key feature is the active involvement by tenants through dialogue and education. Each property in the fund will include a Building Management Committee comprised of Hines and each property's tenants. The Committee will allow increasing awareness and involvement of building occupants on aspects related to sustainable operations, retrofits and green lease policies.

In 2014, the HPSIF completed two acquisitions—Ambassador, an 181,372-square-foot Class A office building and Sky Office Center, a 46,940-square-foot Class A office building—both located in Warsaw.



Hines Investor Survey

Hines recently worked with a third party to conduct interviews with numerous investors and partners worldwide, gathering valuable comments from stakeholders and benchmarking results against prior performance and proprietary indices. Survey participants cited Hines' global reach, quality of personnel and accessibility as key strengths and differentiators. Positive feedback on progress in previously deficient areas included standardizing, enhancing and digitizing investor reporting and forming an in-house Research department to

support strategy, product development and market information for investors. Given that Hines is both an investment manager and an operating partner, the firm is focused on alignment of interests between these roles.

78%

of investors gave Hines' investment performance the highest ratings of satisfaction

72%

of investors would invest with Hines again

myStory

"Superior service through performance and compliance."

A core component of a robust sustainability program is the implementation of governance standards and practices designed to protect our investors. As senior managing director and CEO of Hines' private and public non-listed REIT and BDC platform, Sherri and her team are at the forefront of these important governance responsibilities, in addition to their other investment management duties. Hines' public and regulated investment companies that Sherri oversees currently have more than 120,000 investors, and she and her team serve as fiduciaries to those investors.

Sherri came to Hines 20 years ago after a successful career at a public accounting firm, where Hines was a major client. Early in her career, she learned the real meaning of client service and the importance of integrity and transparency. After several roles in investment management and capital markets, Sherri and others in 2002 explored non-listed REITS and concluded that Hines could offer individual investors access to high-quality real estate to meet their investment objectives.

This platform has grown to over \$5.5 billion of equity invested in Hines' public REITs and more than 100 assets purchased globally. For Sherri, there is great satisfaction in understanding investors' objectives and creating sustainable products that meet those objectives. She has found that combining favorable investment performance, sound governance practices, direct communication and transparency, and commendable customer service can lead to achieving one of her most important goals, which is of meeting, and ideally exceeding, investor objectives and expectations.



One Museum Place is currently under construction at the center of Shanghai's new Jing An district. The 1.6 million-square-foot, mixed-use tower connects directly to a new Metro station on Line 13, the longest line in the city. This is the first major project in Shanghai to receive LEED® Platinum pre-certification, with innovative building, energy, clean-air and water-saving technologies.

“The community believes in what you are delivering—that is the strongest sign of sustainable development. If the new product is appropriate for the community’s surroundings and future, it will be well utilized for many years. Consumption and waste are reduced; lives are improved.”

Charlie Kuntz *Managing Director*

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Sustainable Development

More online:

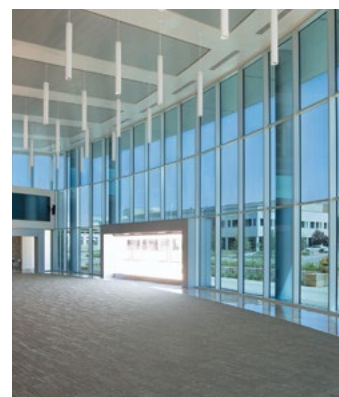
Hines Conceptual Construction

hinessustainability.com/sustainable-development

Hines’ objective is to enhance the built environment. We do so by engaging end users so that our buildings enhance and complement the objectives of our stakeholders. We partner with the world’s leading architects, engineers and contractors to create superior development teams that are supported by Hines’ central resources. We aggregate our experiences worldwide to provide local teams with knowledge and best practices. The end result is the creation of state-of-the-art workplaces for our tenants and long-term value for our clients and partners.

Dynamic Glass

Dynamic glass tints electronically from the standard transparent windows, typical in office buildings, to translucent, slightly colored glass. While preserving views and natural lighting for building occupants, dynamic glass reduces heat and glare by automatically responding to environmental conditions.



What We Said:

Hines will engage in research in emerging building technologies and identify potential pilot projects, particularly in window technology, such as dynamic glass and integrated photovoltaics.



What We Did:

Further researched window technology and began the next steps in piloting dynamic glass at 609 Main at Texas in Houston. Dynamic glass uses electrochromic technology to dynamically tint glass to control sunlight.



What's Next?

Hines will select an existing building in the firm’s portfolio as a lab to further test window technology, with a particular focus in 2015 on dynamic glass.

New Sustainability Certifications in 2014

LEED Platinum

- Renault Ardeko, Boulogne-Billancourt, France **1**
- Quai le Gallo Redevelopment, Boulogne-Billancourt, France **2**
- 75 Hawthorne, San Francisco, CA **3**
- 101 Second Street, San Francisco, CA **4**

LEED Gold

- Hyundai Motor Tower, Beijing, China **5**
- Porta Nuova Garibaldi – E1/E2, Milan, Italy **6**
- Porta Nuova Varesine – Business District Varesine, Milan, Italy **7**
- Porta Nuova Varesine – Le Ville di Porta Nuova, Milan, Italy **8**
- Porta Nuova Varesine – Aria, Milan, Italy **9**
- Porta Nuova Varesine – Solaria, Milan, Italy **10**

- Porta Nuova Varesine – Solea, Milan, Italy **11**
- Porta Nuova Isola – Business District Isola, Milan, Italy **12**
- U.S. Bank Plaza, Minneapolis, MN **13**
- U.S. Bank Tower, Los Angeles, CA **14**

LEED Silver

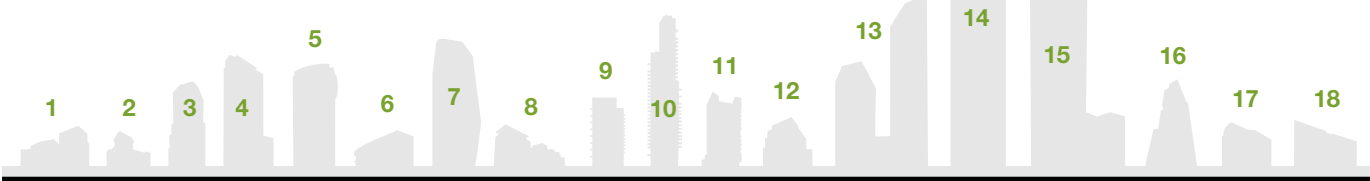
- Three First National Plaza, Chicago, IL **15**

HQE

- Renault Ardeko, Boulogne-Billancourt, France **1**
- Quai le Gallo Redevelopment, Boulogne-Billancourt, France **2**

BREEAM

- Centrum Biurove Neptun, Gdansk, Poland **16**
- Sterling Business Center, Lodz, Poland **17**
- Hoffstat, Munich, Germany **18**
- Quai le Gallo Redevelopment, Boulogne-Billancourt, France **2**



**53W53
Vertical Community**

A vertical neighborhood provides its residents with a sense of belonging to a community, and importantly, it is easier and less costly to maintain.

Situated in New York above the Museum of Modern Art and designed by Jean Nouvel, the 82-story 53W53 will house 139 luxury condominium residences.

The tower will include a wellness center with a living wall, LED lighting and triple-glazed windows. The energy efficiency created by the extra glazing reduces the amount of active heating and cooling, and removes the need for perimeter heating.

Partnering with MoMA on community engagement, the tower will also include three stories of public gallery space.

Construction work began in late 2014 and is scheduled to be completed in 2018.



