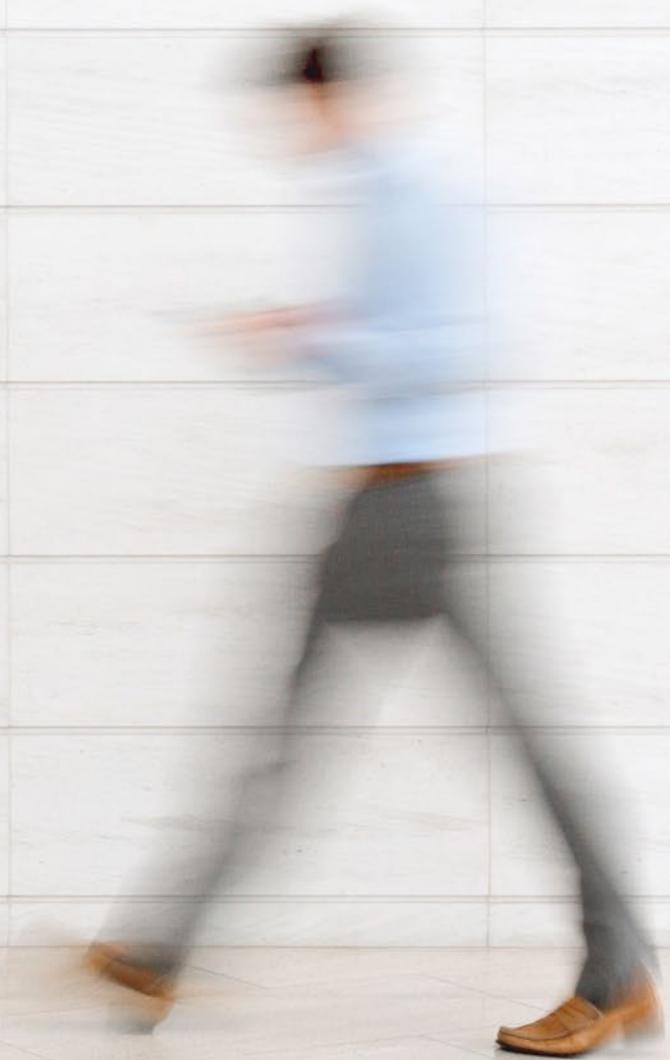


adaptability

Sustainability Report 7.0



Hines

I HAVE NEVER BELIEVED IN STATUS QUO. I BELIEVE WE CAN ALWAYS IMPROVE—EITHER BY RETHINKING EXISTING WAYS OF DOING THINGS OR BY THINKING OUTSIDE THE BOX. THIS IS INNOVATION. IT'S A STATE OF MIND.

Gerald D. Hines
Founder and Chairman

In 2017, Hines celebrated its 60th anniversary, continuing dad's legacy of successful partnerships in innovative and sustainable real estate investments. As a firm, it is not in our nature to stand still. Successful companies are never static, and being a leader means staying nimble, sharing ideas, and adapting to change.

It also means recognizing that real estate is not the same as it was 60, 50, or even five years ago. Our industry has changed more in the last five years than it did in the entire 25 years preceding that.

In a time of on-demand and digital disruption, the way people live and work is changing rapidly. Peers and competitors that didn't exist 10 years ago now carry substantial influence. As a result, we are adapting as an organization to better respond to market needs, global investment opportunities and evolving employee preferences.

This report details ways that Hines is leading and adapting to such dramatic changes to accomplish our vision: to be the best real estate investor, partner and manager in the world.

In the chapter on *Strategy + Innovation*, we highlight how Hines is harnessing the power of innovation, technology and new and emerging industries to remain at the forefront of real estate and investment management. We also touch on this in the *Sustainable Development* chapter where we highlight partnerships to further understand how interior spaces affect human health and well-being and how we can design buildings that promote wellness and productivity.

One way we deliver results is through the support and service of the communities where we live and work. We are based in Houston, and are sharing a special feature on how our employees came together after Hurricane Harvey. I am humbled by my colleagues' hard work and gestures of humanity as we are all affected by natural disasters in our communities.

This report is filled with how far Hines has come, and how far we have yet to go. We'll stay open to new partnerships that move us closer to our goals. We'll also continue to adapt and reaffirm Hines' vision and guiding principles. On behalf of the more than 4,000 professionals who work for Hines, thank you for your support. You can count on us to remain committed to a sustainable, innovative future.

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Jeffrey C. Hines

President
Chief Executive Officer

Hines Ireland has officially broken ground on the 1st key phase of construction at Cherrywood in South County Dublin bit.ly/2kcU199



9:09 AM - 10 Feb 2017

Hines Launches New Student Housing Platform bit.ly/2lrxgTg



9:16 AM - 17 Feb 2017

One Horizon Center, Hines' 1st project in India, was recently named Environmentally Friendly Commercial Project of the Year by NDTV.



1:53 PM - 5 Apr 2017

Hines is proud to once again be attending the @ENERGYSTAR Partner of the Year Awards ceremony! #ENERGYSTARPOY



3:35 PM - 26 Apr 2017 from Washington, DC

Hines Announces New Mixed-Use Development in Allen, TX bit.ly/2qYnWJS



12:07 PM - 11 May 2017

Today we are excited to announce @Hines is joining the growing @WellLivingLab Alliance. bit.ly/2rXXvDS



7:39 AM - 1 Jun 2017

One Shell Plaza, managed by Hines, recently won the 2017 International TOBY Award in the Renovated category. Congratulations to the team!



1:53 PM - 10 Jul 2017

This summer, 61 employees representing every property in the Hines NY/CT portfolio gathered for a #myCommunity day to support @CityHarvest



8:40 AM - 19 Jul 2017

Hines Acquires the Allianz Campus Berlin for the Korean Investment Manager Vestas bit.ly/2ttGx2k



8:24 AM - 20 Jul 2017

For the 6th consecutive year, #Hines-managed @AtlanticStation is hosting the @bbatlantaopen, welcoming players #JohnIsner & #VenusWilliams.



2:14 PM - 26 Jul 2017

Thank you to our employees who have helped those affected by #HurricaneHarvey for your work and dedication in helping our community rebuild!



2:44 PM - 5 Sep 2017

The Master Development Team and CASS Fitness offer free exercise classes at The Parks at Walter Reed through 10/24. walterreedtomorrow.com



2:54 PM - 10 Oct 2017

Our Founder and Chairman Gerald D. Hines visits with our Hines Los Angeles team earlier this week. #Hines #LosAngeles #CRE #realestate



3:36 PM - 25 Oct 2017

Combining workplace & wellness to create more efficient & fun spaces, @IntersectIrvine recently launched a #bikeshare program w/ @zagster.



3:01 PM - 6 Nov 2017

Follow @Hines on Twitter for sustainability highlights year-round.

Congrats to Jan Hilgeman, VP-Construction in Hines' East Region, who was awarded a Barrier Breaker Award by @commobserver, honoring women in the industry at the top of their game & exhibit qualities of leadership, innovation, community involvement & environmental awareness.



11:01 AM - 13 Nov 2017

Our Hines New York Office partnered with St. Francis Food Pantries and Shelters for the First Annual Peanut Butter & Jelly Sandwich Event. Hines volunteers made, packed & distributed 2,500 PB&J sandwiches to more than 40 homeless shelters & raised \$2,600. #Hines #GivingTuesday



3:00 PM - 28 Nov 2017

As part of its global commitment to the Living/Housing sector, Hines has entered into a partnership with @tata_housing to invest \$23m toward the development of India's first wellness homes project - Serein. bit.ly/TataIndia #Hines #India #TataHousing #livinghousing

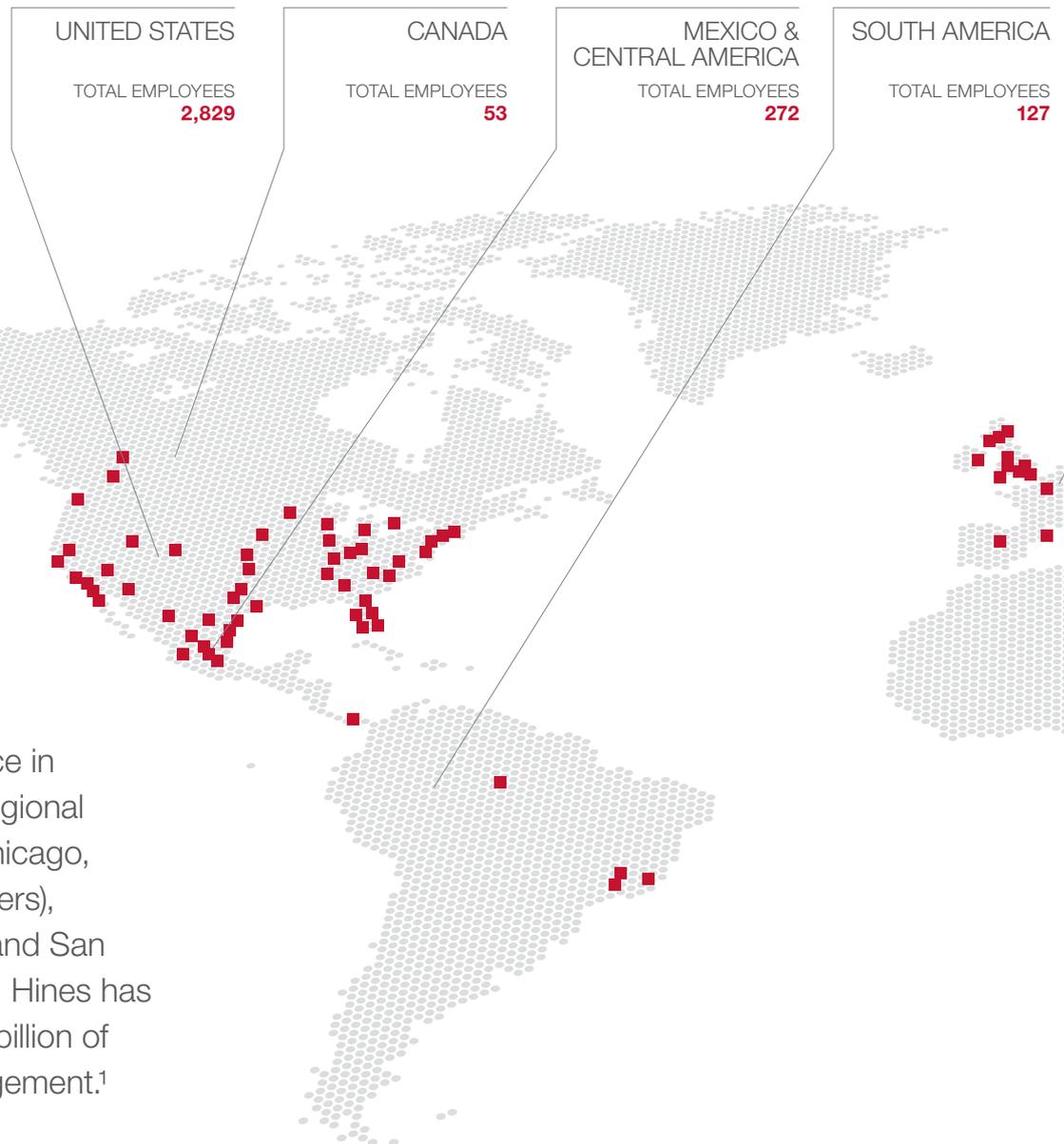


8:24 AM - 6 Dec 2017

GLOBAL ORGANIZATION

FIDUCIARY INVESTMENT MANAGED PROPERTIES	53,583,055 sf	442,442 sf	6,222,973 sf	10,663,759 sf
THIRD-PARTY PROPERTY-LEVEL SERVICES MANAGED PROPERTIES	91,263,291 sf	2,486,717 sf	10,399,277 sf	1,873,529 sf
IN DESIGN/UNDER DEVELOPMENT	17,339,787 sf	3,973,231 sf	842,897 sf	5,375,355 sf
TOTAL	162,186,133 sf (15,067,584 sm)	6,902,390 sf (641,252 sm)	17,465,147 sf (1,622,565 sm)	17,912,643 sf (1,664,139 sm)

