

# Sustainability 3.0



Hines

## THE FUTURE OF SUSTAINABILITY

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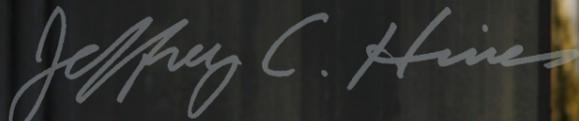
Sustainability has so much meaning at Hines. We think about our partners who invest with us to produce returns for future generations of their own beneficiaries. We think about our tenants and clients who are making the environment a priority. We think about the 3,400 Hines employees who rely on Hines to help sustain their own futures. We consider the communities in which our projects are located and the lasting contribution they can make to the creation of better cities. As we publish this third sustainability report, I am proud to say that, for more than half a century, Hines has championed sustainable practices and technologies, proving, time and again, that a sustainable approach to real estate makes good business sense and creates better places for people.

At Hines, and in the real estate industry in general, we have made great progress in our journey toward sustainability. Today, green building has become more of the norm. Yet, we know that green building certifications alone cannot meet the environmental challenges we face today. We must continue to evaluate and incorporate new technologies, find new ways to capture and analyze data and continue to leverage our influence for the benefit of the real estate industry as a whole. We can join together to make even greater strides to improve the efficiency of the built environment and create healthy, resilient places for people to live and work.

Our sustainability report gives us a platform from which we can continue to evaluate our progress and to ask questions like: What's next for sustainability in the built environment? How can we make advancements toward sustainability on a greater scale? What new breakthroughs are needed in technology and renewable energy? What is the next generation of green?

As always, we will make it a priority to lead this conversation, but we will also listen and learn. We are asking ourselves at Hines, and our stakeholders in the industry, to take on this challenge with a sense of urgency and inspiration, and to reach for an ever-greater commitment to sustainability.

Please join this dialogue with us.



**Jeffrey C. Hines**

*President  
Chief Executive Officer*

**“Sustainability is a source of value for investors, tenants, partners, employees and the broader community, consistent with our enduring commitment to quality and innovation.”**

*Gerald D. Hines Founder and Chairman*

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# “GRI G4 has an increased emphasis on the need for organizations to focus the reporting process and final report on those topics that are material to their business and their key stakeholders.”

Global Reporting Initiative, on the new GRI G4 Sustainability Reporting Framework

## About This Report

When we made the decision three years ago to publish a sustainability report, we wanted it to be comprehensive, yet approachable, documenting how far we, and the industry, had come and laying out the challenges ahead.

We considered several reporting frameworks and selected the Global Reporting Initiative (GRI) because it is embraced worldwide, provides a structure that allows us to communicate our efforts and challenges, and also provides flexibility critical for a large, vertically integrated organization like Hines.

The year of this report marks the 25th anniversary of the Exxon Valdez-Prince William Sound oil spill. Some credit that event with launching the modern-day sustainability movement because for many it was the first time they were seeing the true potential for environmental disaster. That event, among others, has spawned some of the vision that is leading to progress today.

We are encouraged that many of the world’s leading developers would not consider constructing a building today that is not green certified. Better yet, our investors and tenants see significant value in sustainable buildings and prefer the quality provided by greener standards. Green is a part of our everyday discussion. We should all celebrate the advancements in sustainability, yet still be humbled by the enormous tasks that our industry faces.

It is encouraging that there are green emissaries worldwide. A new generation of upcoming leaders understands the need to be both economically viable and environmentally sustainable. They have always recycled; they grew up in green schools; and their first job may have

been in a LEED®-certified building. Not everywhere, but in enough places that it is starting to matter.

We are encouraged because we are at a tipping point in technology. Net-zero buildings like LPL Financial at La Jolla Commons, which opened this year, seemed unachievable just a few years ago. Technology is leading the way, with new or refined products appearing almost daily. Hines’ engineers, for example, have developed air-handling units for our buildings that are one-third more efficient than traditional air handlers.