Porta Nuova

Porta Nuova Garibaldi is a mixed-use development exceeding one million square feet in Milan, Italy. The electrical demand of 14.2 GWh per year had been provided by 14 different service providers. After Hines studied current consumption projections, all 14 electric service accounts were signed with DEG, a leading provider of electricity via hydro-electric and co-generation plants. In addition to transitioning to renewable power, the project is estimated to save over \$300,000 annually.

SQUARE FEET IN
DESIGN OR UNDER
DEVELOPMENT

49.5M

NUMBER OF
GREEN CERTIFIED
BUILDINGS IN 2014

416

TOTAL NUMBER
OF HINES LEED
ACCREDITED
PROFESSIONALS

89



Jerry Lea
*Executive Vice President,
Conceptual Construction*

13

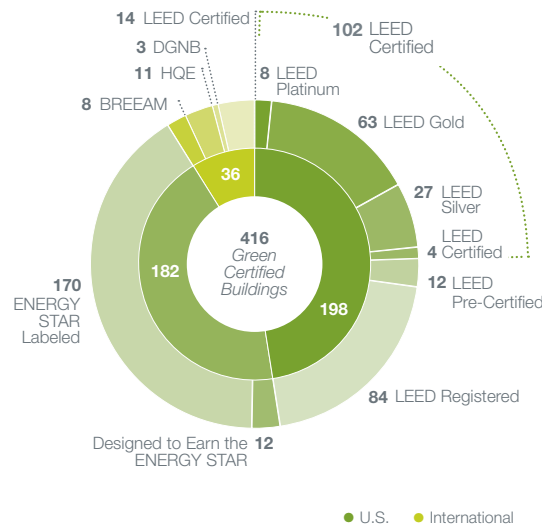
Green Rated Buildings

Hines actively pursues green building standards and certifications that are appropriate for the project type and consistent with investor interests. Prominent international rating systems include: LEED, U.S.; ENERGY STAR, U.S.; BREEAM, UK; HQE, France; and DGNB, Germany.

Green Building Certifications

International and U.S.

A total of 416 buildings in the Hines portfolio have green certifications.



myStory

"One of Hines' objectives is to be the best developer in the world."

Jerry Lea joined Hines in 1981 after rising through the ranks at a well-respected general contracting company. Initially he was a construction manager, but it wasn't long before Jerry's talents were tapped for a broader responsibility at Hines—working shoulder-to-shoulder with John Harris who formed and led Hines' Conceptual Construction Group for four decades.

"John took care of me," Jerry reports. "We would spend all day with architects, engineers and contractors on the job site, and then spend a good part of the evening discussing each decision that occurred that day, with John explaining why he answered questions a certain way. I was learning how to do my job effectively. He would empower me by telling the contractors, 'This is Jerry Lea; he is my right-hand man. If he says it, you can assume it came from me.'"

Jerry eventually became the head of Conceptual Construction and, together with a very talented team, oversees the setting of standards and the buy-out of Hines developments. This hands-on development process allows us to incorporate sustainability and technology into the base requirements necessary to call a building a Hines development. We are able to look at the best practices worldwide and continuously learn and adjust. It is really the definition of sustainability and resiliency—learning and improving the process so that each successive building contains the best of what we have done. This allows us to test the boundaries and build assets of lasting value.



CityCenterDC. Now Open.

CityCenterDC is a model for responsible, environmentally sensitive multi-use developments. The 2.5 million-square-foot project broke ground in 2011 and was fully opened in 2014. From building techniques and construction materials, to infrastructure, high-performance technologies and efficiencies, all elements of the master plan positively influence the environment and everyday quality of life. The entire development has received a Gold certification for LEED Neighborhood Development.

One of CityCenterDC's most notable structural aspects is underground. To preserve the community's pedestrian-friendly design, all of CityCenterDC's deliveries take place below grade.

This allows what would have been the "back" side of the buildings to become a pedestrian-oriented retail street front. Formal streets were reintroduced through the site, along with a series of pedestrian-oriented alleyways, to integrate CityCenterDC into the broader fabric of downtown and to connect downtown with surrounding neighborhoods.

Among many features, the buildings include landscaped rooftop terraces, bamboo flooring in the apartments, native and adaptive landscaping to reduce irrigation use and a low-impact development system for managing stormwater to reduce runoff.

Employee Highlights for Sustainability Achievements

Skip Weiss, VP, Engineering

Successfully completed LEED Operations + Management (O+M) Gold certification of the Hyundai Motor Tower in Beijing, China, one of only two buildings in Beijing to receive O+M Gold certification in 2014.

Callie Whitson, Property Manager

Operates Hines' myCommunity efforts across the West Region, organizing dozens of events, engaging hundreds of Hines employees and raising significant contributions to notable charities.

Jack Cole, Assistant Manager, Corporate Services

Oversees the Great Parking Card Buyback program, which encourages Hines Central employees who carpool or ride the bus to exchange their parking access card for a monthly payroll incentive.

Ian Dunn, Building Engineer

Oversees the building control system at Two Park Square in Albuquerque, self-learning how to program the software. Ian is one of the youngest building engineers at Hines to obtain a LEED-AP O+M accreditation.

Erin Kuhn, Senior Property Manager

Serves as the senior property manager at 1001 Pennsylvania Avenue in Washington, D.C., and helped the property win the East Region's ENERGY STAR challenge.

Tom Bonilla, Assistant Chief Engineer

Initiated and oversaw a program combining best practices and new technology resulting in immediate and major energy savings at 1251 Avenue of the Americas in New York. Also led staff training and awareness using lessons learned from his many years at Hines.

Pat Griffin, VP, Engineering

Improved environmental performance at Hines over his 30-year tenure. He was the lead on more than 15 new assignments over the past 20 years, with first-year energy reductions averaging in excess of 20 percent.

David Crow, General Engineering Manager

Serves as engineering manager at the Owens Corning World Headquarters in Toledo where he has been part of the project team for two LEED certifications, and has worked for nine out of the past 10 years achieving ENERGY STAR certification.



Anna Ballarati, Associate

Oversees corporate social responsibility for Hines Italia, and has led Hines' participation in the Forum for Sustainable Finance, an Italian nonprofit promoting social responsibility in Italian investment.



Carolina Suzuki, Conceptual Construction Manager

Responsible for the LEED Gold Core & Shell certification process at Barros Loureiro Building, a third-party project in São Paulo, Brazil.



Jason Maxwell, General Counsel

Deployed the Diligent Board Books mobile application for REIT board meetings, conserving paper, toner and other resources.



Claire Thielke, Director, Investment Management
Starling Cousley, Managing Director, Investment Management

Co-managed the deployment of the Intralinks investor portal, allowing investors online access to their reports, reducing the use of paper and improving the quality of reporting.



David Thiede, Assistant Engineering Manager

Led the successful LEED O+M Gold recertification for the two million-square-foot JP Morgan Chase Tower in Houston during his first year at the property.



Paulo Moraes, Engineering Manager

Responsible for implementing an energy-saving LED lighting system at Distribution Park Embu, a distribution and logistics park near São Paulo, Brazil.



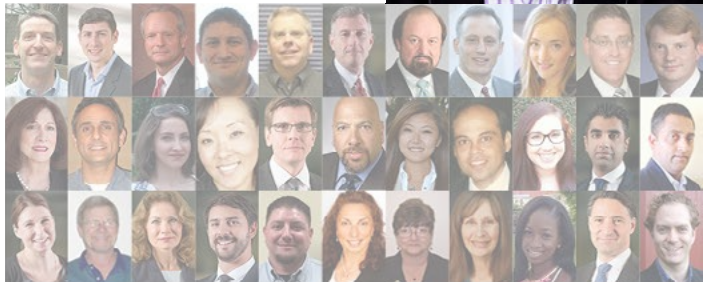
Claudio Saibene, Senior Construction Manager


Responsible for all construction activities for Hines Italia. He successfully implemented sustainability guidelines at Porta Nuova in Milan, and achieved LEED Gold certification for the development's various projects.