1 SQUARE METER (SM) = 10.76 SQUARE FEET (SF).



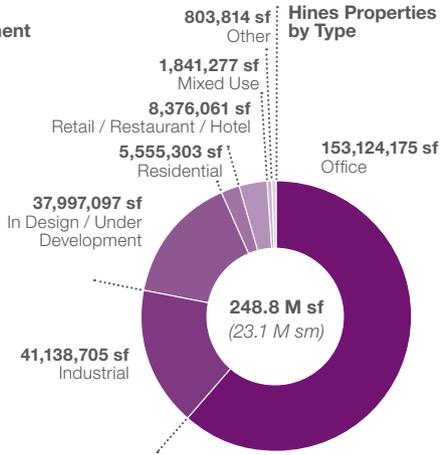
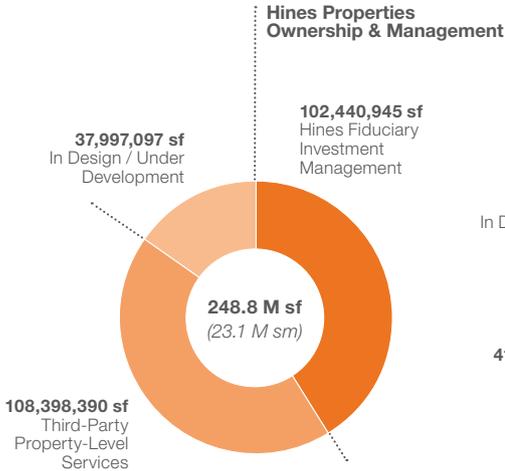
Hines has a presence in 24 countries, with regional offices in Atlanta, Chicago, Houston (headquarters), London, New York and San Francisco. Currently, Hines has approximately \$111 billion of assets under management.¹

U.S. REGIONS	CENTRAL RESOURCES ²	U.S. WEST REGION	U.S. MIDWEST REGION	U.S. SOUTHWEST REGION	U.S. EAST REGION	U.S. SOUTHEAST REGION
TOTAL EMPLOYEES	477	934	369	377	535	137
FIDUCIARY INVESTMENT MANAGED PROPERTIES		15,529,812 sf	12,435,741 sf	10,956,527 sf	11,841,370 sf	2,819,605 sf
THIRD-PARTY PROPERTY-LEVEL SERVICES MANAGED PROPERTIES		31,240,094 sf	11,824,885 sf	18,823,304 sf	24,528,094 sf	4,846,914 sf
IN DESIGN/UNDER DEVELOPMENT		3,248,232 sf	3,209,500 sf	5,071,936 sf	3,653,016 sf	2,157,103 sf
TOTAL		50,018,138 sf (4,646,836 sm)	27,470,126 sf (2,552,058 sm)	34,851,767 sf (3,237,835 sm)	40,022,480 sf (3,718,210 sm)	9,823,622 sf (912,644 sm)

19,120,798 sf	10,966,614 sf	1,441,304 sf
2,375,576 sf		
7,156,109 sf	947,161 sf	2,362,557 sf
26,276,907 sf (2,441,204 sm)	14,289,351 sf (1,327,524 sm)	3,803,861 sf (353,390 sm)

EUROPE/MENA	EURASIA	ASIA PACIFIC
TOTAL EMPLOYEES 303	TOTAL EMPLOYEES 305	TOTAL EMPLOYEES 141

With a presence in 201 cities around the globe, the Hines portfolio consists of more than 422 million square feet of real estate developed, redeveloped or acquired in 1,295 projects globally, with another 108 projects totaling 37.9 million square feet currently in design or under development. The firm's property management portfolio includes 506 properties totaling over 210 million square feet.



STRATEGY + INNOVATION

DIVERSIFYING PRODUCT TYPES AND SERVICES

Across all regions, we are growing our presence in four major product types: office, industrial/logistics, living/housing and retail. We are investing in our people and innovating in the major product types to provide our investors, partners and clients the best risk-adjusted returns and create opportunities for our growing workforce. We are continuing to evolve the market's perception from our legacy as a trophy office tower developer to a best-in-class real estate developer across all asset classes and markets.

Business Technology Group

Hines' Business Technology Group (BTG) is a conduit for the consideration of new systems, analytical tools, and business processes for the firm's investment management and property management activities. The group members coordinate with Central Operations and Engineering Services, Information Technology, the Office of Innovation and regional colleagues. The BTG identifies opportunities for needs that improve internal business functions, create efficiency and further Hines' innovation efforts.

Several pilots and successful partnerships emerged in 2017. The BTG coordinated with Hines Research and IT to enhance the firm's performance database, and is exploring frameworks to track additional information about the lifecycle of a building. BTG successfully piloted Honest Buildings, an online project management platform for capital and tenant improvement projects that has streamlined project bidding and project workflow. BTG is also exploring opportunities in artificial intelligence and robotics to automate repeatable tasks, and to create more efficient processes around lease abstracts and budgeting.

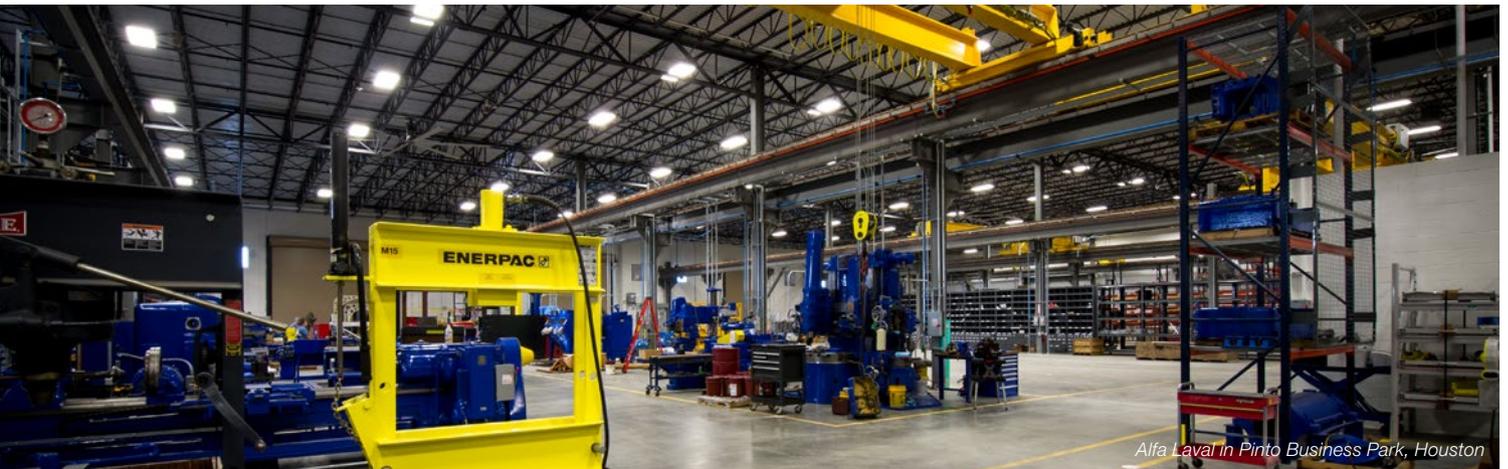


The Hines East Region office at 345 Hudson Street in New York City demonstrates our capabilities to transform an industrial space which once housed printing presses into flexible, modern office spaces.

Photo by Peter Aaron



SERVING NEW AND REEMERGING INDUSTRIES



Alfa Laval In Pinto Business Park, Houston

Hines has developed industrial/logistics projects since 1957. While e-commerce has been a factor in warehouse demand for over a decade, the rapid growth in online shopping and consumer demand for rapid delivery is changing what, where and how many warehouses and distribution centers are needed. Hines has invested in our people to create a team of industrial/logistics specialists to support our investors and clients seeking to invest in this asset class.

The shift from distributing bulk products to retailers to a model of distributing individual products directly to consumers has prompted tremendous change in

warehouse operations and requirements. To narrow the gap with brick and mortar stores, e-commerce businesses and their supporting logistics partners are accelerating their investment in last-mile warehouse spaces.

Further, sophisticated automation is becoming a feature of today's industrial buildings. It's already possible to offload goods from a truck with minimal human support. At the same time, robots equipped with sensors can now scan bar codes for inventory purposes, safely restock and pick merchandise on high shelves, and move small items quickly around the warehouse. The need for

these modern amenities has helped stimulate record industrial development throughout the U.S. and will require more redevelopment of older product in in-fill locations, as relatively few older industrial buildings are appropriate for supporting e-commerce.

Hines partners with investors, design firms and consultants to meet the new needs of warehouse tenants. In our industrial projects, we are considering sustainable design features on a project-by-project basis, including roof and site water runoff, LED lighting, and rooftop photovoltaic panels.

A Culture of Innovation

Gerald Hines instilled a culture of entrepreneurialism and innovation when the firm was founded 60-plus years ago. As real estate changes more rapidly than ever, we are adapting existing buildings, developing new products and services, and evolving our business processes to remain a leader in the industry. Hines teams work with leading architects and designers to create fresh solutions. Our new Office of Innovation is developing tools and forums for idea sharing across regions and building partnerships to incubate new ideas and technologies that move us closer to our goals, faster. We are exploring and testing third-party applications that add value for our clients

and tenants and will support more efficient reporting, AI-supported business processes, amenities enhancing occupants' well-being, and new business models.



