



FUTURE PROOF

SUSTAINABILITY 5.0
SUMMARY

Hines

FUTURE PROOF



Five years ago, we published our first Sustainability Report.

Our objective was to report our environmental, social and governance practices so that we could reinforce with our stakeholders the importance of sustainability at Hines. We also knew that if we regularly completed a comprehensive report, not only would it celebrate our accomplishments, but it would also identify those areas that needed further attention and inspire us to constantly strive for better.

Looking back, we are encouraged by what we have accomplished. We appointed a Global Sustainability Officer in 2011, who guides and advises employees, and acts as lead ambassador of sustainability for Hines. We have tracked energy, water and waste metrics. We have set new goals annually in each area of our real estate practice. We have highlighted innovative projects, such as our T3 creative office buildings in Minneapolis, MN and Atlanta, GA. We have engaged leaders across our organization as well as industry peers in the conversation about “what’s next in sustainability for the built environment.” And we work to integrate the fundamentals of sustainability into our core business practices at Hines.

While we will continue to report on the events and accomplishments of the past year in accordance with the Global Reporting Initiative reporting framework, we are also looking ahead on behalf of our investors, tenants and partners to anticipate the changes affecting our

environment and our economy, the health of our cities and our organization, and the design and management of our properties around the world. This helps us to adapt and grow in the face of the unforeseen. As a private company with a stable ownership of nearly 60 years, we can think, plan and act for the long term. This long-term mindset allows us to withstand short-term pressures and anticipate future market opportunities. This is ever more important as we encounter escalating shifts in demographics, technology, geopolitical issues, social attitudes and norms, and other realities that present risks and opportunities in our business of global real estate. It is up to us to turn the inevitable changes that lie ahead into positive change for everyone we serve.

We hope you will engage with us in the conversation around the ideas presented in this summary report, will be inspired to look at our full report at hinessustainability.com, and will work with us to go beyond sustaining what we know today to attaining a resilience that might help enhance our social, environmental and organizational vibrancy in the future. Our vision at Hines is to be the best real estate investor, partner and manager in the world. We can accomplish this only by being ready for the future, before it arrives.

Jeffrey C. Hines
President
Chief Executive Officer

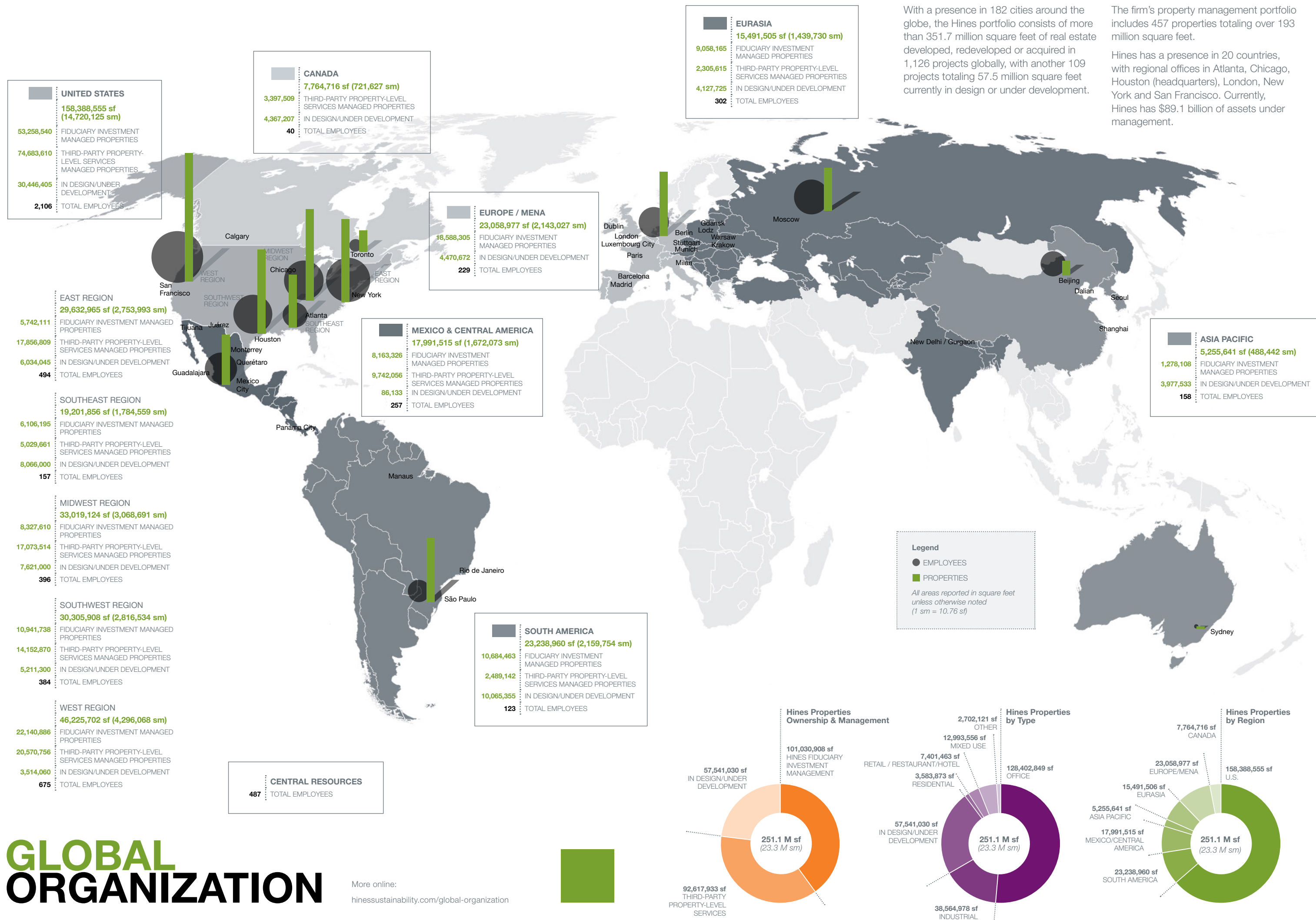
Our Vision at Hines is to be the best real estate investor, partner and manager in the world.