Tomasz Sasin, Sustainability Manager

Supervises the sustainability objectives, operational standards, implementation and building performance for the Hines Poland Sustainability Income Fund.





Hines partnered with a major institutional client to update their suburban office building in New York. The installation of a 250 kW fuel cell system, combined with a six-acre solar array completed the previous year, relieves up to 1 MW of demand from the local grid. The building has become a highly sustainable work environment with risk reductions and lower operating costs.

“We strive every day to deliver best-in-class service to our owners, our tenants and our employees by providing the support and the tools needed to be successful. As long as we continue to be successful at providing quality service, we will remain a leading provider.”

Adam Rose *Director, Property Management*

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Property Management and Engineering

Service. Performance. Hines' objective is to create environments that so enhance occupants' experience that it would be difficult for our tenants to imagine conducting their business in a property that is not operated by Hines. Property management teams provide superior service through personal interaction and maintenance of high-quality amenities. We collaborate with tenants through one-on-one meetings, surveys and other tenant engagement programs to create work spaces that complement our tenants' business objectives. Hines engineering teams maintain their focus on maximizing building performance, reducing the cost of operations and improving the comfort of occupants. The Hines portfolio is sustainably operated through improving energy, water and waste performance and enhancing the environment.

More online:

Managing at the Property Level
Central Operations and Engineering Services (COES) Standards
Engineering Audits
Greenhouse Gas (GHG) Emissions
Contractor and Vendor Policies
Tenant Manuals

hinessustainability.com/property-management-and-engineering

Six Years of HinesGO

In 2008, Hines initiated HinesGO (Hines GREEN OFFICE) to measure and reward sustainable practices within Hines offices worldwide. A year later, Hines launched the program for voluntary participation by tenants. Leaf Credits are earned by implementing specific strategies or improvements in six categories: energy efficiency; people and atmosphere; reduce, reuse, recycle; LEED; travel and commuting; and modeling and construction.

850

active tenants have achieved GREEN OFFICE ratings

31.8

million leased square feet of GREEN OFFICE tenants

36%

of total occupied space firm-wide in the program

100%

Hines offices certified in the program



What We Said:

Hines will initiate a LEED Volume Certification (VC) program to scale the number of our LEED-certified projects. We will expand the “Paper-Lite” program to minimize paper use through digital document management.



What We Did:

Launched the LEED VC Program where 33 properties to date have participated, 19 of which have completed and received certifications. In 2014, Hines securely shredded and recycled 33,665 pounds of paper with Iron Mountain.



What's Next?

Hines will continue to increase participation by non-U.S. properties in tracking energy, water and waste data. Additionally, the firm will begin exploring advanced energy metering platforms. We will add 10 more properties to the LEED VC Program in 2015 and launch a cloud-based platform to track and manage leasing.

15 Years of ENERGY STAR

18

Hines and ENERGY STAR

The U.S. Environmental Protection Agency's ENERGY STAR program includes an energy performance rating system for commercial buildings. In 1999, Hines became the first international and privately held real estate company in the world to commit to ENERGY STAR. Since then, Hines has labeled over 295 buildings representing more than 121 million square feet.

Hines' specific ENERGY STAR strategy and initiatives are led by the ENERGY STAR Management Group (ESMG). This team, formed in 2001, consists of engineering leaders from Hines' central headquarters and every U.S. Hines business region, who have developed special networks with their engineering colleagues to support firm-wide energy conservation goals.

Hines ENERGY STAR-labeled buildings are more than 40 percent more energy efficient than the national median, which translates to:³

\$1.16 energy cost savings
per sf per year
\$41.7M total portfolio
savings per year
163,885 metric tons annual
reduction in CO₂e

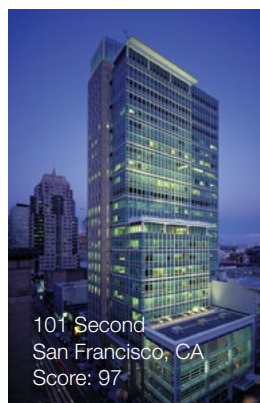


1999

Jeff Hines signs a letter of intent to join **ENERGY STAR**. Hines becomes the

first

international and privately held real estate company in the world to commit to **ENERGY STAR**.



101 Second
San Francisco, CA
Score: 97

2000

15

Hines has 15 of the first 100 Labeled Buildings, and doubles its participation in the 18-month-old program.

2001

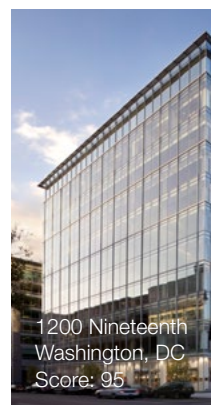


Hines earns the **EPA's first Partner of the Year award**, sharing it only with one other firm. This is the **first of eleven** such awards earned by Hines.

2004

Hines becomes the **first** commercial real estate firm to receive the **ENERGY STAR Sustained Excellence Award**.

Hines has the **largest portfolio of ENERGY STAR buildings** in the U.S., as measured by square footage.



1200 Nineteenth
Washington, DC
Score: 95

2008

More than **100 Hines Buildings** receive **ENERGY STAR labels** in a single year.

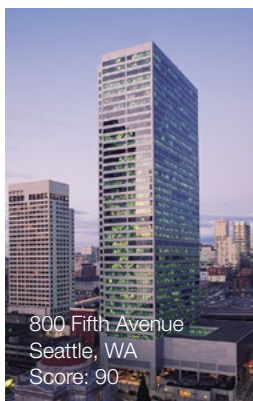
100+

1900 K Street
Washington, DC
Score: 79



2010

Hines releases a case study on 1900 K Street in Washington, DC. Hines purchased the building in 2002, and by 2008 is able to decrease electric usage by nearly 15% and water usage by nearly 22%. The property's **ENERGY STAR score increased from 32 to 77** through implementing Hines Best Practices.



800 Fifth Avenue
Seattle, WA
Score: 90

2013

The EPA recognizes Hines' GREEN OFFICE Tenant Program as a representative of tenant engagement best practices.

HinesGO
GREEN OFFICE

2014

182

buildings

82.4

average portfolio rating

40.4%

more efficient than the national average

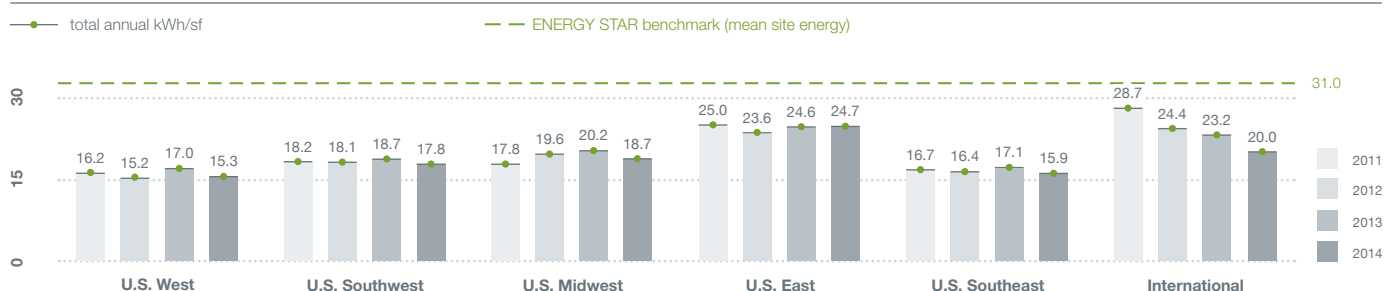
Energy Intensity Tracking

Hines engineers track energy consumption at Hines-managed properties. Using a proprietary web-based application called ECOS, engineers input property information, certifications, monthly utilities cost and consumption totals, degree days

and average occupancy. Automated analytics tools permit evaluation of data integrity and trends by property, region or the entire company.