At the USGBC’s Greenbuild this year in Philadelphia, Gerald Hines received the President’s Award from Rick Fedrizzi acknowledging Mr. Hines’ lifetime contribution to sustainability in the built environment. It was an exciting and moving moment. In a second memorable moment for me at Greenbuild, I had the pleasure of observing a spirited conversation between Gerald Hines, who founded his namesake company in 1957, and Rao Mulpuri, the young, energetic CEO of View Dynamic Glass, a forward-thinking company. They were talking about the potential and challenges of installing and maintaining dynamic glass. I was so struck by the genuine level of excitement both men showed as they were exchanging cutting-edge ideas. They were both so pleased to be discussing their shared passion for improving the built environment and running businesses that thrive on innovating.

This is one of many moments that should give us great hope that we will continue to work together with a myriad of stakeholders to tackle some of sustainability’s most daunting tasks; and why the focus of this year’s report is “what’s next?”



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

For reporting, we have utilized the Global Reporting Initiative (GRI) G4 Guidelines and the Construction and Real Estate Sector Supplement (CRESS). This report is prepared “In accordance” – Core. Results are as of December 31, 2013, and cover property operations internationally unless otherwise noted.

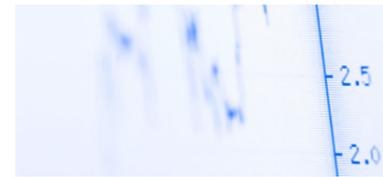
With the GRI G4 Guidelines, materiality and stakeholder engagement are given greater importance. The framework has shifted away from minimum requirements and A,B,C levels, emphasizing that reporting companies should select and report on topics that are most material to their business and to their stakeholders.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

For full GRI index visit:  
[hinessustainability.com/gri-index](http://hinessustainability.com/gri-index)

## Stakeholder Engagement Channels

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

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



## Responsible Investment 6

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



## Sustainable Development 10

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



## Property Management and Engineering 14

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



## Our Employees 20

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



## Our Communities 24

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

Supplemental material to this report can be found at [hinessustainability.com](http://hinessustainability.com).

# Contents

# Company Profile

2013 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 purchase equity shares in the investments for which they are responsible or on which they work. In addition to HILP, the organizational structure has affiliates to enhance Hines' risk management, succession planning, financing and tax planning. Generally speaking, HILP and its affiliates are referred to as "Hines."

## Core Competencies

Hines was primarily a developer and owner of core U.S. office properties 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 44 investment vehicles with over \$24 billion in equity for global acquisition and development. In addition, \$7 billion of partner capital has been committed to one-off investments. Hines has also closed approximately 279 acquisitions since 1992 totaling more than 107 million square feet and more than \$24.5 billion in value.

**"Dad is a mechanical engineer with a passion for efficiency, an insatiable curiosity and an innate drive to figure out ways to do things better. We have been applying the principles of sustainability continuously since our first projects in the '50s."**

**Jeffrey C. Hines** *President, Chief Executive Officer*

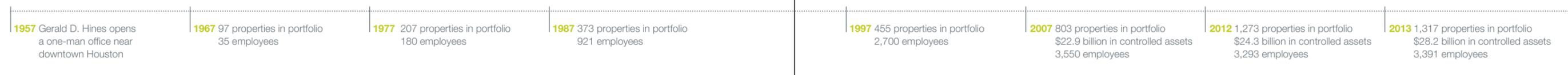
## Development

Since its founding in 1957, Hines has developed, or currently has under development, more than 165 million square feet of office space and more than 106 million square feet of non-office space. The firm came to prominence as a developer of landmark office buildings in major cities across the U.S., revolutionizing the industry by introducing signature architecture for multi-tenant office buildings, and setting higher standards for all aspects of building design, operations and management. Today, the firm's development competencies include office, multifamily, retail, warehouse, sports and cultural facilities and large mixed-use projects.