Graphic recording of a visioning workshop to identify lobby and plaza improvement opportunities for a property, considering the evolving demands of a changing workforce and working habits.

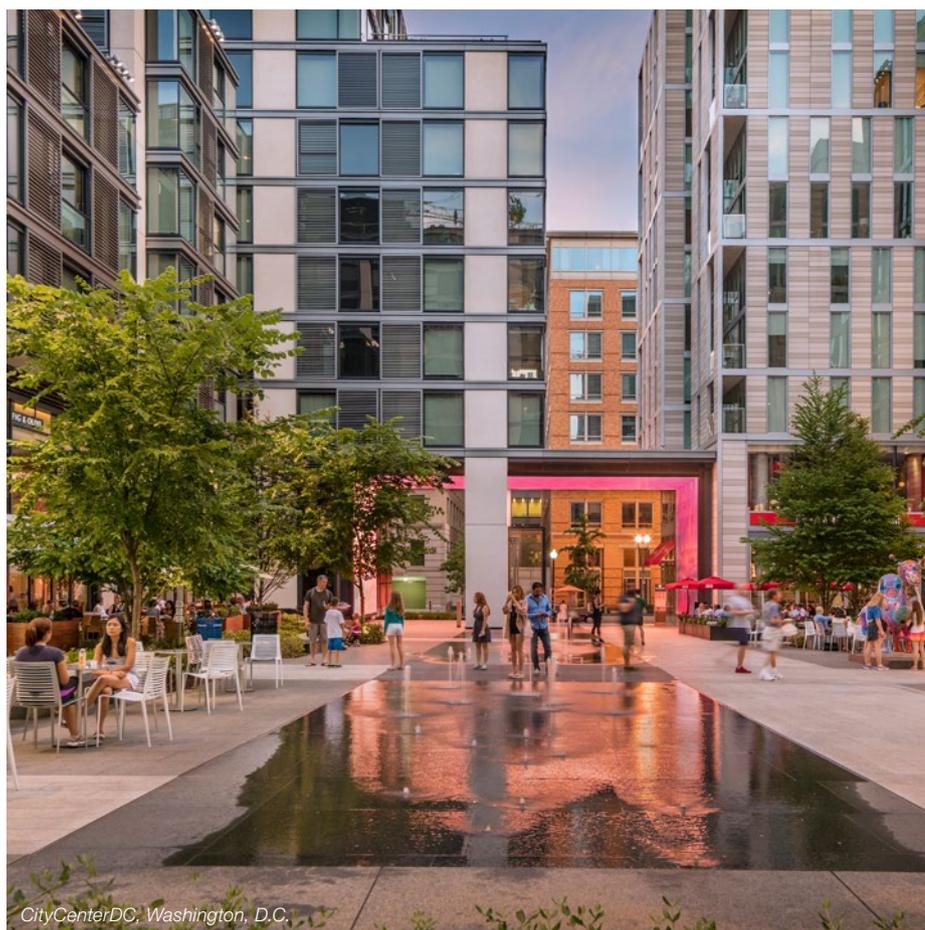
URBAN MOBILITY AND OPEN SPACE

Mobility is increasingly impacting work style, both inside and outside the building. Work now happens everywhere—desks, cafes, airplanes, gyms, etc.—and buildings must offer a variety of settings that are as connected and flexible as the employees themselves. This means offering amenities and experiences for occupants and guests that promote well-being and connection.

From electric cars to autonomous driving, alternative transit options to car sharing, transportation is changing how we think about and optimize space. Reduced parking will lead to more open space, urban parks, and additional tenant amenities that support community.

City-scaled approaches—encouraging urban density and transit-oriented mixed-use developments, reimagining dated urban infrastructure, and repurposing building stock—can significantly minimize impact to the climate and support healthier communities.

We will continue exploring city-scaled approaches and resilient communities, opportunities to optimize a building’s environmental performance, and enhance the well-being of our occupants, residents, guests and communities.



CityCenterDC, Washington, D.C.

GOALS

What We Said:

Hines will continue to expand the number of properties using the cloud-based lease-management system VTS for lease administration. Explore additional software platforms that might support construction procurement, lease abstracting and financial analysis.

What We Did:

Increased the number of properties using VTS. Now, 95 percent of all domestic and 50 percent of all possible international projects have been put on VTS. Piloted and began rolling out Honest Buildings to support our construction management teams, and continued to explore automation technologies for financial analysis and lease abstracting.

What's Next?

Hines will explore further technologies that will enhance the firm’s business processes, including automating the connection between disparate accounting and investment-software platforms. Hines will also investigate opportunities to use building apps to enhance the experience of tenants and guests.

More online:

[hinessustainability.com/
strategy-and-innovation](https://hinessustainability.com/strategy-and-innovation)

PEOPLE + COMMUNITIES

BUILDING A DIVERSE AND INCLUSIVE WORKFORCE

Hines employees reflect the firm's honesty and integrity, innovation and entrepreneurial spirit. We are growing our firm with diversity and inclusion at the forefront of our efforts to continue to attract and retain the best workforce in real estate. As the most important asset at Hines, we are committed to developing our employees, creating opportunities and enhancing their well-being.

2017 Employee Survey

According to Aon Hewitt, our survey administrator, the firm's response rate of 89 percent is 20 percent above average, indicating an engaged and responsive workforce. 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 nine percent ahead of other companies for this measure. The survey also shows that the firm excels at "Talent & Staffing" and "Brand," reinforcing our Guiding Principles. Hines also exceeded the average for Aon Hewitt's "Global Best Employer" in the categories of having an excellent reputation among its community and employees agreeing they are proud to work for Hines.

Hines also significantly outperforms other employers in the following areas:

- 83%** of employees agree that Hines is a socially and environmentally responsible organization (11% above average)
- 76%** of employees agree that Hines strongly supports learning and development (16% above average)
- 73%** of employees agree that Hines motivates them to contribute more than is normally required to complete their work (13% above average)
- 71%** of employees believe their opinions and ideas count at work (10% above average)



Construction Manager Monique Davis surveys the progress on MacArthur Commons in Oakland, California. A Hines employee since 2016, Monique is currently overseeing the construction of the 395-unit, for-rent multifamily development.



AN INTERVIEW WITH HINES' DIRECTOR OF DIVERSITY & INCLUSION

OneHines

In July 2017, Jerry Guerrero joined Hines in the new role of Director of Diversity & Inclusion.

Q What attracted you to this role at Hines?

As a native Houstonian, for decades I have been familiar with Hines, a firm recognized for striving to be the best while doing the right thing—two behaviors that are important to me. Multiple officers contributed toward bringing me on board, which signaled to me that leadership is committed to diversity and inclusion (D&I). Lastly, the opportunity to share our D&I journey, fully understanding that our efforts will impact countless stakeholders, was a unique and critical factor in my decision process.

Q What are some of your current goals and initiatives?

First is to complete the global OneHines Listening Tour across the U.S. and Europe, which is an opportunity for employees and leaders to engage in candid dialogue about D&I. Another goal is to increase awareness about inclusion across our talent lifecycle. We also plan to develop and implement a D&I foundational course that will serve as a baseline across the firm. And we will continue to develop our talent acquisition capabilities by providing additional D&I training to hiring managers.

Q How does diversity and inclusion enhance the talent acquisition process at Hines?

Increased awareness about D&I enhances our objective process to identify and select the best talent around the world. In addition, expansion of our efforts into new talent pools will ensure the identification of unique skillsets and continue to differentiate Hines across the industry.

Q What are some of Hines' recent diversity and inclusion successes?

D&I success is defined by actions which drive positive change. In 2017, because of the efforts of countless Hines employees, we celebrated much success.

- We expanded our Guiding Principles, adding a fifth in support of the OneHines mission.
- We launched our OneHines Women's Network Local Ambassadors Program across 25 geographic areas in the U.S. and Canada.
- We launched our first global OneHines Listening Tour.
- We established the WLI Hines Innovation Grants with the Urban Land Institute's Women's Leadership Initiative.
- Each Hines region assessed D&I-related opportunities and established goals during the firm's annual planning process.



Q What are some strategies that Hines is implementing to enhance diversity and inclusion at the firm?

Our strategies are centered around leadership, people, education and external partnerships, and are aligned with our diversity roadmap published in last year's sustainability report.

- a. Leadership: We continue to explore where shifts in our practices and policies can unlock greater potential for inclusion, productivity and career advancement.
- b. People: Recruiting, mentorship and career development opportunities are among the ways Hines will be able to foster diverse, experienced teams serving in a broader range of roles and functions.
- c. Education: By supporting D&I initiatives and providing channels for learning and conversations, Hines can help ensure all voices are heard.
- d. External Partnerships: With our internal and external communications, as well as our participation in industry forums and public reports, we are stating that Hines values and intends to increase diversity in our workforce and leadership.



OneHines Women's Network aims to support and enhance the experience for women at Hines and optimize the gender balance. Leaders have been tapped from functional groups across the firm to be liaisons for those in their same disciplines and locations.

TOTAL NUMBER OF EMPLOYEES

4,000

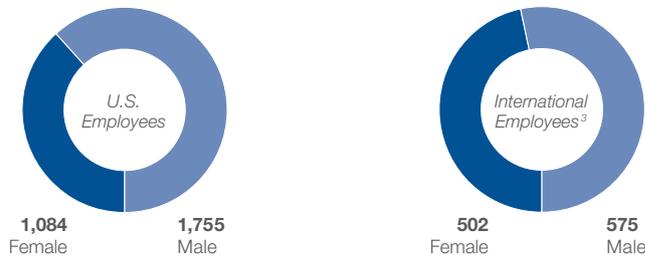
TOTAL NUMBER OF NEW EMPLOYEES IN 2017

885

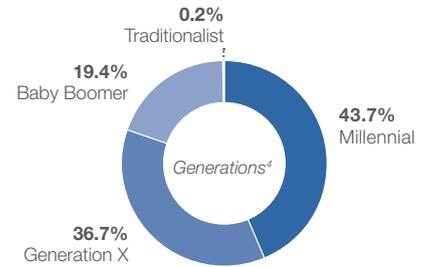
AVERAGE TENURE OF EMPLOYEES (YEARS)