2014 Building Energy Intensity by Region⁴

Energy intensity for properties that represent predominately office space with total building energy data

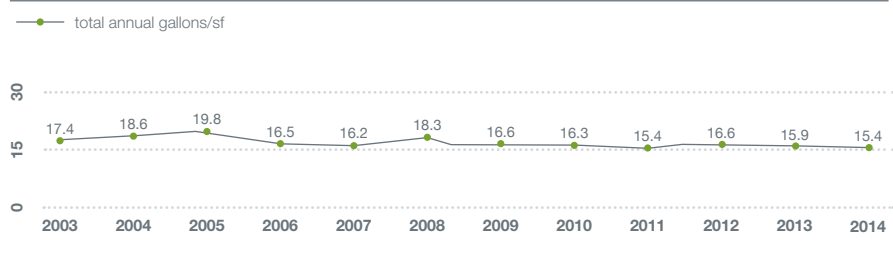


Water Tracking and Initiatives

Water consumption and costs, derived from utility bills, are tracked in ECOS (Hines' proprietary environmental tracking tool) by building engineers. As Hines has leveraged green building standards, water consumption from occupant use has decreased. Hines continues to evaluate the lifecycle water savings and costs of restroom retrofits in existing buildings.

U.S. Building Water Intensity 2003–2014⁵

Historical water intensity for properties that represent predominately office space with total building water data

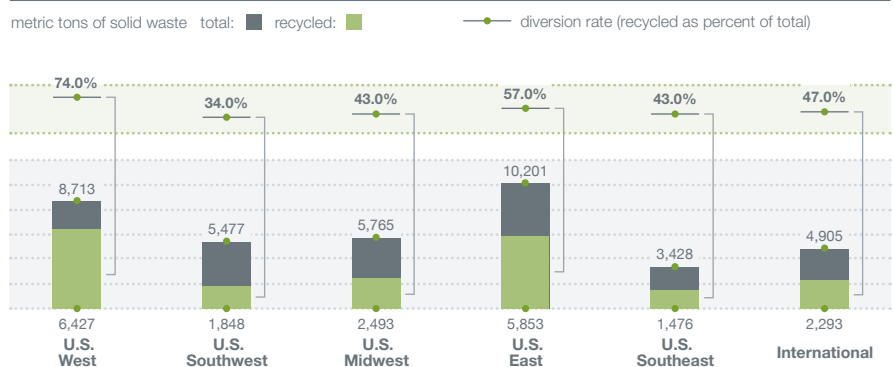


Solid Waste Tracking

In 2013, Hines added tracking of waste and recycling to ECOS. Unique solutions were integrated to accommodate regional differences in waste management, such as incineration for fuel use in Europe. Hines Central Resources provided web-based training and tools to all properties.

2014 Solid Waste and Recycling by Region⁶

Recycling and waste for properties that represent predominately office space that could provide data in metric tons



Paper-Lite Program

The Global Document Center (GDC) created the Paper-Lite Program to reduce storage of paper documents by transferring them to digital data. By using the program, Hines offices reduce the costs of on-site and off-site storage space, supplies and manpower; lower audit risks and facilitate compliance and discovery; enhance data access, retrieval and knowledge sharing across the enterprise; and eliminate redundancy and increase efficiency.

The program is built upon the standard Hines SharePoint data repository, which creates customizable online folders, finds data quickly with keyword search, and is governed by the Hines Document and Record Retention Policy and the Global Retention Schedule.

Once all the documents have been scanned and uploaded, the paper files are sent to Iron Mountain for shredding. Since the inception of the Iron Mountain Secure Shredding Service, participants have recycled 230,131 pounds of paper and saved 2,063 trees.

**2006–2014 Secure Shredding—
Environmental Benefits**

230,131	recycled paper (pounds)
2,063	trees saved
1,343,221	water saved (gallons)
454,641	electricity reduction kWh
414	landfill reduction (cubic yards)



Hines Best Practices

Hines administers a Best Practices Program to promote innovation by operations, engineering, design and construction professionals. A best practice is defined as a documented tactic, strategy, process, new technique or technology that produces superior performance and is readily adaptable to other Hines offices or properties.

Ideas are submitted to a committee, evaluated and are approved if they meet standards for efficiency, value, applicability, creativity and quality. Awardees are acknowledged with various forms of recognition.

The global program currently represents more than 280 best practices submitted by over 70 teams and 210 individuals. Five best practices have been approved in 2014, two in the Engineering department and three in the Operations group.



Case Study: Synchronous Belts for AHUs

Atlanta Financial Center, completed in the late 1980s, is composed of 910,269 square feet in three interconnected towers: two 13-story towers and a 19-story centerpiece.

The aging buildings have experienced excessive wear and tear, leading to an increase in man hours spent in tensioning, repairing and replacing the hardware and components of the air handling units (AHUs). Over time, slippage occurs with V-belts because the belt stretches and the sheave starts to wear, eventually creating rubber dust particles inside the AHU.

Installing synchronous belts and hardware enables the variable frequency drive to lower its output frequency, which then lowers the overall energy consumed, in addition to decreasing dust particles. Synchronous belts carry an efficiency of 98 percent and maintain that efficiency over a wide load range. They also require little to no maintenance and re-tensioning, and can operate in wet and oily environments.

Also, synchronous belts are more cost effective. With an average savings of \$65 per AHU, the return on investment is just over one year.



Clayton Ulrich
Senior Vice President,
Corporate Operations
and Engineering Services

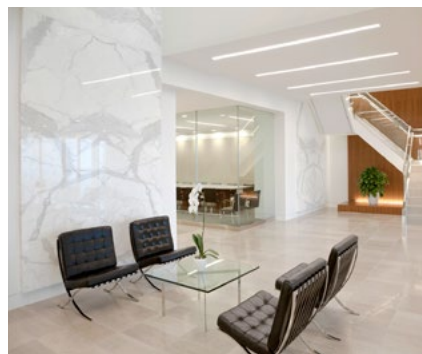
Hines' Headquarters Office Awarded LEED-CI Platinum Certification

Hines has occupied levels 49 and 50 (among other floors) in Williams Tower in Houston since 1983. Prior to the 2013 remodel, these two floors had never undergone any major modifications. During the remodel project, employees at the firm's corporate headquarters were relocated to other floors; they returned in early 2014 to their new office space.

Hines selected Houston-based Kirksey Architecture to design the renovation, chiefly because their vision included adaptive reuse of existing materials. The 49/50 remodel project achieved LEED Platinum certification for Commercial Interiors by the USGBC in 2014.