## Property Management

Hines has managed properties since its inception, establishing operational excellence as a core value. While the firm operates a majority of the properties in which it has an ownership stake, some properties—particularly those in Europe—are managed by third parties. In those cases, standards for service, quality and sustainability performance are prescribed in management agreements. Additionally, Hines provides third-party management services for properties owned by others. Today, the firm manages more than 161 million square feet.

## COMPANY EVOLUTION



## SIGNIFICANT SUSTAINABILITY ACHIEVEMENTS



## 2013 Highlights

- Hines continued to strengthen our internal research capabilities to enhance the strategic direction of our investments through informed, data-driven decisions.
- In the U.S. and internationally, Hines continued to diversify with multiple developments and investments in industrial, multifamily and retail.
- Hines established an office in Seoul, South Korea, allowing expansion for further investment opportunities in Asia.

## 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 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 supported by its members. Its mission is 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 11th year.

## ULI Greenprint Center for Building Performance

Hines is a founding member of the ULI Greenprint Center for Building Performance (formerly Greenprint Foundation), a worldwide alliance of real estate owners and investors committed to reducing carbon emissions in the commercial building sector. The organization's Carbon Index allows members to measure and benchmark their portfolio's carbon emissions and energy performance. In 2013, Hines increased the number of properties submitted to Greenprint for benchmarking to 76 properties.

## U.S. Green Building Council

The Washington, D.C.-based U.S. Green Building Council (USGBC) is a 501(c)(3) nonprofit organization 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 2013

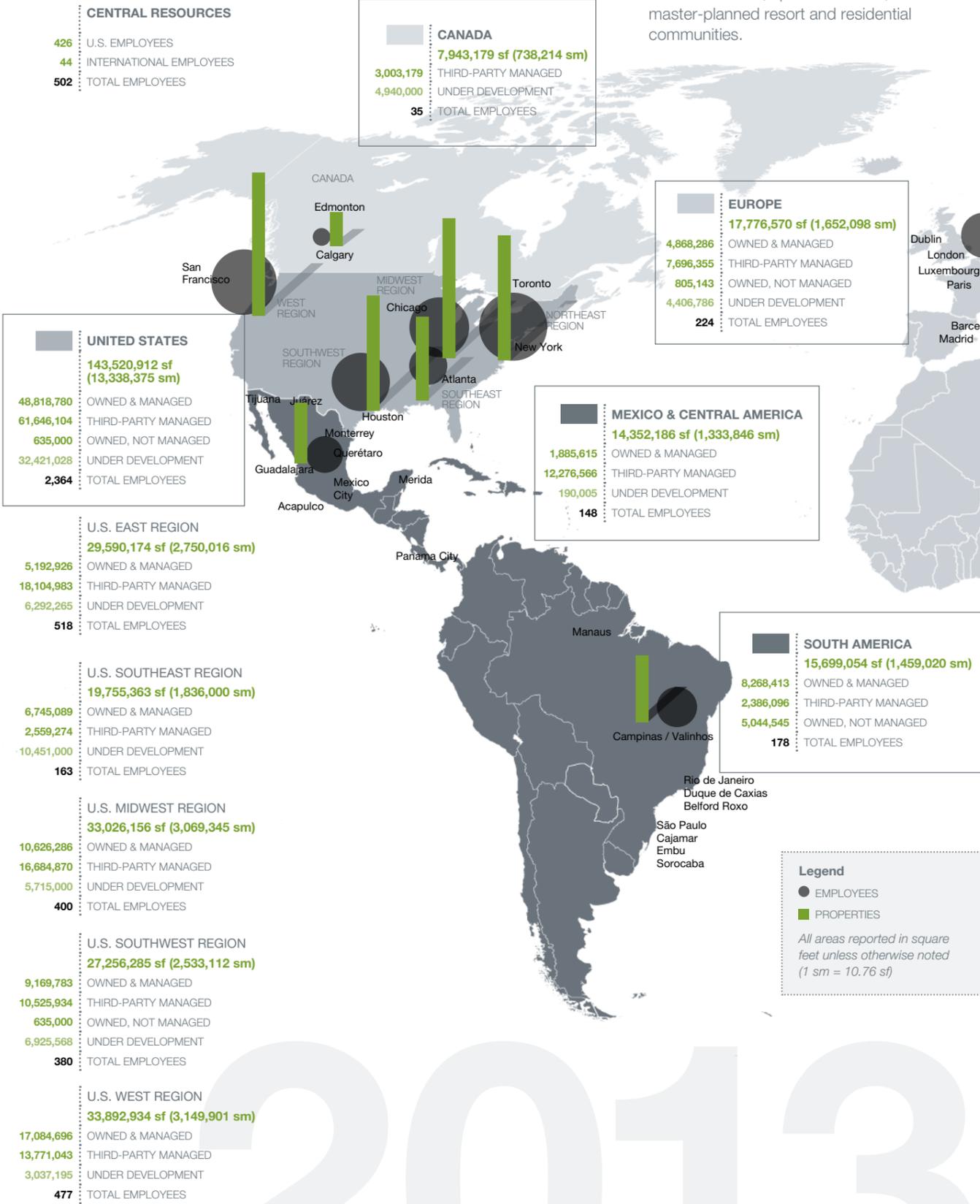
- Gerald Hines received the President's Award as part of the USGBC 2013 Leadership Awards, which celebrate individuals and groups at the forefront of sustainability in the built environment. Hines was recognized as a longtime leader in the real estate industry with an unparalleled commitment to green building.
- Hines received top ranking in *Commercial Property Executive* magazine's "Greenest Companies" issue. Hines ranked first out of 27 companies.
- Hines received the 2013 ENERGY STAR Sustained Excellence Award for the sixth time in a row in recognition of continued leadership in protecting the environment through energy efficiency.