7.03

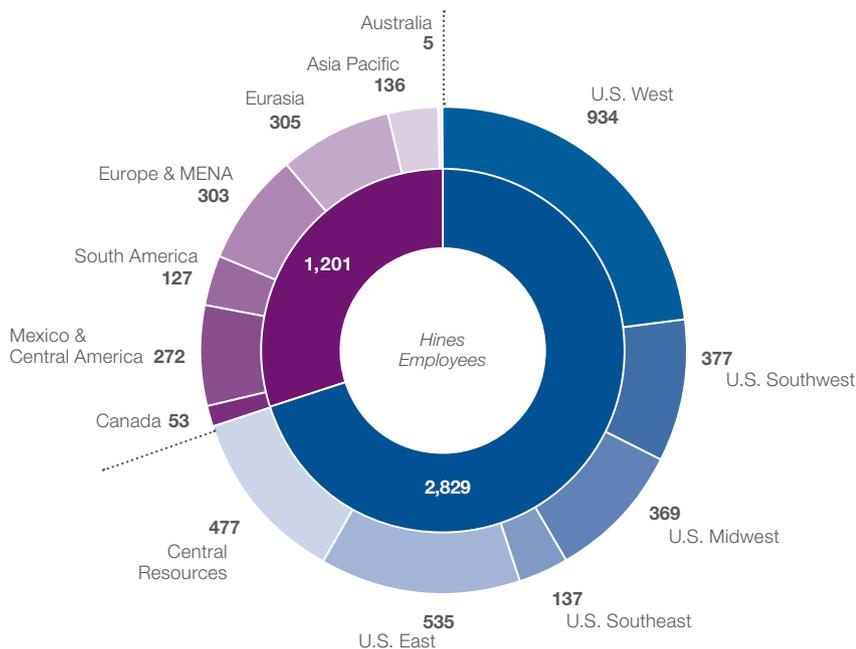
Hines Employees by Gender



Hines Employees by Generation



Hines Employees by Location



A Strong Bench of Young Leaders

Generational diversity creates communication and awareness that supports broader diversity and inclusion efforts. In 2017, the firm began strategizing a formal mentoring pilot program that will provide professional development and visibility to junior employees and improve cross-generational and cross-level communication.

Employee Tenure

Hines is an entrepreneurial organization with an excellent record of attracting, motivating and rewarding its employees, resulting in remarkable personnel stability. The 13 most senior leaders at Hines have an average tenure of 35 years, 80 senior vice presidents and senior managing directors have an average tenure of 23 years, and 211 vice presidents and managing directors have an average tenure of 15 years. Overall employee tenure is 7.03 years.

“With myWellness and Vitality I could better educate myself and learn how my lifestyle impacts my health. Using my Fitbit and taking advantage of walking programs, I lost 50 pounds in 12 months and have kept the weight off for four years!”

Andrew Cooke
Vice President,
Property Management, New York

myWellness

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.

2017 Vitality Program Results

1,502 employees completed a Vitality Health Review (VHR)

916 employees completed a Vitality Check

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.

2017 Training Highlights

240 courses conducted

4,768 course attendees

HINES SUPPORTS HURRICANE RELIEF EFFORTS IN TEXAS AND FLORIDA

Corporate responsibility includes helping when natural disasters strike. In August 2017, Hurricane Harvey devastated Houston and the Gulf Coast. The storm produced record-breaking rainfall and catastrophic flooding that left thousands displaced, including dozens of Hines employees. As floodwaters rose, volunteers (including numerous Hines employees) lent a hand in the rescue efforts.

As blood centers in Texas sought to replenish supplies, the teams at One Ravinia and Two Ravinia in Atlanta partnered with KEDPlasma USA, a tenant, to host a blood drive at the property. A total of 46 donors, double the typical amount during the annual drive, donated blood to be distributed in Texas.

The Hines teams in Chicago did not let distance stop them from contributing to those affected by Hurricane Harvey. Joining forces with other Chicago-area real estate and construction companies, Hines volunteers turned out for the Turning the Tide for Texas fundraiser, which raised more than \$1 million.

While relief efforts continued across Houston, the state of Florida was preparing for Hurricane Irma. More than a week before her landfall in South Florida, supply shortages made it difficult for those trying to prepare in advance for the storm. The Hines team at Maitland Summit in Orlando seized the opportunity by delivering 25 tons of sand, shovels and bags to help tenants make sandbags for their homes. Within two days, all 25 tons of sand had been utilized, filling over 2,500 sandbags.

These experiences are examples of the efforts by Hines' employees, and reinforce how we can draw on our strengths—our presence in the communities in which we operate, our passion and expertise, our facilities capabilities, our philanthropy and our relationships with community leaders—to provide relief in the aftermath of disaster.

In response to Hurricane Harvey, the Hines Employee Relief Fund was established. Originally created as a crowdfunding site, the philanthropic fund transitioned into a full-fledged 501(c)(3) nonprofit charity to enhance resilience in the face of disaster. All donations were generously matched by the Hines family, and funds are available for future emergency needs.

A special thanks to the Hines teams around the globe for making a difference. Through countless incredible acts of kindness and heroism, our employees demonstrated that they truly are the company's greatest asset.



\$245,000 in individual employee contributions

\$366,000 from Hines match (1.5 times match)

\$611,000 TOTAL RAISED exceeded \$500K goal

TOTAL PARTICIPANTS
IN MYCOMMUNITY
IN 2017

342

VOLUNTEER HOURS
IN 2017⁵

2,191

TOTAL PARTICIPANTS
IN MYCOMMUNITY
SINCE 2011

1,230

TOTAL VOLUNTEER
HOURS SINCE 2011

7,265

EMPLOYEE-LED PARTICIPATION IN LOCAL COMMUNITIES

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 2017, 342 people participated in this program with a total of 2,191 volunteer hours.



Hines' Southwest Region Team Rebuilds Together

For over 25 years, Hines Southwest Region employees have partnered with Rebuilding Together Houston, a Houston nonprofit agency, to provide critical home repairs, accessibility modifications and energy-efficient upgrades for homeowners in need. Every year, the region participates in the spring, and in again the fall, to repair the home of a local resident.



Hines NY Gathers for City Harvest

61 employees representing every property in the Hines New York/Connecticut portfolio gathered for their myCommunity day to support City Harvest, one of New York's primary food banks. The Hines team made its contribution by packaging over 6,000 pounds of food for the Kosher Food Rescue, a program that addresses the dietary needs of over 100,000 Jewish households facing hunger. The region's annual volunteer day is a five-year tradition.



Hines Orange County Team Completes Beach Clean-up Project

Hines employees from the Orange County area partnered with the Department of Parks and Recreation to clean up Huntington State Beach, a two-mile-long gem on the Southern California Coast. The Hines team converged on the beach to clear all sorts of refuse, including small plastic items, caps, bottles, wrappers, Styrofoam and cigarette butts. Armed with reusable trash bags, gloves and determination, the team gathered more than 50 pounds of debris.



Toronto Office Builds for Habitat for Humanity

Employees from Hines' Toronto office pitched in to add new townhomes to the city's largest Habitat for Humanity building project to date. The team provided manpower toward the building progress of a 50-unit Habitat for Humanity development in the Malvern neighborhood in Scarborough. The team spent their day setting up and hauling materials, then installing insulation on the ground floor of a complex of three-story townhomes.

GOALS

What We Said:

Hines will hire a Senior Manager to further develop, implement and manage the firm's diversity & inclusion initiatives. The OneHines Women's Network will launch a Local Ambassador program to serve as the local point of contact in supporting the Network's initiatives within each city.

What We Did:

Hired a Director of Diversity & Inclusion to execute a diversity and inclusion strategy across the firm. The OneHines Women's Network Local Ambassador program was launched with Local Ambassadors in the U.S. and Canada.

What's Next?

Hines will pilot several new concepts to further enhance our image as one of the best places to work in real estate. These include a formal mentoring program and flexible work arrangements that support the firm's principle of encouraging work/life balance. Enhancements to the performance management process will also be launched.

More online:

- Local Hiring
- Equal Employment Opportunity
- Workplace Harassment Prevention
- Whistleblower Policy
- Employee Evaluations
- Benefits
- Tobacco Cessation Program
- WageWorks Commuter Benefit
- Education Reimbursement Program
- 2017 ULI/Gerald D. Hines Student Urban Design Competition
- Philanthropy

hinessustainability.com/people-and-communities

SUSTAINABLE DEVELOPMENT

MASTERPLAN FOR MIXED-USE ON TRANSIT IN SOUTH DUBLIN

For 60 years, Hines has developed landmark properties that deliver value to our investors, enhance our communities and pioneer sustainable practices. Cherrywood Town Centre will provide an innovative urban-living experience as part of Hines' residential, commercial and retail vision for the 390-acre Cherrywood master-planned community.

Hines, in partnership with APG, a Dutch pension fund, is developing 1,221 for-rent residential units in Cherrywood Town Centre near Dublin, Ireland. The walkable, mixed-use development will also include ground-floor commercial space and underground parking to support a pedestrian friendly, urban environment.

A green, vegetated roof on the development will provide microclimates for insect, birds and other species, while optimizing thermal comfort and reducing surface water run-off from rainfall. Water consumption will be minimized through the specification of low-flow fixtures, while external landscaping will be native and adaptive to limit irrigation.

A Building Energy Rating of A3 has been targeted as a minimum for all residential units, and will go beyond compliance with the Building Regulations Act 2011, a regional energy code. Cogeneration will provide an efficient source for residential unit heating and hot water. To minimize heat loss, insulation materials will target U-values that exceed building regulation standards. Furthermore, air tightness will be ensured by minimizing air leakage through efficient design aspects, such as underfloor piping, and thermal comfort will be supported by drawing fresh air into the apartment via background ventilation. Photovoltaic panels will also supplement the energy system.



Cherrywood Town Centre will be a 538,195-square-foot, retail-led mixed-use town center with approximately 1,300 apartments, a 200-key hotel, 118,403 square feet of office space and 215,278 square feet for other uses.



PARTNERING TO DESIGN BUILDINGS THAT PROMOTE WELLNESS FOR WORK AND HOME

Hines is committed to enhancing the health and well-being of our tenants, residents, guests and employees. Many of these opportunities are new or complex, and we are collaborating with a wide range of stakeholders to think creatively to achieve this.

One example is our Founding Alliance membership with the Well Living Lab. This partnership is spearheaded by the International WELL Building Institute™ and the Mayo Clinic to explore the topic of health and wellness in the workplace and residence from a scientific approach. The Well Living Lab is testing how a variety of environmental factors—including air quality, thermal comfort, lighting, acoustics and density—affects stress, sleep and well-being.