WHILE WE CANNOT PREDICT
THE FUTURE PRECISELY,
WE CAN ANTICIPATE
AND PLAN FOR IT BY
DEVELOPING STRATEGIES
AND METHODOLOGIES TO
INCREASE OUR RESILIENCE,
RELEVANCE AND LONGEVITY
AS WE NAVIGATE
THE CHANGES AHEAD.

GLOBAL ORGANIZATION

More online:
hinessustainability.com/global-organization





NUMBER OF HINES INVESTMENT FUNDS/PROGRAMS SPONSORED SINCE 1991	INSTITUTIONAL INVESTOR CLIENTS/ PARTNERS	HIGH-NET-WORTH INVESTORS	RETAIL INVESTORS	NUMBER OF COUNTRIES REPRESENTED BY INVESTORS
51	185+	600+	120K+	27

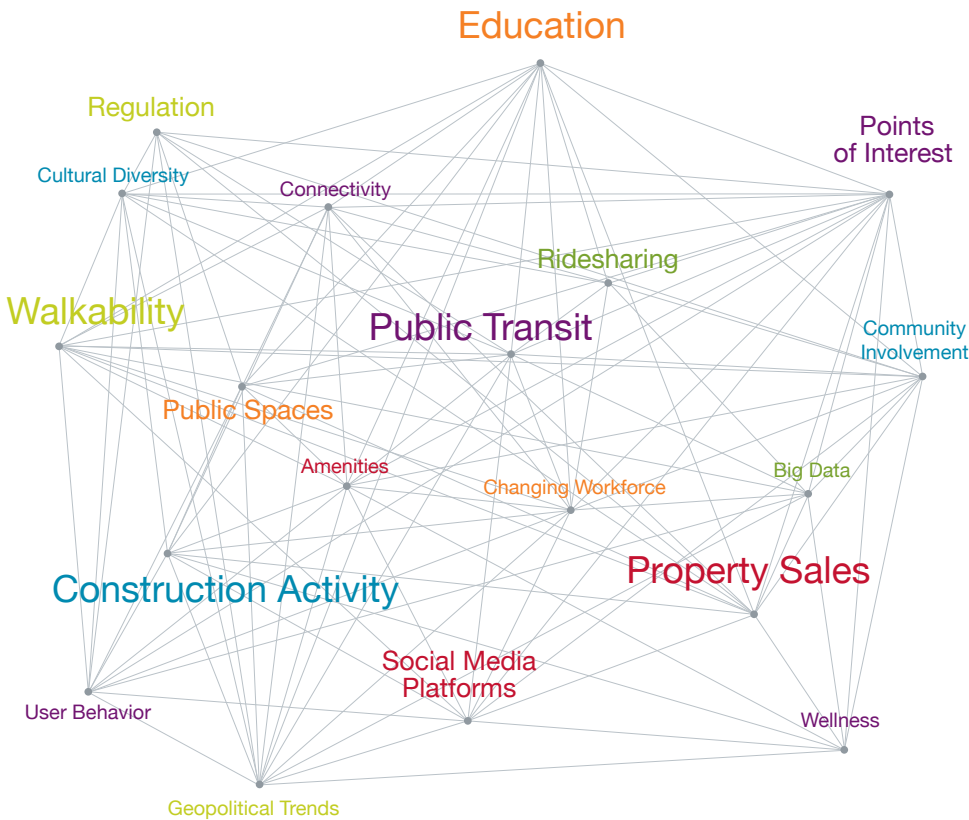
Discerning Big Data

The growing proliferation of micro-locational and asset-specific data in all aspects of real estate is transforming our ability to analyze both individual transactions and broader strategies. This increasingly available data includes property sales and price data, individual tenant exposure and aggregate industry concentration within particular geographies, locational attributes like walking distance to transit or grocery stores, construction activity, user behaviors and preferences, and other specific information at the individual property level.

In addition, with nearly 30 years of industry real estate data now easily accessible across a wide swath of markets and cycles, time series analysis has also become increasingly valuable. Hines Research seeks to apply these new data sources through proprietary models that help to identify investments that meet our investors' objectives, reduce risk and enhance returns. The data helps to answer questions such as: what is the office rental premium for adjacency to a park in Manhattan, how do capital expenditures differ across property types and markets, how much price growth and time are left in the current cycle, and what can we expect in an ensuing correction. As a part of the Hines Office of Investments and as a voting member of the Investment Committee, Hines Research is integrated into all aspects of the Hines' investment management business.

Business Technology Group

The Business Technology Group finds ways to use technology to help Hines attain "best investor" status. This group works to create a common framework on which to build a robust investment management platform, and it is a conduit for the consideration of all new systems, analytical tools, and business processes for our investment management and property management activities.



Big Data in Real Estate Investment

Real estate is transforming through access and analysis to big data and software, incorporating a variety of interconnected aspects that inform investment strategies.



HINES PERFORMS TO
THE HIGHEST ETHICAL
STANDARDS AND
GOVERNANCE

Managing Risk with Resilience