# Global Organization

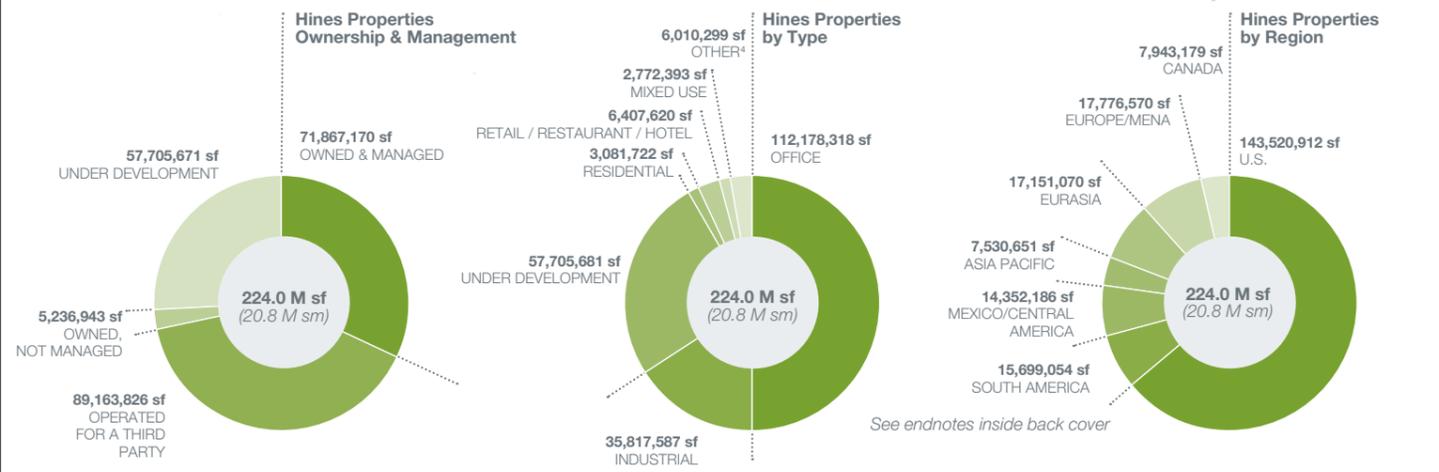
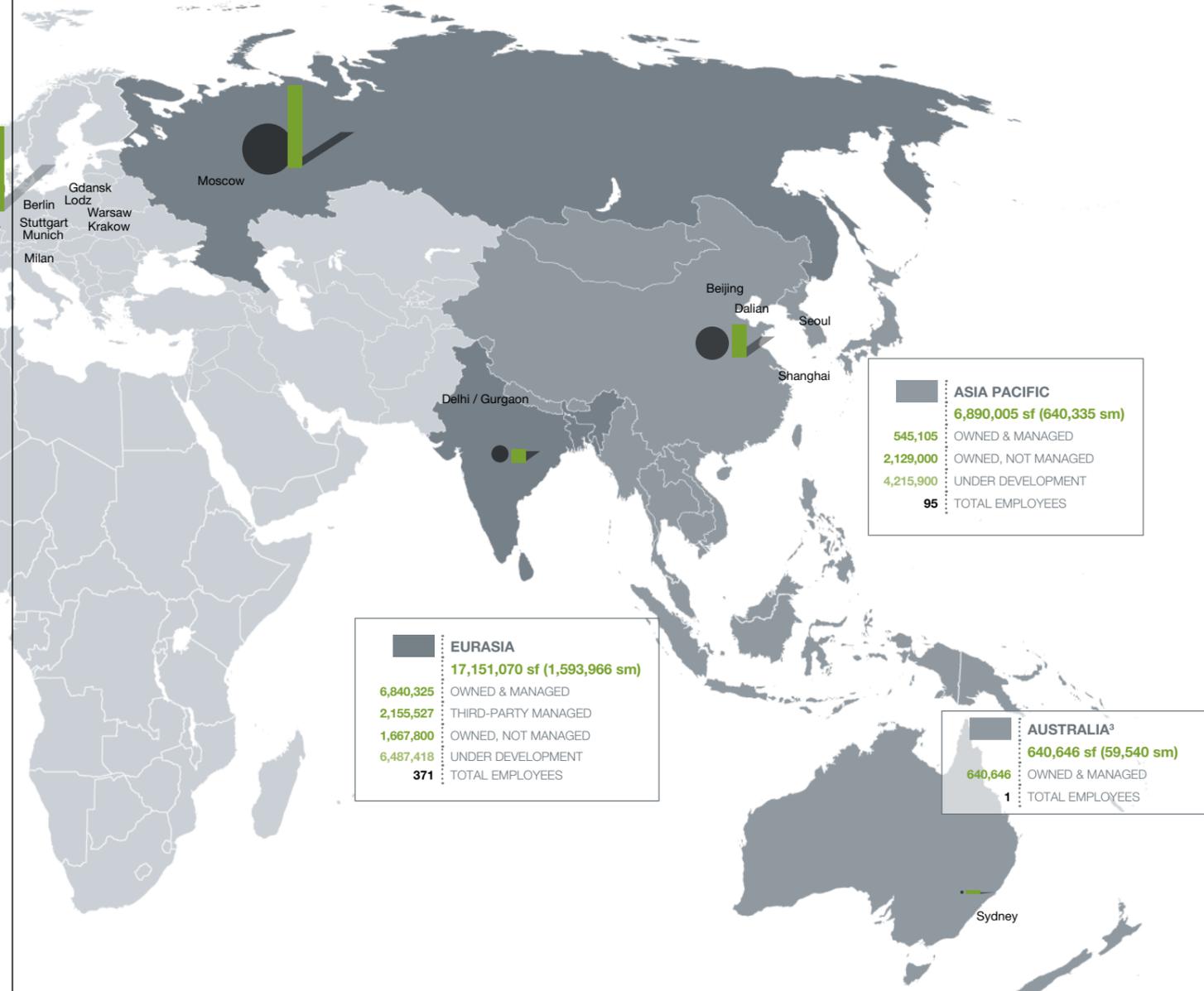
With a presence in 115 cities around the globe, the Hines portfolio consists of 1,317 properties including multi-tenant office buildings, corporate headquarters, mixed-use centers, industrial parks, medical facilities, sports stadiums, and master-planned resort and residential communities.