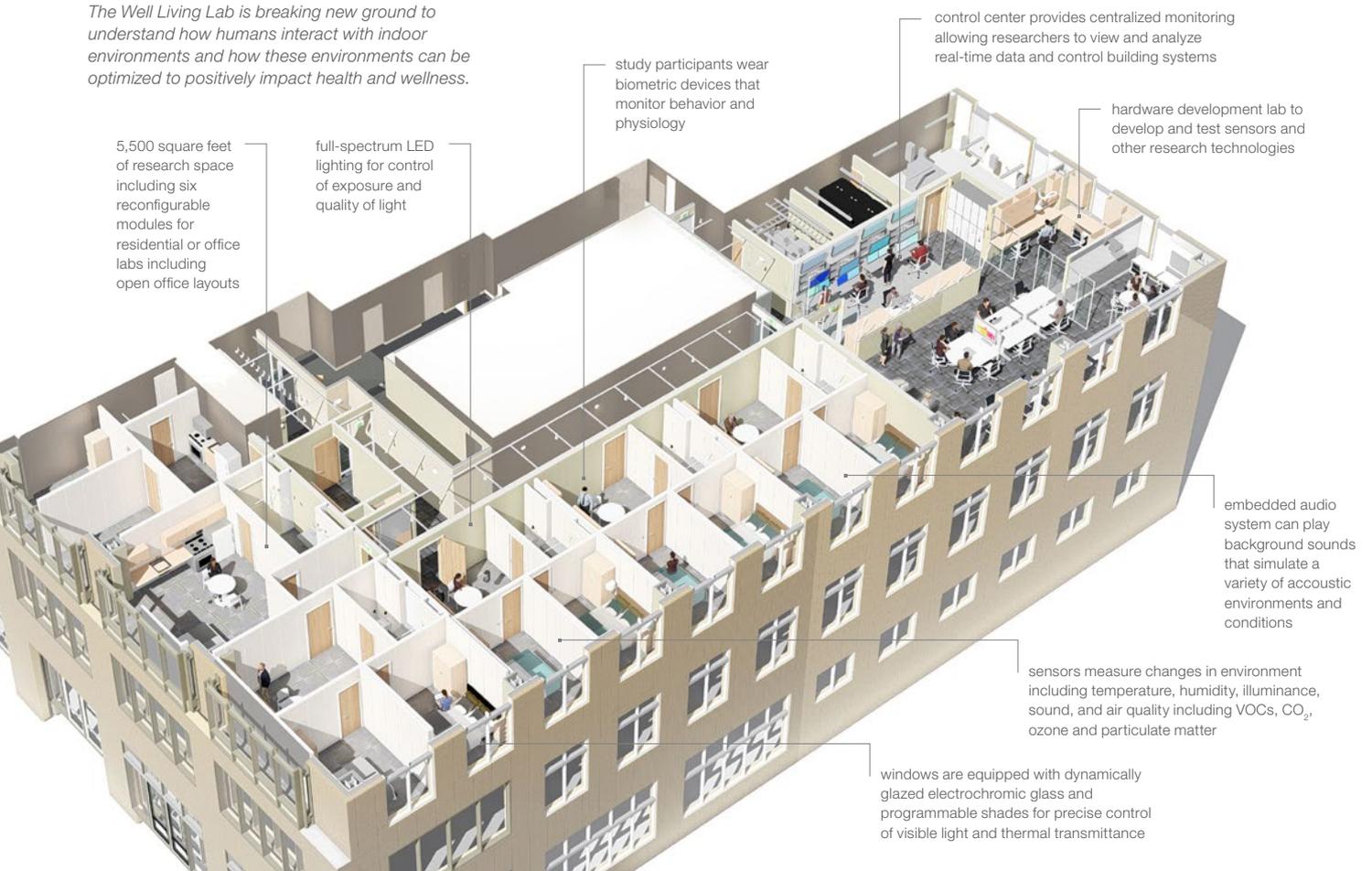
Hines' projects around the world are partnering with leading design firms and consultants to address wellness across a variety of asset classes. For instance, an office property in Europe has been redeveloped with WELL certification in mind, and installed an advanced water filtration system for its tenants and guests. A senior housing project in Manhattan will provide residents with gardens, nutritious dining, connection to the community and a wellness suite with an on-site doctor's office.

Hines will continue to partner with a variety of stakeholders to find solutions and promote wellness at work and home, develop new buildings, and adapt existing buildings with wellness in mind.



Workstation (Ex-Libris), Courbevoie, France
Hines' redevelopment of Workstation (Ex-Libris), a 442,200-square-foot office building in Courbevoie, France, is pursuing WELL certification to recognize improvements to the building that offer better daylighting, air quality, gardens and tenant amenities that support occupants' well-being.

The Well Living Lab is breaking new ground to understand how humans interact with indoor environments and how these environments can be optimized to positively impact health and wellness.



SQUARE FEET IN DESIGN OR UNDER DEVELOPMENT

37.9M+

NUMBER OF GREEN CERTIFIED BUILDINGS IN 2017

334

TOTAL NUMBER OF HINES LEED ACCREDITED PROFESSIONALS

98



Kobmagergade 29, Copenhagen, Denmark



Perspective Défense, Colombes, France



KÖ Quartier, Düsseldorf, Germany



One Ravinia Drive, Atlanta

2017 Sustainability Certifications

LEED PLATINUM

- Aercap House, Dublin
- 122 Leclerc, Paris
- 101 California, San Francisco*

LEED GOLD

- 135 S. State College (Brea Place), Brea, CA
- 145 S. State College (Brea Place), Brea, CA
- 1001 McKinney, Houston*
- 522 Fifth Avenue, New York City
- 550 Terry Francois, San Francisco
- 345 Hudson, New York City
- 131 South Dearborn, Chicago

LEED SILVER

- Fuse Cambridge, Cambridge, MA
- Carillon, Charlotte, NC*
- One Ravinia Drive, Atlanta

LEED CERTIFIED

- Two Ravinia Drive, Atlanta

BREEAM

- Kobmagergade 32, Copenhagen, Denmark
- Kobmagergade 41, Copenhagen, Denmark
- Kobmagergade 29, Copenhagen, Denmark
- Grafton Street 21-23 and 24 Duke Street, Dublin
- Creation Arcade, Dublin
- Atlas House, London
- Perspective Défense, Colombes, France
- QUADRANS - Paris 15e, Paris

DGNB

- KÖ Quartier, Düsseldorf, Germany

HQE

- 122 Leclerc, Paris
- QUADRANS - Paris 15e, Paris

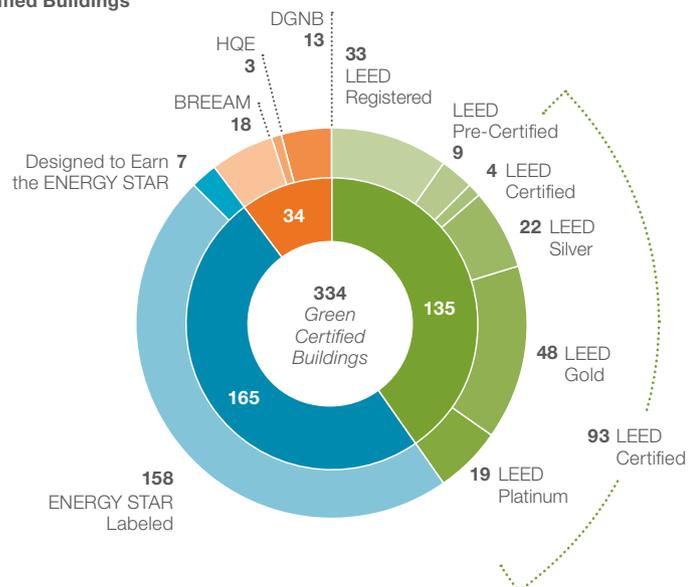
Some performance-based green building certifications, such as LEED for Operations and Maintenance (O+M), require recertification at regular intervals. Properties marked with an asterisk() above indicate recertifications obtained in 2017.*

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; DGNB, Germany; and India Green Building Council (IGBC).

■ U.S. LEED ■ U.S. ENERGY STAR ■ International

Green Certified Buildings



DYNAMIC DESIGN: 609 MAIN AT TEXAS

“This project sets a new market standard, utilizing best practices we’ve learned from our previous developments in Houston and around the world.”

Philip Croker
Managing Director

Currently pursuing LEED® Platinum, 609 Main at Texas is a Class A office tower recently completed in downtown Houston. The project is part of the Hines CalPERS Green Fund, a partnership exclusively focused on the development of LEED certified office buildings.

The 48-story tower is carefully crafted to foster the best possible tenant experience while offering cutting-edge green concepts. Its north and south façades extend upward, culminating in a dramatic crown to create a highly visible, new landmark that contributes to the vitality of the CBD.



The narrower east and west façades are slightly recessed, and the subtly faceted exterior is clad in a high-performance glass and aluminum curtainwall system, including insulated floor-to-ceiling vision glass with brushed stainless-steel accents. Vertical blades are incorporated in the east and west façades, offering solar shading.

Amenities in the 1.1 million-square-foot tower include a first for Houston—a hotel-style lobby with an 11-story atrium. The property also includes a reflecting pool, a café, and spaces for networking. Tenants enjoy access to a 7,000-square-foot fitness center, an 8,000-square-foot conference center, and private rooftop sky gardens in select tenant spaces.

The building’s tenant spaces set the standard for future development. It is the first multitenant building in Houston to offer underfloor air, which provides an innovative solution to the problem of personal temperature preferences in high-rise spaces. Other sustainable building components include highly advanced safety systems, a rainwater harvesting system, constant air purification system, optimized central plant, energy-efficient lighting and daylight harvesting sensors.

Located at the nexus of Metro light-rail and bus lines, the property also offers a direct connection to the downtown Houston pedestrian tunnel system.



From inside the building, Hines installed View Dynamic Glass in the skylight of the 48th floor. This innovative, electrochromic glass solution provides unimpeded views, eliminates window shades, and minimizes heat and glare throughout the tenant space.

CONVENIENT, CONNECTED LIVING FOR STUDENTS AND SENIORS



Vogue Studios, Brighton, UK

Vogue Studios is a 48-unit student housing project in Brighton, UK. The building was constructed using a panelized timber-frame system, which won an Offsite Award for Best Hybrid Technology. The building also achieved a BREEAM 'Excellent' rating.

Hines has accelerated its growth into the student housing sector in the UK and Ireland with the launch of a new operating platform, Aparto, a brand focused on creating a strong sense of community. With acquisitions and new developments, a total of over 3,600 beds (2,000 in the UK and 1,600 in Ireland) are being delivered under the Aparto brand between 2017 and 2019.



Rendering courtesy of Hayes Davidson

Sunrise at East 56th Street, New York

Hines and partner Welltower Inc., are developing a 15-story, 130,000-square-foot property at 139 East 56th Street in midtown Manhattan.

Globally, the senior demographic is growing faster than any other age group, and seniors are living longer across the world. Hines is creating better senior housing, offering the appropriate care, wellness, programming and community interaction that will support our seniors.

Our first senior housing project, in partnership with Welltower Inc., is Sunrise at East 56th Street in Manhattan. Hines is pursuing WELL certification for this project, which will offer its occupants a suite of features including nutritious food and beverage options, a wellness center, art studio and circadian rhythm timed lighting, among other features.