- 60+% of the existing non-shell and non-structural building materials were reused after demolition

- 750+ cubic yards of construction waste material, or 96%, was diverted from landfill and recycled
- Installation of efficient water fixtures now reduces potable water usage by 40%, or more than 75,000 gallons per year



75 Hawthorne Renovation

Part of the Hawthorne Plaza property in San Francisco, 75 Hawthorne is the Region 9 Headquarters of the U.S. Environmental Protection Agency (EPA). The General Services Administration (GSA) renewed the EPA's lease for 15 years for nearly 285,000 square feet in the property. Hines, with owner John Hancock Life Insurance Company, began an extensive, two-year base building and tenant improvement project in 2014. The EPA's lease renewal provides an opportunity to optimize energy and water efficiency.

Along with 15 floors of interior renovations, most major building systems are being upgraded, including an all new central plant, building automation system and restrooms. The renovation also includes repositioning the EPA's main data center so that it can be cooled using 100 percent outside air, reducing electricity consumption needed to cool the space. Currently, more than 75 percent of the construction waste is being diverted from the landfill through recycling or alternative uses.

Hawthorne Plaza was the first multi-tenant office building in San Francisco



to achieve LEED-EB Gold certification in 2009 and earned LEED Platinum recertification in 2014. The building also has an ENERGY STAR score of 97. The EPA's updated office space is targeting LEED-CI Gold certification upon completion.

myStory

"The Hines standard represents the global real estate benchmark for service and quality to our clients."

From third-grade licensed operating engineer to senior vice president of Corporate Operations and Engineering Services, with a lot in between, is a good way to describe a 40-year career spent mentoring young professionals at Hines. This is all fueled by a passion to keep Hines as an industry leader in energy efficiency, property operations and sustainability.

Clayton always understood, and has led two generations of Hines employees to understand, that Hines' reputation is built in large part on performance for our investors and the day-to-day experience of our tenants. Property operations is a core competency of Hines and one that requires continuous nurturing and improvement.

"We have always been about providing the highest level of service in a way that minimizes the use of resources like water, energy and refrigerant. Leading the focus on efficiency just made good business sense, and really formed the basis of our sustainability program." These core elements of operations and engineering, many created by Clayton and his team, built a foundation for the more formalized programs that came later. "Hines already had the foundation from which to embrace programs like ENERGY STAR and LEED when they came along. We had a head start because it was part of our business approach."

Among the many responsibilities of Clayton and his department is assessing the operations and engineering at Hines-operated buildings. "It's not just about the report card, but more about how we can guide our people to success. Our audits are targeted for 40 percent auditing, and 60 percent teaching and mentoring."



Hines is a global organization with a local presence in 185 cities around the world. Hines is committed to making contributions beyond our buildings to promote resilience in the communities in which we work. Hines provides service through local organizations to protect the environment, support education, build community facilities and repair housing, promote health and wellness, and raise money for populations in need.

“We are tremendously fortunate to work for a firm that places such value on doing the right thing. We engage with community needs. We give back. The opportunity to do so while on the clock is unprecedented in my professional experience, and I’m grateful for it.”

Lisa Fitzgerald *Senior Property Manager*

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Our Communities

More online:

hinessustainability.com/our-communities

Since the firm’s founding, Hines has recognized that as an investor in, and a developer and manager of, the built environment, we have a responsibility to the communities in which we operate. Hines has a long track record of making contributions beyond our buildings to create a positive impact in the communities where we live and work. We encourage our employees’ community interest with programs for volunteering, wellness and personal development. Hines also places great importance on engaging with the communities in which we invest and operate, including the stakeholders we work with across the real estate industry. Research and a presence in local markets allow us to understand the financial, environmental and social impact of our activities. Our developments often improve local infrastructure.

2014 ULI/Gerald D. Hines Student Urban Design Competition

A team of graduate students representing the University of Maryland took the \$50,000 prize and top honors at this year’s competition with their proposed plan to redevelop a Nashville neighborhood as a healthy community. In total, 163 teams comprising 815 students from 72 universities in the United States and Canada participated.



What We Said:

Hines will continue to support and encourage staff to participate in individual and group presentations and meetings internationally with the objective of creating green emissaries worldwide.



What We Did:

Sent sustainability emissaries to represent the firm globally at leading industry forums, including the ULI Sustainability Council, the Spanish Office Association and Italy’s Forum for Sustainable Finance.



What’s Next?

Hines will launch a program to celebrate Earth Day across Hines’ global portfolio, using a variety of education and engagement programs with tenants, partners and other community stakeholders.

Community Engagement Highlights

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Philanthropy

Hines invests in tomorrow's leaders in the built environment. The primary educational institutions and programs Hines currently supports include:

- Endowment of the Gerald D. Hines College of Architecture at the University of Houston, which offers professional, post-professional and secondary professional degree programs in architectural, interior, space and industrial design
- Ongoing sponsorship of the annual ULI/Gerald D. Hines Student Urban Design Competition, which challenges multidisciplinary student teams to devise a comprehensive development program for a real, large-scale site
- Funding for the establishment of the Gerald D. Hines Visiting Fellowship in Development at the School of Real Estate and Planning, Henley Business School, University of Reading in London
- Funding to KIPP, an alternative primary and secondary school program for underserved students in Houston
- Establishment and endowment of the Gerald D. Hines Professor of Real Estate Finance at Rice University
- Pledge of support in 2014 to Rice University's Baker Institute for Public Policy



The Gerald D. Hines College of Architecture at the University of Houston offers professional, post-professional and secondary professional degree programs in architectural, interior, space and industrial design.

Hines recognizes the importance of supporting our community and encourages employees to give back through a variety of philanthropic activities.

myCommunity Program

This internal, voluntary program provides Hines employees an opportunity to give back to their communities through a variety of philanthropic activities. Each employee may spend one day per year without loss of pay or vacation time while performing volunteer work for a charity of their choice. In 2014, 198 people participated in this program with a total of 989 volunteer hours.



Hines Supports City Harvest

An impressive team of 50 Hines employees from ten New York and Connecticut area offices came together to support City Harvest, which is known as the world's first food rescue organization, dedicated to feeding the city's hungry men, women and children. This year, City Harvest, located in Long Island City, Queens, NY, will collect 46 million pounds of excess food from all segments of the food industry, including restaurants, grocers, corporate cafeterias, manufacturers and farms.



Hines Miami Joins Corporate Challenge

The Hines Miami offices sponsored a team in the recent Mercedes Benz Corporate Challenge. This year's Hines team was made up of 19 members, including employees and their family members. Nearly every major corporation in South Florida was represented in the race, including many of Hines' tenants through our Miami portfolio. The purpose of the Corporate Challenge run is to promote running and walking as a means to a fit, healthy lifestyle for people from all walks of corporate life. At more than 25,000 participants, the race is an institution in South Florida and has become one of the largest 5K races in the nation, with more than 800 companies participating.



LA Team Benefits the Local YMCA

Thirty-one members of the Los Angeles Hines team raced up 75 floors of the U.S. Bank Tower in downtown Los Angeles to benefit the Downtown LA YMCA. The YMCA helps to support programs for youth development, healthy living and social responsibility. The Hines team joined more than 3,000 participants in climbing over 1,600 steps of the tallest building in the Western U.S.

TOTAL VOLUNTEER
HOURS IN 2014

989

TOTAL VOLUNTEER
HOURS SINCE 2011

2,596

TOTAL PARTICIPANTS
IN MYCOMMUNITY
IN 2014

198

TOTAL PARTICIPANTS
IN MYCOMMUNITY
SINCE 2011

450



Scenic Shore 150 Bike Tour

For the 12th year running, a team of cyclists from the Hines Chicago office, along with friends and family members, participated in the Scenic Shore 150 Bike Tour, a two-day, 150–200-mile cycling event open to riders of all ages and abilities. It is the largest regional event sponsored by the Leukemia & Lymphoma Society (LLS), and proceeds from the bike tour fund lifesaving research and support for people battling blood cancers. The mission of LLS is to cure leukemia, lymphoma, Hodgkin's disease and multiple myeloma, and improve the quality of life of patients and their families. In 2014, the team, Riders of the Storm, raised an astounding \$335,000. Over its 12-year history, the team has contributed \$2 million to cancer research.