Resilience is the ability of a building, city or organization to recover from adverse events. From a real estate investor's perspective, resilience allows properties to preserve capital value and generate income. A property's or city's resilience informs our investment strategies and decisions at Hines.

As the climate changes, regulatory frameworks advance and social issues evolve, our fiduciary responsibility assures that we are providing investment products and services that meet our clients' and investors' objectives. The firm has created sustainability, resilience and responsible investment considerations. We implement this framework on a project-by-project basis in line with ownership objectives, which, coupled with our local market knowledge and research, strives to deliver value to our stakeholders and superior returns for our investors, clients and partners.

We can achieve our vision of being the best investor in the world by managing our risks and being in a position to quickly adapt to changing global economic and geopolitical trends impacting our investments across the 20 countries in which Hines has a presence.

Investment Strategy Group

The Investment Strategy Group was formed in 2015 to proactively guide and coordinate new strategic ideas across regions, Capital Markets, Investment Management and Research. This group helps to screen new ideas that address a changing market and works to future proof the firm's investment platform.

RESEARCH
& FORECASTING

More online:
hinessustainability.com/research

More online:
hinessustainability.com/responsible-investment

RESPONSIBLE
INVESTMENT

New Sustainability Certifications in 2015

- LEED® Silver
- LEED Gold
- LEED Platinum
- BREEAM
- Indian Green Building Council (IGBC) Platinum
- DGNB & HQE

Building for the Future

To develop properties with enduring value, buildings must respond to the requirements of a changing workforce. Dynamic downtowns are revitalizing the urban core, and technologies are transforming how we live and work.

The Hines 2025 Working Group established a framework to consider how these trends could shape the design and development of buildings a decade from now, in 2025. Livability is being redefined as wellness and community building is a priority. Workers are prioritizing access and services over ownership, and driving the focus away from private offices toward collaborative space and meaningful experiences. New building materials offer greater flexibility in design and make it easier to introduce interior stairs and provide daylight and natural ventilation. The end result will be a continuation of our tradition at Hines of developing state-of-the-art workplaces for tenants and providing long-term value for our clients and partners.