GOALS

What We Said:

Hines will continue testing electrochromic and building-integrated photovoltaic glass, and explore design features and certifications that focus on occupant health and wellness.

What We Did:

Installed electrochromic glass in the skylight window panels on the top floor of 609 Main at Texas, and continued to test glass technologies at our headquarters. Partnered as a Founding Alliance Member of the Well Living Lab to support a scientific approach of exploring opportunities to improve the health and well-being of our clients and tenants, and registered several buildings for WELL certification.

What's Next?

Hines will identify additional glass technologies to test and will work with manufacturers to reduce the cost premium. Hines will support buildings and property management teams in their efforts to provide amenities and services that enhance the health and well-being of our clients and tenants, and evaluate wellness certifications on a project-by-project basis. We will also continue to increase our development expertise in newer asset classes for the firm, including seniors and student housing.

More online:

Hines Conceptual Construction

[hinessustainability.com/
sustainable-development](http://hinessustainability.com/sustainable-development)

PROPERTY +
FACILITY MANAGEMENT +
ENGINEERING

SETTING THE STANDARD IN FACILITY MANAGEMENT

Ensuring that operations and engineering runs efficiently and productively remain core to Hines' facilities management teams. However, facilities management is transforming from a building and engineering-centered activity to one which focuses on the user experience, technology enablement and measurable outcomes. Hines' facilities management creates an environment that embraces the convergence of technology, wellness and facilities services that enhances corporate performance for our clients.

From financial services firms to materials manufacturers, from technology enterprises to energy companies—Hines has provided facilities management to third-party clients for more than 24 years. As a vertically integrated firm, Hines' facilities management combines best-in-class engineering, a holistic approach to property management, global vendor relationships and superior development expertise. This results in optimal building performance, occupant satisfaction and well-being, and asset value. Hines' role as an investor and developer also supports our approach to facilities management from an owner's perspective to deliver unparalleled service.

Hines facilities managers and engineers provide a high level of operations expertise, and a willingness to innovate and change. Attention to operational detail remains a core tenet. To ensure our clients' satisfaction, we are adapting to the rapid transition in facilities management. This includes creating wellness programs and events, constructing and maintaining flexible and collaborative workspaces, providing nutritious food and beverage options, designing biophilic spaces and exploring renewable energy options.

A new generation of workers and technology is driving a transformation in commercial real estate and Hines' facilities managers are responding with strategic thinking, an eye for continuous improvement and innovation, and empathy for the clients they support.



Hines supports Amazon, a third-party client, in the operation of The Spheres, a tenant and community amenity located at its Seattle headquarters.

Photo courtesy of Amazon





Tracking Building Performance

Hines engineers track energy consumption at Hines-managed properties. Energy management and conservation practices occur daily as engineers balance equipment to demand loads based on weather, time of day and tenant activity. Utility meter tracking and reporting serves as a benchmarking tool for month-to-month, year-to-year and property-to-property comparisons. Hines does not set blanket reduction mandates; optimum efficiency is continually achieved by rigorous assessment and identification of strategic infrastructure improvements.

Using a proprietary web-based application called ECOS, engineers input property information, certifications, monthly utilities cost and consumption totals, degree days and average occupancy.

Hines and ENERGY STAR

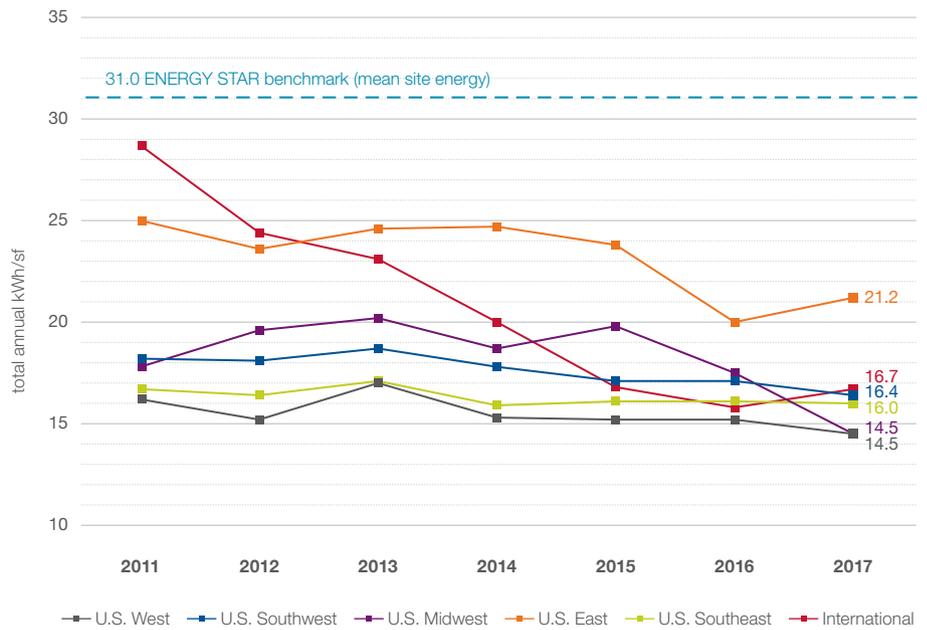


Chad Engle, Vice President of Corporate Engineering, accepts the ENERGY STAR 2017 Partner of the Year award on behalf of Hines, marking 10 years of Sustained Excellence.

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 earned labels for 1,696 buildings. 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 that has developed special networks with their engineering colleagues to support firm-wide energy conservation goals.

Building Energy Intensity by Region 2011-2017⁶

Energy intensity for properties that represent predominately office space as determined from total building energy data vs. average benchmark usage



Comparison of Hines ENERGY STAR-labeled Buildings to the National Median⁷

30.0% more energy efficient than the national average
\$1.47 energy cost savings per sf per year

\$45.2M total portfolio savings per year
240,009 metric tons annual reduction in CO₂e



Turning Efficiency into Value at 303 East Wacker, Chicago

The property management staff at Chicago’s 303 East Wacker received a sizeable rebate check from energy provider ComEd. The rebate was awarded following the property’s recent chiller replacement project, which included the installation of two chillers, variable speed drives and LED lighting upgrades. All told, the renovations contributed to a power savings of over 1.4 million kilowatt hours.

SQUARE FEET UNDER MANAGEMENT

210.8M

NUMBER OF PROPERTY MANAGERS

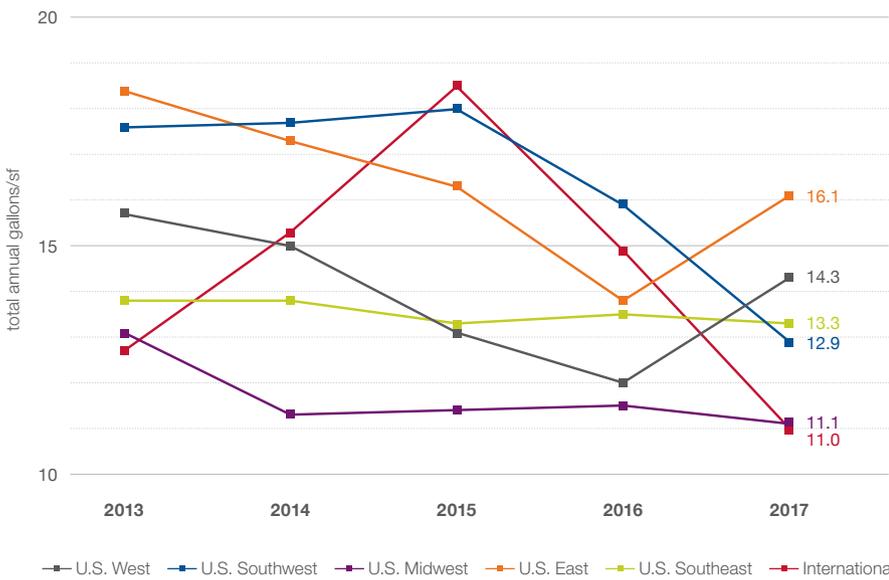
477

NUMBER OF ENGINEERING EMPLOYEES

1,130

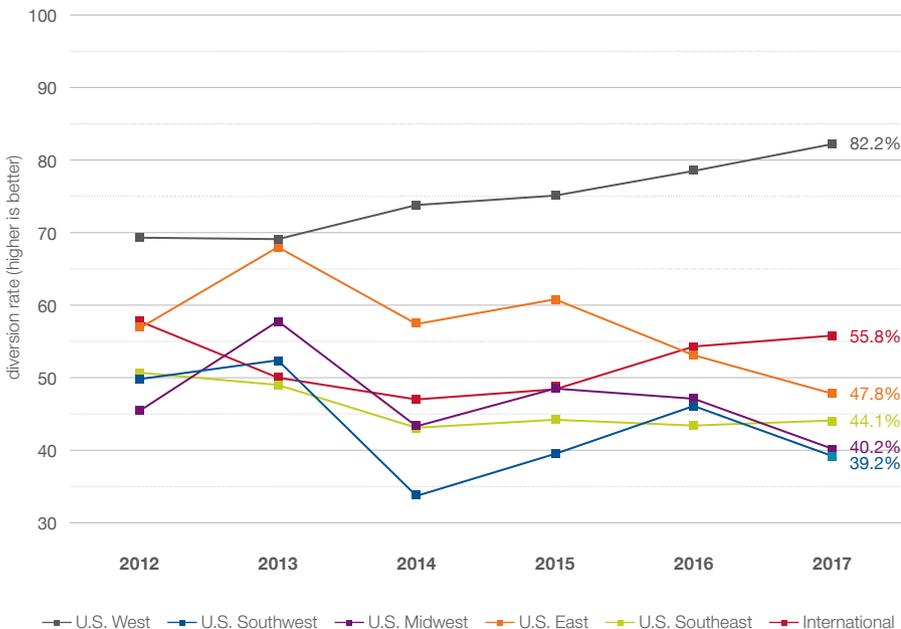
U.S. Building Water Intensity 2013–2017⁸

Historical water intensity for properties that represent predominately office space as determined from total building water data



Solid Waste Diversion 2012–2017⁹

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



Water Tracking and Initiatives

Water consumption and costs, derived from utility bills, are tracked in ECOS by building engineers. Despite years where water consumption increases due to factors such as increased occupancy, Hines has leveraged green building standards that have decreased water consumption over the long-term. Hines continues to evaluate the lifecycle water savings and costs of restroom retrofits in existing buildings.

Waste Diversion

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.

Hines Procurement

Hines has partnered with Staples to supply eco-conscious products including paper, ink toner and printers as well as janitorial supplies and furniture. Many of these products meet environmental standards like EPA Safe Choice certified cleaners, Fair Trade certified coffees and ENERGY STAR certified electronics.