LandAid London TowerAthlon

Members of the Hines Europe and UK teams participated in the inaugural LandAid London TowerAthlon. Hines volunteers climbed down Broadgate Tower, ran and cycled to raise money for LandAid, which works to improve the lives of disadvantaged children in the UK due to economic or social circumstances.



Hines Central Resources and Southwest Region Support the United Way

Hines' Central Resources and Southwest Region offices rallied together for another successful campaign for the United Way of the Texas Gulf Coast. With 58 percent of employees participating, this year's donations from the firm resulted in a \$578,256 check that will go toward filling the needs of the community.



Hines' Office of Investments (OOI) Helps Clean Up Houston Park

Williams Tower employees from Hines' OOI recently donated their time to help revitalize one of Houston's most significant natural resources, Buffalo Bayou. The dedicated team of 28 Hines OOI employees worked in the heat along the new hike-and-bike trails, recently constructed as part of a \$60+-million dollar renovation project to provide improved drainage, access and amenities in Buffalo Bayou Park. The group focused their efforts on a specific section of the trails, weeding and mulching the small trees to conserve those native to Texas.



Tom Owens

Senior Managing Director
and Chief Risk Officer,
Investments

25

myStory

"Hines has long recognized that as investors in, and developers and managers of, the built environment, we have a responsibility to engage with and contribute to the communities in which we operate."

A 42-year Hines employee, Tom Owens has worked in virtually every part of the Hines business. He has been a development and construction manager and an investment officer. He has been responsible for property operations and engineering, and has worked coast-to-coast. This has well prepared him for helping the firm identify and manage risk through his current role of chief risk officer.

Over the course of his career, Tom has identified an important element of reducing risk and enhancing value: "Understand what the community and stakeholders want, and build it. When we were building Five Hundred Boylston and Two Twenty Two Berkeley in the Back Bay of Boston, everyone had input; some days it seemed like literally every citizen of Boston was weighing in! It resulted in a better product that the community embraced."

This spirit of engaging and giving is a part of Tom's professional and personal life. In his spare time, he helps to build water wells in South Sudan. And when Tom speaks of this, and about his career as a developer, it seems as if he gets as much from this community engagement as he gives to the process. As he puts it, "Successful buildings resonate with the spirit."

Global Organization

CENTRAL RESOURCES

441 U.S. EMPLOYEES
34 INTERNATIONAL EMPLOYEES
475 TOTAL EMPLOYEES

CANADA

7,975,730 sf (741,239 sm)
3,823,730 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
4,152,000 IN DESIGN/UNDER DEVELOPMENT
42 TOTAL EMPLOYEES

UNITED STATES

146,456,473 sf (13,611,196 sm)
53,672,003 FIDUCIARY INVESTMENT MANAGED PROPERTIES
64,883,730 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
27,900,740 IN DESIGN/UNDER DEVELOPMENT
2,472 TOTAL EMPLOYEES

EUROPE

21,972,136 sf (2,042,020 sm)
18,113,190 FIDUCIARY INVESTMENT MANAGED PROPERTIES
3,858,946 IN DESIGN/UNDER DEVELOPMENT
218 TOTAL EMPLOYEES

MEXICO & CENTRAL AMERICA

14,236,768 sf (1,323,120 sm)
1,865,707 FIDUCIARY INVESTMENT MANAGED PROPERTIES
12,371,061 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
165 TOTAL EMPLOYEES

SOUTH AMERICA

15,009,040 sf (1,394,892 sm)
8,402,317 FIDUCIARY INVESTMENT MANAGED PROPERTIES
2,257,723 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
4,349,000 IN DESIGN/UNDER DEVELOPMENT
133 TOTAL EMPLOYEES

U.S. EAST REGION

28,145,723 sf (2,615,774 sm)
5,662,188 FIDUCIARY INVESTMENT MANAGED PROPERTIES
17,154,316 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
5,329,219 IN DESIGN/UNDER DEVELOPMENT
525 TOTAL EMPLOYEES

SOUTHEAST U.S. REGION

17,215,713 sf (1,599,973 sm)
5,852,370 FIDUCIARY INVESTMENT MANAGED PROPERTIES
3,083,343 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
8,280,000 IN DESIGN/UNDER DEVELOPMENT
146 TOTAL EMPLOYEES

MIDWEST REGION

29,609,226 sf (2,751,787 sm)
9,721,875 FIDUCIARY INVESTMENT MANAGED PROPERTIES
14,827,351 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
5,060,000 IN DESIGN/UNDER DEVELOPMENT
405 TOTAL EMPLOYEES

SOUTHWEST REGION

29,036,079 sf (2,698,520 sm)
11,446,943 FIDUCIARY INVESTMENT MANAGED PROPERTIES
11,478,476 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
6,110,660 IN DESIGN/UNDER DEVELOPMENT
382 TOTAL EMPLOYEES

WEST REGION

42,449,732 sf (3,945,142 sm)
20,988,627 FIDUCIARY INVESTMENT MANAGED PROPERTIES
18,340,244 THIRD PARTY PROPERTY LEVEL SERVICES MANAGED PROPERTIES
3,120,861 IN DESIGN/UNDER DEVELOPMENT
573 TOTAL EMPLOYEES