TOTAL PROPERTIES<sup>2</sup> **1,317**  
 TOTAL SQUARE FEET OF PROPERTIES **224.0M**  
 TOTAL EMPLOYEES **3,391**

Hines has offices in 18 countries, with regional offices in Atlanta, Chicago, Houston (headquarters), London, New York and San Francisco. Currently, the firm controls assets valued at approximately \$28.2 billion.



# 2013



**“The key to our performance is our people. To recruit and retain the best requires a true focus on sustainability. It is often the first question asked of us. The value of sustainability is real and increasing.”**

**Hasty Johnson** *Vice Chairman and Chief Investment Officer*

## 1: Responsible Investment

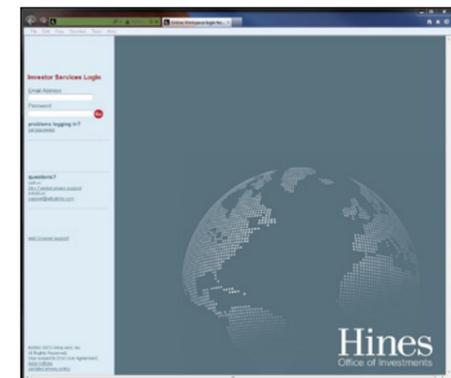
[hinessustainability.com/responsible-investment](http://hinessustainability.com/responsible-investment)

# Performance

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

### Hines Investor Portal

The Hines online investor portal is a secure web environment that provides access to reports and other information related to an account's assets and performance. The portal supports more rapid distribution of financial information and provides a repository of historical data in a secure manner that is available worldwide at the investors' convenience.



### What We Said:

In 2013, a new online portal and standard reporting platform will be implemented to reduce paper usage as well as improve the timeliness, accessibility and consistency of financial and relevant operational information for investors.



### What We Did:

Launched a secure online platform to provide investors and fund teams with web-based distribution of financial reporting and additional investment-related information in one central online location.



### What's Next?

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



“What is the value of sustainability reporting?”

The Hines Investments and Performance Committee spearheaded the creation of a standard investor reporting template that is being used by all Hines funds. The standardized template improves consistency, increases the efficiency of the fund managers and enhances the quality of service for Hines investors and partners.

**Governance Structure**

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



**Investor Engagement**

With professionals in Europe, North America and Asia, the Hines Capital Markets group works closely with investors ranging from the largest sovereign wealth funds to individuals. Deep, long-standing relationships with investors, together with participation in investor conferences worldwide, allow Hines to identify early how investors' needs and preferences are evolving. As it develops investment offerings, the Capital Markets group relies heavily on

the Hines Research group for insight on the economy, property markets and risk/return tradeoffs.

Hines engages investors for feedback through a variety of channels. Investor surveys are conducted periodically via telephone interviews by a third party. Hines hosts an investor roundtable every 18 months, bringing together investors from around the world to share ideas and inform Hines practices.

**Sustainability in Investment Criteria**

Hines accounts for economic and environmental risks in both the firm's overall investment strategy and for individual acquisitions. The Hines Executive Committee adopted a Responsible Investment Statement that applies environmental, social and governance (ESG) matters in relation to all investment decisions. Each potential acquisition is reviewed on a case-by-case basis to ensure the unique and material ESG factors are taken into account. Environmental performance, resiliency, social issues and governance factors are assessed through Hines' due diligence teams at the time of acquisition, and by Risk Management and the Office of Investments.