Hines GREEN OFFICE Program

In 2008, Hines initiated HinesGO (Hines GREEN OFFICE) to measure and reward sustainable practices within Hines offices worldwide, and 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 remodeling and construction.

653 active tenants have achieved GREEN OFFICE ratings

28.8 million leased square feet GREEN OFFICE tenants

36.7% of total occupied space firm-wide in the program

ADAPTING SPACES AND SERVICES TO EMPOWER TENANTS

In the rise of the knowledge work economy, people keep companies growing, adapting, improving and innovating. The resulting work-life blend of Millennials and Gen Z comes with the expectation that employers offer amenities and services that provide convenience and enhance well-being. Workplaces now offer flexible spaces for formal meetings, peer collaboration, client interactions, and candidate interviews. Lobbies are becoming the “third place,” affording

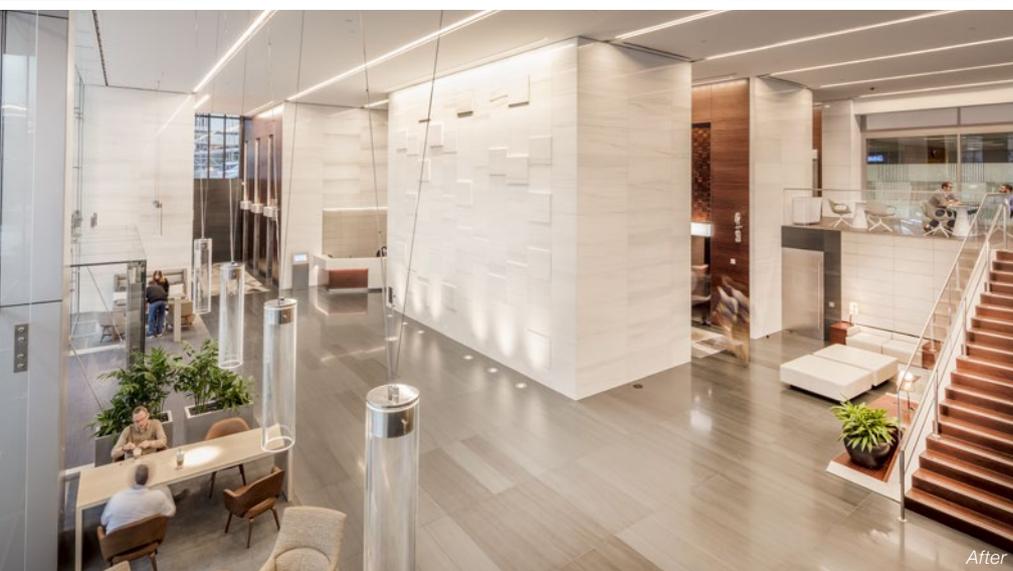
meeting areas, game rooms, food and beverage, and concierge services. Greater focus on wellness has increased demand for on-site fitness facilities, bike parking, locker rooms, spa services, and healthy nutrition. Across our portfolio, Hines is engaging architects, designers, consultants and start-ups to create spaces, hospitality-style amenities, and services to help make work more productive, healthy and fun.

“We provide space and amenities which allow our tenants and residents to thrive and be highly productive.”

Charlie Kuntz
Innovation Officer



Before



After

800 Fifth Avenue, Seattle

Hines re-introduced 800 Fifth to Seattle with transformational renovations featuring best-in-class materials, luxury amenities, and additional public and collaborative space.

2017 Tenant Satisfaction Survey

Hines commissions a third party, Kingsley Associates, to conduct surveys across the firm’s U.S. office portfolio to gauge tenant satisfaction. The 2017 survey, administered as a web survey by email invitation, had 1,913 respondents—a 91 percent response rate. When asked to rate overall satisfaction with Hines, 95 percent of tenants rated their satisfaction as “good” or “excellent”—a three percent increase from the 2015 survey. Ninety-seven percent of tenants rated their satisfaction with Hines property management as “good” or “excellent,” which exceeded the Kingsley Index by six percent. Furthermore, tenant satisfaction with Hines’ commitment to sustainability increased two percent since the 2015 survey to 84 percent.

Reason for Interest in Sustainable Initiatives

69% healthier work environment

57% cost savings

50% corporate responsibility goals

30% attracting and retaining employees

26% engaging with customers and the community



33 Tehama Celebrates Public Art

World-renowned, Japanese contemporary artist Yayoi Kusama's vibrant *Flowers That Bloom at Midnight* was recently installed in the plaza outside the tower lobby of 33 Tehama, a 403-unit, for-rent multifamily development located in San Francisco's South of Market (SoMa) neighborhood. Kusama's bright, fantastically scaled bloom rests on its side and features bright red petals with white dots and an exaggerated eye in its center. The artist collaborated with CMG Landscape Architecture on the installation and surrounding plaza design.



Owens Corning Wildlife Habitat Council Certification

Hines supported our client, Owens Corning, in their partnership with the Wildlife Habitat Council on the brownfield reclamation at the firm's Toledo, Ohio, headquarters. The 13-acre brownfield site was converted into savanna and prairie land that promotes biodiversity and employee engagement. The site has been certified with the Wildlife Habitat Council.

GOALS

What We Said:

Hines will implement the energy intelligent software to support real-time energy monitoring, as well as an environmental management system. The firm will also test battery storage technology to manage energy use and cost.

What We Did:

Partnered with EnerNOC and began to rollout an energy intelligent platform and environmental management system across our portfolio. The firm also explored battery storage technology in several markets, and identified several opportunities.

What's Next?

Hines will increase the number of properties on the energy and environmental management platform. The firm will also commit to at least one battery storage installation, pilot the new ENERGY STAR platform for tenant spaces, and explore opportunities to expand the Hines GREEN OFFICE program.

More online:

Managing at the Property Level
COES Standards
Paper-Lite Program
Hines Best Practices
Greenhouse Gas (GHG) Emissions
Contractor and Vendor Policies
Tenant Manuals

[hinessustainability.com/
property-and-facility-management-
and-engineering](https://hinessustainability.com/property-and-facility-management-and-engineering)

RESPONSIBLE INVESTMENT

HINES EUROPEAN CORE FUND NAMED SUSTAINABILITY LEADER

The Hines Pan-European Core Fund (HECF) achieved the highest possible rating of five Green Stars and was named a Global Sector Leader in the Global Real Estate Sustainability Benchmark (GRESB) 2017 Real Estate Assessment.

The GRESB survey assesses sustainability in areas including stakeholder engagement, building certifications, energy management system monitoring and performance indicators, risks and opportunities, policies and disclosures, and management. The fund achieved very strong scores across several GRESB categories and ranked first among all European portfolios that participated in the optional Health and Well-being module.

“This is the first time that HECF has participated in GRESB. We believe it is a strong reflection of the quality of our portfolio,” says Daniel Chang, Managing Director.

HECF was established in 2006 with a focus on acquiring a geographically diverse portfolio of core commercial buildings across Europe. The team utilizes a very transparent information policy and clear guidance on the Fund’s evolving strategy and has actively adopted industry best practices promoted by INREV.

“From inception, sustainability has been an integral part of the Fund’s investment strategy and is a key way to deliver value to our investors and improve the quality of the built environment and our communities,” adds Peter Epping HECF Fund Manager.

During 2017, HECF completed three acquisitions and added two new countries—Denmark and the Netherlands—to its Pan-European portfolio, which is now close to full occupancy at 99.4 leased, an increase of six percentage points from 2016 (93.5 percent). Over three and five years, the performance has been consistently strong with 9.7 percent and 7.1 percent, respectively. For fundraising, 2017 marked the strongest year since fund inception with €288m equity raised (of which €101m were from existing investors).



Acquired by the Hines' Pan European Core Fund (HECF) in December 2017, the Noortse Bosch office building, located at Vijzelgracht 50, is one of the largest office buildings in central Amsterdam.



HINES' RESPONSIBLE INVESTMENT STATEMENT

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

Governance Structure

At the highest level, the primary bodies for governance and decision making at Hines are the Executive Committee, Audit and Compliance 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.

New Chief Investment Officer
 In June 2017, Hines announced an internal promotion to the firm's investment team. As Chief Investment Officer, David Steinbach will provide direction to the organization on investment strategies. He reports to the Vice Chairman Hasty Johnson, who heads the firm's Office of Investments, and works in concert with Hines regional business units, Proprietary Research and Risk Management.



Committee descriptions online at hinessustainability.com/responsible-investment

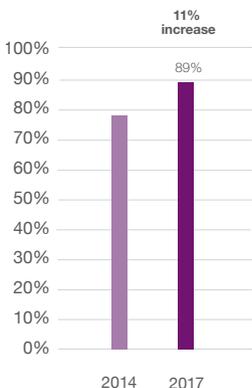
2017 Investor Survey

In 2017, Hines retained Kingsley Associates to conduct interviews with numerous Hines' investors and partners worldwide to gather candid assessments of Hines' performance, as well as the key priorities of our investors. Notable improvements to scores were achieved in Risk Management and Research, two areas where feedback in 2014 led to a redoubling of efforts by Hines to meet investor expectations. Survey participants cited Hines' global reach, quality of personnel and development expertise as key strengths and differentiators.

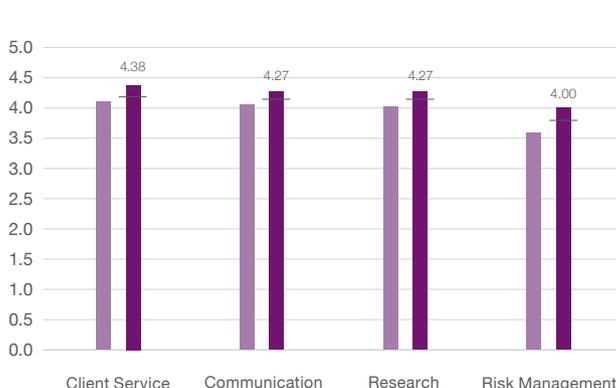
“The results of the investor survey were encouraging, and have generated new ideas and initiatives to further enhance the quality of the services provided to the firm's investors and partners.”

Mark Sears
 Senior Managing Director,
 Investor Relations

Overall Investor Satisfaction



Select Performance Categories



■ 2014 ■ 2017 — Kingsley Benchmark

NUMBER OF HINES
INVESTMENT
FUNDS/PROGRAMS
SPONSORED
SINCE 1991

57

INSTITUTIONAL
INVESTOR CLIENTS/
PARTNERS

185+

HIGH-NET-WORTH
INVESTORS

600+

RETAIL
INVESTORS

120K+

NUMBER OF
COUNTRIES
REPRESENTED
BY INVESTORS

32

REINVIGORATING A DISTRICT PORTFOLIO THROUGH PARTNERSHIP



As one of the oldest parishes in the United States, Trinity Church Wall Street has played a prominent role in lower Manhattan for more than 300 years and owns 40 percent of the land in Hudson Square. In 2016, Trinity and Norges Bank Real Estate Management recapitalized the Hudson Square portfolio and brought in Hines as an operating partner to continue the portfolio's dynamic growth.