Legend

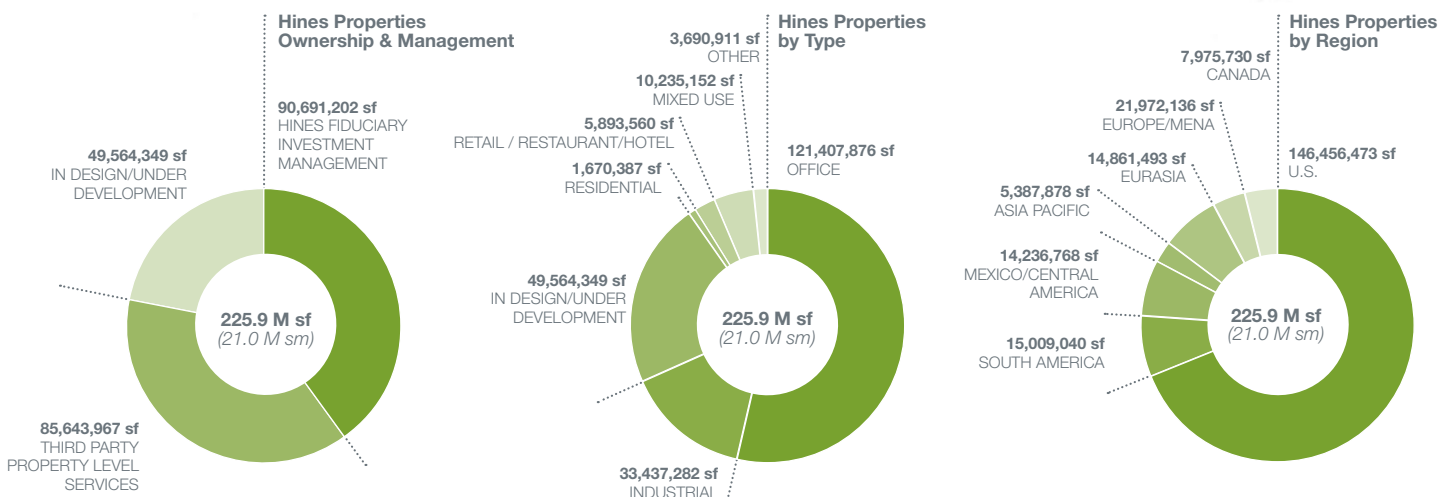
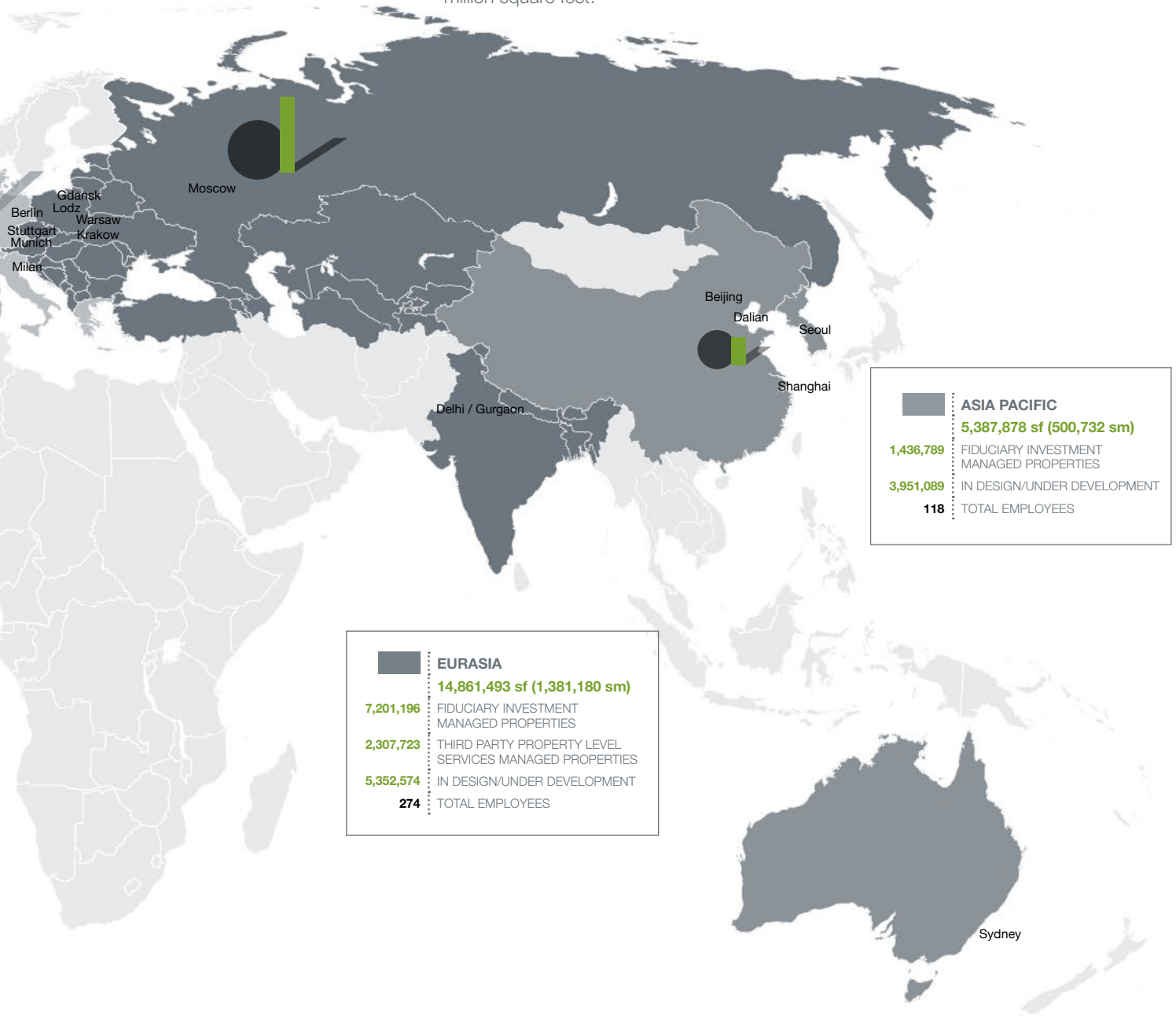
● EMPLOYEES
■ PROPERTIES

All areas reported in square feet unless otherwise noted
(1 sm = 10.76 sf)

2014

With a presence in 185 cities around the globe, the Hines portfolio consists of more than 339 million square feet of real estate developed, redeveloped or acquired in 1,077 projects globally, with another 104 projects totaling 49.5 million square feet currently in design or under development. The firm's property management portfolio includes 511 properties totaling over 176 million square feet.

Hines has offices in 19 countries, with regional offices in Atlanta, Chicago, Houston (headquarters), London, New York and San Francisco. Currently, Hines has \$84.9 billion of assets under management.⁷



Company Profile

2014 YEAR-END SNAPSHOT

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Hines was founded by Gerald D. Hines in 1957 as a sole proprietorship. The firm is now Hines Interests Limited Partnership (HILP), 100 percent owned by Gerald D. Hines and Jeffrey C. Hines. Other members of the firm, including officers, may purchase equity shares in the investments for which they are responsible or on which they work. In addition to HILP, the organizational structure has affiliates to enhance Hines' risk management, succession planning, financing and tax planning. Generally speaking, HILP and its affiliates are referred to as "Hines."

Core Competencies

Hines was primarily a developer and owner of core U.S. office properties up until the 1980s. In the late 1980s and early 1990s, the company proactively expanded the firm's core competencies to include acquisitions of existing properties, international development and real estate investment management services.

Investment Management

Since 1991, Hines has sponsored 48 investment vehicles with over \$26 billion in equity for global acquisition and

development. In addition, \$10 billion of partner capital has been committed to one-off investments. Hines has also closed approximately 300 acquisitions since 1992 totaling more than 116 million square feet and more than \$28 billion in value.

Development

Since its founding in 1957, Hines has developed, or currently has under development, more than 164 million square feet of office space and more than 108 million square feet of non-office space. The firm came to prominence as a developer of landmark office buildings in major cities across the U.S., revolutionizing the industry by introducing signature architecture for multi-tenant office buildings, and setting higher standards for all aspects of building design, operations and management. Today, the firm's development competencies include office, multifamily, retail, warehouse, sports and cultural facilities and large mixed-use projects.

Property Management

Hines has managed properties since its inception, establishing operational excellence as a core value. While the firm operates a majority of the properties in

which it has an ownership stake, some properties—particularly those in Europe—are managed by third parties. In those cases, standards for service, quality and sustainability performance are prescribed in management agreements. Additionally, Hines provides third-party management services for properties owned by others. Today, the firm manages more than 176 million square feet.

2014 Highlights

- Hines established an office in Athens, Greece, allowing expansion for investment opportunities in Greece.
- Hines Securities achieved a milestone by raising more than \$5 billion of capital since beginning in 2003.