**Management Committee Spotlight: Risk, Sustainability & Corporate Citizenship**

Comprised of a group of ten individuals broadly representing Hines business units, this committee provides feedback to the Hines Executive Committee as to the most pressing risks to the firm. In selecting members, careful consideration is given to include both highly tenured and newer employees for fresh perspectives and mentoring opportunities.

In 2013, the committee formalized the central tracking of historical performance, compiled into a new "Completed Project Summaries Database," to help ensure that lessons learned from development projects are captured and shared in the spirit of continuous improvement.



**“This program enhances sharing of successful business practices to improve the products and services we deliver to clients, tenants, properties and employees.”**

*Jerry Lea Executive Vice President, Conceptual Construction*

NUMBER OF HINES INVESTMENT FUNDS/PROGRAMS SPONSORED SINCE 1991

44

INSTITUTIONAL INVESTOR CLIENTS/PARTNERS

100+

INDIVIDUAL INVESTORS

500+

RETAIL INVESTORS

100K+

**Hines Research**

The Hines Research group helps develop internal investment strategies and concepts, identifies markets and submarkets with attractive risk/return characteristics, and communicates these ideas both internally and with investors and partners. The resultant analysis helps clarify investment decision making and removes subjective biases from investment decisions, thereby promoting long-term, risk-adjusted returns. The Research group resides within the Office of Investments, has a vote on the Investment Committee and is compensated based upon the performance of all Hines investments.

Hines Research has developed a number of tools to identify markets that offer attractive valuations for tactical investments to take advantage of real estate cycles. Combined with macroeconomic analysis, these tools are an effective way of finding value in a competitive real estate market awash with capital. For instance, as the regional teams in Europe begin to uncover

attractive acquisition opportunities in recovering markets such as Dublin, suburban Paris and Madrid, our research framework provides additional support for investment.

At the micro level, our Research group has developed tools for identifying the best strategic places for long-term income growth. As the cycle matures, these strategic locations are places where assets should hold their value better through a market correction than other places.



**Investing in Residential Properties: Cambridge, Massachusetts**

Hines' Multifamily Division is expanding the firm's residential development activity throughout the U.S. As an example, construction began in October 2013 on Fuse, a 244-unit residential project on 2.7 acres adjacent to the Alewife Reservation in Cambridge, MA. The design incorporates water-efficient landscaping, a renewable Green Power provision agreement, recycling of

75% of construction materials and use of low-VOC paint, flooring and sealant materials. Located 0.3 miles from the Alewife transit station, the project has covered bicycle storage for more than 15% of the building's occupants. The project meets the local STRETCH Energy code and is targeting LEED Silver certification.



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investors

**Sustainability and RFPs**

Increasingly, RFPs from our investors include questions about sustainability initiatives at Hines. Questions relate to environmental, social and governance (ESG) issues and include how ESG assessments help increase investment returns and reduce risk, how our own investment process takes ESG into consideration, and how we measure and report on ESG to our clients and partners.



“Sharing knowledge among Hines’ Conceptual Construction group, local development teams, property managers and engineers leads us to innovative systems that create more efficient buildings.”

Thomas Bay Senior Vice President, Conceptual Construction

## 2: Sustainable Development

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

# Innovation



### What We Said:

In 2013, Hines will deploy a digital assessment tool for Hines project and property managers to determine the viability of net-zero energy solutions for new and existing properties. Hines will assess an existing urban property to understand the potential of implementing net-zero.



### What We Did:

Rolled out at the end of 2013 a proprietary tool to each operating property and to Hines’ development teams, enabling them to assess which properties could be candidates for net-zero technology and operations based upon the building’s characteristics and tenancy, as well as the local, climate utility requirements and government incentives.



### What’s Next?

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

“What are the next breakthrough technologies in sustainable development?”