The office buildings on the properties are being redeveloped into a hub for creative industries and businesses that are drawn by the energy of the neighborhood and the flexibility of the space. Norges Bank Real Estate Management's goal for their investment is to generate good long-term return with acceptable risk, responsibly and transparently. Hines also takes a long-term, responsible approach. Hines is engaged in training property teams, selecting qualified third-party brokerage firms to provide landlord representation for office and retail leasing, and managing capital improvements.

Hudson Square, New York



GOALS

What We Said:

Hines will enhance the software capabilities of the Hines Track Record Project to further analyze investment performance across multiple factors and scenarios, informing strategy and enhancing investor relations.

What We Did:

Hines Proprietary Research, Business Technology Group and IT enhanced the Hines Track Record Project and streamlined the collection and reporting of financial performance across assets and portfolios. This data has enabled Hines to better identify opportunities for outperformance—adding beta to the Hines alpha. Additionally, Hines formed a centralized group of investment specialists to use proprietary transaction data, Hines Research, and market knowledge to help fund teams underwrite and identify unique acquisition opportunities.

What's Next?

Hines will explore database platforms to track additional information across the lifecycle of an asset, and further inform investment strategies, enhance decision making, and support investor reporting.

Hines Proprietary Research

Hines Proprietary Research Group applies data to create proprietary models that inform investment decisions, reduce risk and enhance returns. Using historical data from global sources, including CoStar, PMA, IPD and Moody's Analytics, among others, Hines Proprietary Research identifies drivers of performance for the firm's investments.

In addition to publishing forecasts for hundreds of global markets to inform Hines' regional teams, the group supports the Hines Track Record Project and performance reporting to current and potential investors. The team collaborates with other internal groups to enhance a database management system to track and report performance for multiple factors across the lifecycle of an asset, and further improve reporting to our investors and partners.

More online:

- Fund and Separate Account Managers
- Hines Policies
- Risk Management
- Investor Engagement
- Hines Investment Portal
- Hines Securities

[hinessustainability.com/
responsible-investment](http://hinessustainability.com/responsible-investment)

COMPANY PROFILE

2017 YEAR-END SNAPSHOT

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 acquire equity 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, regulatory compliance, 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 57 investment vehicles with over \$47.8 billion in equity for global acquisition and development. In addition, \$17.5 billion of partner capital has been committed to one-off investments. Hines has also closed approximately 452 acquisitions since 1992 totaling more than 177 million square feet and \$50.4 billion in value.

Development

Since its founding in 1957, Hines has developed, or currently has under development, more than 163 million square feet of office space and more than 119 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, industrial/logistics, 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 210 million square feet.

2017 Highlights

Hines creates the Office of Innovation as an access point for new and innovative ideas and products. The firm becomes a Founding Alliance Member of the Well Living Lab, a collaboration between Delos™ and the Mayo Clinic to explore the connection between health and the indoor environment. Hines enters the Greek market with the acquisition of the Athens Ledra Hotel. Hines accelerates its growth in the student housing sector in the UK and Ireland with the launch of a new

Company Evolution

1957 Gerald D. Hines opens a one-man office near downtown Houston	1967 98 completed developments and acquisitions ¹⁰ 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 1992 Hines develops its own indoor air guidelines 1996 Hines develops Owens Corning World Headquarters in Ohio using the first application of raised-floor technology in North America	1997 The University of Houston names its School of Architecture in honor of Gerald Hines 1998 Hines joins USGBC to guide and grow the global market for high-performance buildings	1999 28 Hines buildings receive the ENERGY STAR label in the rating system's first year of existence 2000 Hines collaborates with William McDonough to develop a sustainable benchmarking tool for commercial buildings	2001 The EPA names Hines an ENERGY STAR Partner of the Year 2001 The 30-year collaboration between Gerald Hines and architect Philip Johnson is celebrated at the Guggenheim Museum	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
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COUNTRIES	CITIES	BILLION IN FIDUCIARY INVESTMENT MANAGEMENT & THIRD-PARTY PROPERTY LEVEL AUM	UNDER MANAGEMENT	TOTAL HISTORICAL, ACQUIRED AND COMPLETED DEVELOPMENTS	TOTAL SQUARE FEET OF HISTORICAL, ACQUIRED AND COMPLETED DEVELOPMENTS
24	201	\$111	210.8M sf	1,295	422M sf

operating platform, APARTO. Hines partners with Tata Housing to develop Serein, India's first wellness homes project in Thane.

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:

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 was 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 15th year.

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 2017

The EPA honored Hines with the 2017 ENERGY STAR Sustained Excellence Award in recognition of continued leadership in protecting the environment through energy efficiency. This is the 13th time Hines has been recognized by the EPA and the 10th time Hines has received the Sustained Excellence Award. With an average performance rating of 87.9, the portfolio is 30 percent more energy efficient than the national average.

The Hines Pan-European Core Fund (HECF) achieved the highest possible rating of five Green Stars and was named a Global Sector Leader in the Global Real Estate Sustainability Benchmark (GRESB) 2017 Real Estate Assessment.

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	2015 1,126 completed developments and acquisitions \$42.5 billion in fiduciary investment management assets under management \$46.6 billion in third-party property-level services assets under management 3,700 employees	2016 1,206 completed developments and acquisitions \$48.5 billion in fiduciary investment management assets under management \$48.0 billion in third-party property-level services assets under management 3,750 employees	2017 1,295 completed developments and acquisitions \$60 billion in fiduciary investment management assets under management ¹¹ \$51 billion in third-party property-level services assets under management ¹² 4,000 employees
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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. Hines opens its first net-zero energy office building

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

2016 Hines appoints an Innovation Officer

2016 Hines invests in Fifth Wall, a real estate venture capital firm

2016 Hines receives the ENERGY STAR Sustained Excellence Award for the ninth time

2017 Hines receives the ENERGY STAR Sustained Excellence Award for the 10th time

2017 Hines becomes Founding Alliance Member of Well Living Lab

2017 Hines hires director of Diversity & Inclusion

2017 HECF named Private Diversified Global Sector Leader by GRESB for its commitment to sustainability

ABOUT THIS REPORT

The real estate industry is adapting to a pace of change that has not been seen in decades. These changes are brought about, in part, by new technologies available to us, by changing tastes and social mores, by the environmental impacts of past and current activities, and by economic realities.

We have titled our sustainability report *Adaptability* because we believe that adjusting to the changes around us is critical to our industry and to the well-being of our planet. It is a focus of Hines teams around the world.

We are adjusting to the requirements of our stakeholders—investors to whom we have a responsibility to deliver the highest-quality investment decisions, and tenants who depend upon us to deliver work spaces that maximize the potential of their own companies and help them recruit and retain the best talent.

Increasingly, we are focused not only on what spaces look like, but also what they do. Big open floorplates in lower Manhattan, former printing plants, provide communal spaces for people to collaborate. Last-mile industrial space is critical to e-commerce as people move more of their purchases to the Internet. The ability of employees to work from remote locations is redefining the workspace. The blurring of lines between the personal and the professional is causing us to rethink residences.

As we adapt and adjust to these changes, understanding our impact on the environment and communities is as important as it has always been. Smart technology is helping solve some of the challenges, but it is human behavior that is most impactful. There are grass roots efforts in many of the cities in which we live and work that are demanding responsible investment, rational use of material and reuse of waste. Hines is working around the world to champion responsible building and stewardship of real estate and supports local efforts.

To report on the topics material to our business operations, we have once again utilized the globally recognized reporting platform Global Reporting Initiative (GRI) G4 Guidelines and Construction and Real Estate Sector Supplement as the framework for our report.

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

For reporting, we have utilized the Global Reporting Initiative (GRI) G4 Guidelines and the Construction and Real Estate Sector Supplement (CRESS). This report has been prepared in accordance with the GRI Standards: Core option.

For the full GRI index, visit:

hinesustainability.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 OFFICE Program	Onetime
Employees	
Employee Survey	2–3 years
Performance Reviews	Annually
Intranet Communications	Ongoing
Webcast with Jeff Hines, CEO	Quarterly
Management Orientation	Annually
Internal Conferences	Ongoing
Industry	
Participation in Events	Ongoing



Gary M. Holtzer

Senior Managing Director

Endnotes

1. Includes \$50 billion in assets that Hines manages as a fiduciary, and \$51 billion for which Hines provides third-party property-level services.
2. Includes Office of Investments U.S. Employees.
3. 58 international employees have not declared gender.
4. U.S. employees only.
5. In late 2017, the firm's West Region started a new pilot program using a third-party system to track myCommunity days. By including these myCommunityPLUS numbers as well, there were 2,191 volunteer hours in 2017 and 7,265 total volunteer hours since 2011. There were 342 participants in myCommunity in 2017 and 1,229 total participants since 2011.
6. Energy intensity data represents approximately 55.2 million square feet of predominantly 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).
7. ENERGY STAR numbers are from the firm's 2018 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.
8. Water intensity data represents approximately 67.1 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.
9. Recycling and waste data represents approximately 79.1 million square feet of predominantly office space in Hines' U.S. and international locations.
10. Properties in portfolio includes completed developments and acquisitions.
11. 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.
12. 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 EXECUTIVE LEADERSHIP

OWNERSHIP

Gerald D. Hines

Chairman

Jeffrey C. Hines

President & CEO

OFFICE OF INVESTMENTS & CENTRAL LEADERSHIP

C. Hastings Johnson

Vice Chairman

Charles M. Baughn

Chief Financial Officer

Thomas D. Owens

Chief Risk Officer

Sherri W. Schugart

CEO, Core Fund, REIT & BDC Group

Colin P. Shepherd

CEO, Investment Management

Christopher D. Hughes

CEO, Capital Markets

David Steinbach

Chief Investment Officer

REGIONAL CEOs

James C. Buie

West U.S., Asia Pacific & Australia

Mark A. Cover

Southwest U.S. & Mexico/Central America

Lars Huber

Europe

Christopher D. Hughes

East U.S.

C. Kevin Shannahan

Midwest & Southeast U.S., Canada & South America

S. Lee Timmins

Eurasia

GUIDING PRINCIPLES

The Hines Standard represents the global real estate benchmark for value creation, integrity, service and quality for all clients.

All Hines products and services are of the highest standard as appropriate for the mission.

The Hines employee is the greatest example of the Hines Standard and the company's most valuable asset.

Hines is committed to fostering an inclusive culture where diversity is respected and valued.

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