Memberships and Affiliations

Hines has long been a leader in sustainable design and in promoting sustainability programs around the world. The firm partners with multiple institutions to identify best operating practices and cutting-edge technologies in order to stay in the forefront of building operations, including:

COMPANY EVOLUTION

1957 Gerald D. Hines opens a one-man office near downtown Houston	1967 98 completed developments and acquisitions 35 employees	1977 208 completed developments and acquisitions 180 employees	1987 376 completed developments and acquisitions 921 employees	1997 458 completed developments and acquisitions 2,700 employees
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SIGNIFICANT SUSTAINABILITY ACHIEVEMENTS

1961 Gerald Hines addresses the Houston Chapter of ASHRAE and advises that developers must provide high-quality architecture and engineering to the public they serve with a responsibility to the future	1978 Hines engineering begins firm-wide energy tracking and energy management focus	1997 The University of Houston names its School of Architecture in honor of Gerald Hines	1999 28 Hines buildings receive the ENERGY STAR label in the rating system's first year of existence	2001 The EPA names Hines an ENERGY STAR Partner of the Year	2002 Gerald Hines is awarded the ULI J.C. Nichols Prize for Visionaries in Urban Development and uses his honorarium to fund a portion of the ULI/Gerald D. Hines Student Urban Design Competition
	1992 Hines develops its own indoor air guidelines	1998 Hines joins USGBC to guide and grow the global market for high-performance buildings	2000 Hines collaborates with William McDonough to develop a sustainable benchmarking tool for commercial buildings	2001 The 30-year collaboration between Gerald Hines and architect Philip Johnson is celebrated at the Guggenheim Museum	
	1996 Hines develops Owens Corning World Headquarters in Ohio using the first application of raised-floor technology in North America				

ENERGY STAR®

The U.S. Environmental Protection Agency's (EPA) ENERGY STAR program is the leading energy benchmarking and tracking system in the United States for the commercial real estate sector. ENERGY STAR was introduced by the EPA in 1992 as a voluntary, market-based partnership to reduce greenhouse gas emissions and other pollutants associated with energy use. The ENERGY STAR label extended to office buildings that perform in the top 25 percent of the market in 1999.

Urban Land Institute

The Urban Land Institute (ULI) is a nonprofit education and research institute to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Several Hines leaders have helped shape ULI's sustainability programs, and the ULI/ Gerald D. Hines Student Urban Design Competition is in its 12th year.

ULI Greenprint Center for Building Performance

Hines is a founding member of the ULI Greenprint Center for Building Performance (formerly Greenprint Foundation), a worldwide alliance of real estate owners and investors committed to reducing carbon emissions in the

commercial building sector. In 2014, Hines increased the number of properties submitted to Greenprint for benchmarking to 52 properties.

U.S. Green Building Council

The Washington, D.C.-based U.S. Green Building Council (USGBC) is committed to a prosperous and sustainable future through cost-efficient and energy-saving green buildings. It created the Leadership in Energy and Environmental Design (LEED) certification program.

International Organizations

Internationally, Hines has been involved with 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 BRE Environmental Assessment Method (BREEAM) program and the Haute Qualité Environnementale (HQE) program.

Sustainability Awards Received in 2014

- Hines was recognized by the EPA with the 2014 ENERGY STAR Partner of the Year—Sustained Excellence Award in recognition of continued leadership in protecting the environment through

energy efficiency. This is the tenth time Hines has been recognized and the seventh time the firm has received the Sustained Excellence Award.

- Gerald Hines was awarded the Cornerstone Award at the Texas Society of Architects 75th Annual Convention Gala, the highest honor for a non-architect, for his outstanding contributions that enhance the quality of life and communities by elevating architecture and the arts.
- Scenic America, a national nonprofit that promotes the protection and preservation of America's communities and countryside, awarded Gerald Hines with the International Scenic Visionary Award. The award is given for a lifetime of sustainable developments around the world, which promote energy efficiency while contributing to the beauty of the skylines they inhabit.
- Hines received top honors in *National Real Estate Investor's* ranking of 2014 Top Office Developers out of 23 real estate companies ranked.

2007 803 completed developments and acquisitions
\$22.9 billion in controlled assets under management
\$17.2 billion in third-party assets under management
3,550 employees

2012 985 completed developments and acquisitions
\$24.3 billion in controlled assets under management
\$16.5 billion in third-party assets under management
3,300 employees

2013 1,029 completed developments and acquisitions
\$28.2 billion in controlled assets under management
\$22.0 billion in third-party assets under management
3,400 employees

2014 1,077 completed developments and acquisitions
\$42.7 billion in fiduciary investment management assets under management⁸
\$42.2 billion in third-party property-level services assets under management⁹
3,450 employees

2004 Hines becomes the first real estate firm to win ENERGY STAR's Sustained Excellence Award

2005 The Hines-developed 1180 Peachtree Tower is the first high-rise office building in the world to be pre-certified Silver in the LEED Core & Shell rating system

2006 The Hines-developed mixed-use project Porta Nuova is the first in Italy to adopt the LEED standard, and the office towers are pre-certified Gold in the LEED Core & Shell rating system

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

2008 Gerald Hines receives the first-ever Visionary Leadership in Real Estate Development Award from the Harvard Graduate School of Design

2009 Hines unveils HinesGO (GREEN OFFICE) for Tenants program

2011 Hines appoints a Global Sustainability Officer

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

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

2013 Hines opens its first net-zero energy office building

2014 Hines receives the ENERGY STAR Sustained Excellence Award for the eighth time

Our 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.

We will continually strive to be the industry leader in sustainability and the premier real estate company in the world.

Hines is committed to keeping its stakeholders informed on an annual basis about the firm's sustainability efforts and performance worldwide. We invite your feedback, questions and suggestions to help us continue improving our sustainability performance and reporting.

sustainability@hines.com

Hines Executive Leadership

Gerald D. Hines

Founder and Chairman

Jeffrey C. Hines

President and Chief Executive Officer

C. Hastings (Hasty) Johnson

Vice Chairman and Chief Investment Officer

Charles M. Baughn

Chief Financial Officer

Thomas D. Owens

*Senior Managing Director
and Chief Risk Officer, Investments*

Christopher D. Hughes

*CEO – Capital Markets Group
and East Region*

Colin P. Shepherd

CEO – Investment Management

James C. Buie, Jr.

*CEO – West Region, Asia Pacific
and Australia*

Mark A. Cover

*CEO – Southwest Region and
Mexico/Central America*

C. Kevin Shannahan

*CEO – Midwest & Southeast Regions,
Canada and South America*

S. Lee Timmins

CEO – Eurasia Region

Michael J.G. Topham

*CEO – Europe/Middle East Region
including North Africa*

Endnotes

1. The 2014 Training Highlights reflect only courses offered by Central Administration.
2. 80 international employees have not declared gender.
3. ENERGY STAR numbers are from the firm's 2015 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.
4. Energy intensity data represents approximately 81.8 million square feet of predominately office space in Hines' U.S. and international locations. Only properties with reliable complete building data (base building and tenant) have been included. This information is being presented in comparison to the U.S. EPA's ENERGY STAR mean site energy, which is based on the U.S. Department of Energy's most recently published Commercial Building Energy Consumption Survey (CBECS).
5. Water intensity data represents approximately 77.0 million square feet of office space in Hines' U.S. locations. Only properties with reliable complete building data (base building and tenant) have been included.
6. Recycling and waste data represents approximately 65.9 million square feet of predominately office space in Hines' U.S. and international locations.
7. Includes \$42.70 billion in assets that Hines manages as a fiduciary, and \$42.20 billion for which Hines provides third-party property-level services.
8. As of 31 December 2014, Hines has adjusted its Assets Under Management (AUM) calculation methodology to define "Investment Management AUM" as inclusive of all assets where Hines serves in an investment management role as a fiduciary, regardless of equity participation. Additionally, as of 31 December 2014, projects under development are reported at total budgeted cost rather than costs incurred to date.
9. Hines "Property-Level Services AUM" includes properties for which Hines provides property or development management services. Properties for which Hines provides third-party development management services were not reported under the previous methodology.

Hines

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