Growing public awareness of health, wellness and productivity is a significant theme for many of our tenants. We continue to investigate, pilot and scale technologies and best practices that address wellness, such as advanced air purification systems and progressive lighting systems. At Fuse, a multifamily development in Cambridge, Massachusetts, and at two office projects in Europe, we are also piloting WELL certification, a complementary building certification to LEED, centered on wellness.

T3

Hines is pioneering a new idea in office design called T3, which addresses how we reframe the present to meet the needs of tomorrow. This development combines technology, easy transit access and sustainably sourced timber to aid in the densification of the workplace, and the recruitment and retention of high-quality talent.

- 1

425 Lexington, New York, NY
- 2

Isola Building B1, Milan, Italy
- 3

Americas Data Center, Somerset, NJ
- 4

One Renaissance Square, Phoenix, AZ
- 5

Two Renaissance Square, Phoenix, AZ
- 6

Procopio Tower at 525 B Street, San Diego, CA
- 7

Isola Building B2 / B3, Milan, Italy
- 8

Bosco Verticale, Milan, Italy
- 9

800 Fifth Avenue, Seattle, WA
- 10

300 Capitol Mall, Sacramento, CA
- 11

Eighth Avenue Place — West Tower, Calgary, Alberta, Canada
- 12

717 Texas, Houston, TX
- 13

Proximo, Warsaw, Poland — Very Good rating
- 14

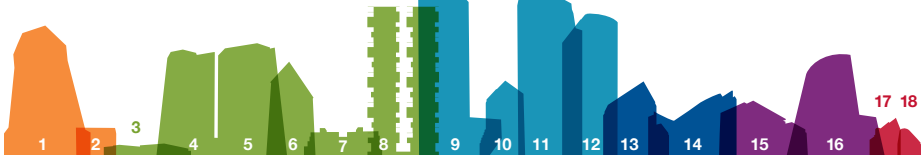
New City Office Complex, Warsaw, Poland — Excellent rating
- 15

Skyview Corporate Park, Gurgaon, India
- 16

One Horizon Center, Gurgaon, India
- 17

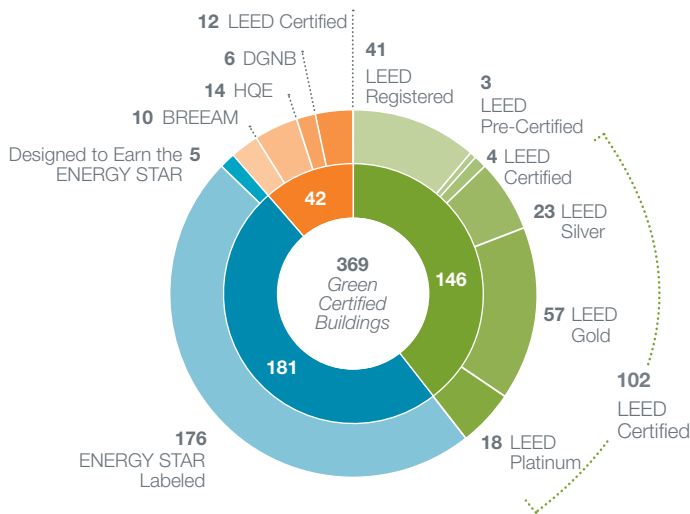
Marienbogen, Frankfurt, Germany
- 18

Eurosquare 1, Saint-Ouen, Paris, France



Green Certified Buildings

- U.S. LEED
- U.S. ENERGY STAR®
- International

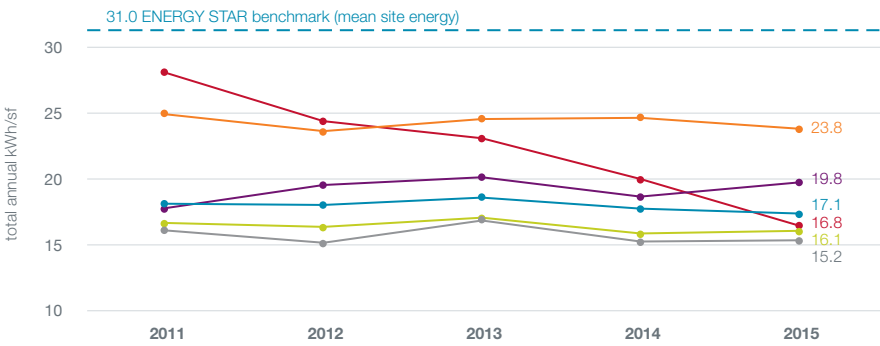


SUSTAINABLE DEVELOPMENT

More online:
hinessustainability.com/sustainable-development

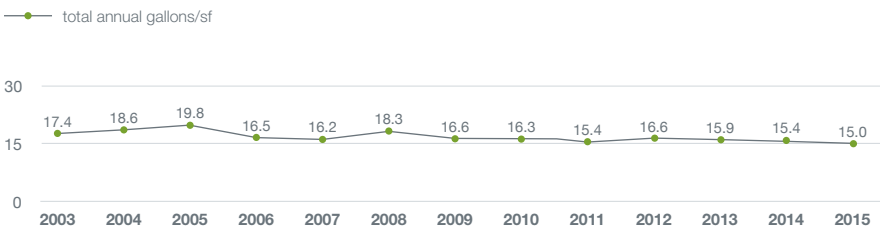
2015 Building Energy Intensity by Region

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



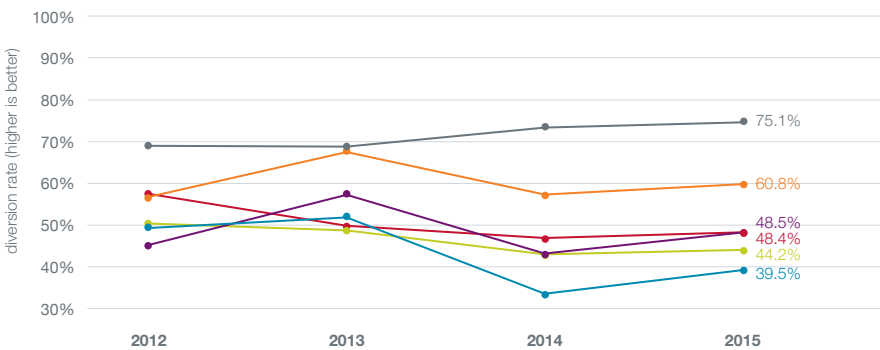
U.S. Building Water Intensity 2003–2015

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



2015 Solid Waste Diversion

The solid waste diversion rate is the amount of recycled waste as a percent of total solid waste for properties across our regions. The goal is to increase the amount of waste diverted from landfills and raise the percentage diversion rate.



Tracking Building Performance

Using the Energy Control and Optimization System (ECOS), a proprietary environmental tracking tool, Hines tracks energy consumption, water consumption and costs, as well as waste and recycling.

More online:
hinessustainability.com/property-and-facility-management-and-engineering

- U.S. West
- U.S. Southwest
- U.S. Midwest
- U.S. East
- U.S. Southeast
- International

Anticipating Tenant Needs

Technology is impacting how our tenants do business and communicate, linking floors and corridors to encourage interaction, and creating flexibility around where and when people do their work. To support their goals, Hines collaborates with each tenant to provide efficient, flexible and amenitized workplaces together with high-quality service.

Hines property management aims to provide the highest quality service to our tenants across all property types and geographies. We collaborate with tenants through one-on-one meetings, surveys, Hines GREEN OFFICE and other engagement programs to create work spaces that complement our tenants' objectives. Our third-party clients across a diverse range of industries, including technology and finance, receive customized services that meet their unique needs and desires, such as renewable energy programs.

Hines' engineering teams maintain their focus on maximizing building performance, reducing the cost of operations, maintaining the comfort of occupants and fostering productivity. Our engineers continue to innovate with new building technologies and systems to best serve the workspace of the future.

Anticipating what's next for our tenants and delivering the superior level of service and experience they expect are integral to our values at Hines. In the 2015 Tenant Satisfaction Survey, conducted by an independent consulting firm, 95 percent of responding tenants noted they are satisfied with Hines property management and 93 percent were satisfied with maintenance and engineering — well above the industry standard.

PROPERTY & FACILITY MANAGEMENT & ENGINEERING

Fostering an Inclusive Culture

Employees are the company's most valuable asset, and we are committed to attracting and retaining exceptional and diverse talent. The newest generation of worker, Millennials, is expected to account for 55 percent of the global workforce by 2025. Millennials like engaging with a firm's vision, collaborating on projects, having walkability and transit access to work and amenities, and using technology to flexibly blend living and working. Our goal is to create a working environment and culture in which our current and future employees can thrive, and create a healthy balance between their work and personal lives.

The firm's recruiters engage with best-in-class talent through university recruiting, social media platforms and networking. Hines is dedicated to the continual improvement of our employees, and provides them with the tools and resources to do so. Web-based courses in myLearning, intensive workshops led by senior members of the firm, annual convenings and personal development programs are part of an integrated curriculum that establishes a high standard of career development and leadership experience. Managers also play a critical role in employee engagement and development, offering feedback and coaching through annual performance reviews, ongoing communication and opportunities for employees to learn on the job.

We encourage our employees' community interest with programs for volunteering and wellness. MyCommunity events are a staple of community engagement among many teams at Hines and bring together employees to volunteer with local charities. MyWellness encourages employees to lead healthier lives and promotes friendly competition through step challenges.

2015 ULI/Gerald D. Hines Student Urban Design Competition

A team representing the University of Maryland won the \$50,000 grand prize in the 2015 ULI Hines Student Competition for graduate students. This year's competition challenged the teams to devise a comprehensive design and development program for downtown New Orleans that would transform the area into a thriving urban neighborhood, as seen in the proposal image on the right.



CREATING A WORKING ENVIRONMENT AND CULTURE FOR OUR EMPLOYEES TO THRIVE



myCommunity Program

Hines' internal, voluntary program provides 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 2015, 154 people participated in this program with a total of 935 volunteer hours.

PEOPLE & COMMUNITIES

More online:
hinessustainability.com/people-and-communities



1. Keith Borchardt, Senior Controller

2. Rod Bustos, Engineering Manager

3. Daniel Chang, Director – Asset Management

4. David Dumigan, Director – Development

5. Nigel Frasier, Senior Engineer Portfolio Manager

6. Andrew Kitchens, Vice President – Engineering Services

7. Ian Lydon, Director – Development

8. Bruce Olson, Engineering Manager

9. Santos Peña, General Engineering Manager
10. David Pete, General Property Manager

11. Rodger Rose, Senior Engineering Manager

12. Warren Stahl, Engineering Manager

13. Donna Steadman, Director – IT Help Desk

14. Timothy Thibert, Senior Engineer

15. Mary Thomas, Construction Manager, LEED AP, BD+C

16. Michiel Vogelpoel, Vice President – Construction

17. Marie Worsham, General Property Manager

Hines employees around the globe are champions of sustainability, from engineering to property management and within Hines offices. Read about their efforts at hinessustainability.com/people-and-communities.

The Hines Sustainability Report

is meant to reflect the values and culture of Hines. It reveals who we are and our aspirations. It is intended to give those who read it a view into our company, what we do well, and where we need to grow.

With our fifth report, we wanted to reach the broadest audience possible. To that end, we have produced this year's report in three different formats. Our full, GRI-compliant report is online at www.hinessustainability.com. We have made the site responsive to mobile devices in order to make the reporting more easily available to all of our stakeholders around the world. We have also published two print editions: *Hines Sustainability 5.0 Summary* and *Hines Sustainability 5.0 Highlights*.

The *5.0 Highlights* is being distributed to all 3,700 Hines employees worldwide as a way to further unify and reinforce the Hines message about the importance of sustainability and resilience to our organization, and engage everyone at Hines to help us reach our goals. The *5.0 Summary* provides a more in-depth look at our programs and initiatives, and invites readers to take an even deeper dive into the full online report.

This year, we have added a chapter to our report entitled Research & Forecasting, which highlights the sound analysis and research that serves as the foundation for our investment strategies and sustainability activities. It helps us to understand the

trends that affect our industry so that we can better anticipate and plan for the changes that lie ahead.

Advances in technology and the availability of more reliable data is surely changing our industry at a quicker pace. The research from the Hines 2025 Working Group is leading us to some important breakthroughs in construction materials, technologies and operations to create the building of the future.

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: research & forecasting, responsible investment, sustainable project development, property & facility management and engineering, employee development and relations with the communities in which we live and work.

We hope that you will take some time to read about our sustainability objectives and achievements at Hines over the past year. Engagement with our stakeholders is critical to our improvement as we navigate forward. We welcome your comments and suggestions as we work together to anticipate and plan for a resilient future.

Gary M. Holtzer

Senior Managing Director
Global Sustainability Officer