Salesforce Tower, currently under construction above the new regional Transbay Terminal in downtown San Francisco, will integrate new tri-path air handling units. Developed by Hines’ Conceptual Construction group, the units are designed with two sets of outside air intake and relief air louvers to provide floor-by-floor ducted outside air. This is the first system to use 100% outside air for a high-rise office tower with a 75% projected annual fan power energy savings.

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

### Tri-Path Air Handling Units Salesforce Tower, San Francisco

Hines’ innovative “tri-path” air handling units proposed for the Salesforce Tower will have a projected annual fan power energy savings of 75% and will have less first cost, less maintenance cost and less operating cost when compared to conventional under-floor air distribution (UFAD) systems. Each tri-path unit is constructed with three separate air tunnels that work together by taking advantage of “free-heating” return air and “free-cooling” outside air, which are blended to achieve the desired temperature for under-floor supply air.



**Workplace Density**

The speed of technological change and adoption, cost efficiency and the drive to attract the best young talent have created an opportunity to re-examine the physical workplace. Technology in particular is allowing work to go to people rather than people going to work, driving consolidation of space with the elimination of private offices and free address officing. Sustainability means providing a world-class environment that meets the end use, financial and environmental goals of our tenants.



**Tom D'Arcy** Senior Managing Director, Midwest Region

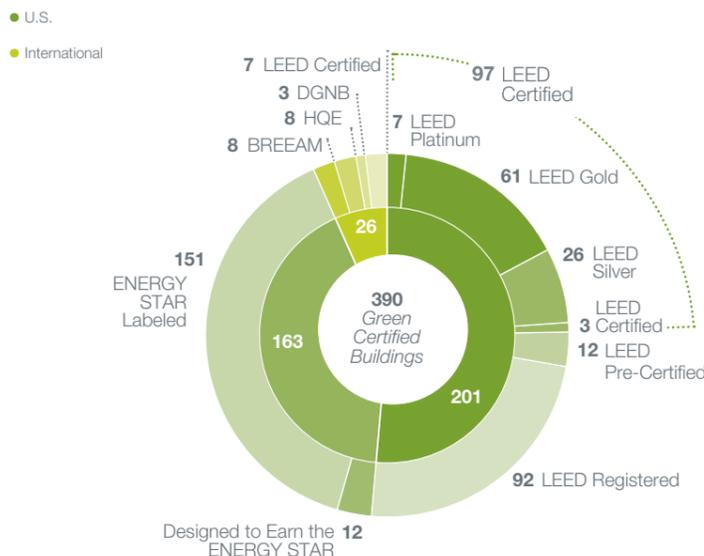
**Green Rated Buildings**

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

**Green Building Certifications**

International and U.S.

A total of 390 buildings in the Hines portfolio have green certifications.



**Reducing Construction Waste**

For each project, Hines provides waste management, disposal and recycling criteria to the general contractor (GC). The GC implements the criteria through a waste management coordinator, and a subcontractor hauls the demolition and construction waste bins to an off-site facility for sorting and weighing. The waste hauler provides progress reports of diversion for recycling, donations, re-use and landfill.



Hines' new construction project at 609 Main at Texas in Houston, a 48-story, 1,050,000-square-foot office tower, is projected to have a landfill diversion rate of 75% or better for construction waste.

SQUARE FEET UNDER DEVELOPMENT

57.7M

NUMBER OF GREEN CERTIFIED BUILDINGS IN 2013

390

TOTAL NUMBER OF HINES LEED ACCREDITED PROFESSIONALS

93

**New Sustainability Certifications in 2013**

**LEED Platinum**

- Aviva Building – Carpe Diem, Paris-La Défense, France **1**
- 300 North LaSalle, Chicago **2**
- 24th at Camelback II, Phoenix **3**
- Pleasanton Corporate Commons, Pleasanton, CA **4**

**LEED Gold**

- One Horizon Center, Gurgaon, India **5**
- Fifty South Sixth, Minneapolis **6**
- Distribution Park Embu II, Embu Das Artes, Brazil **7**
- 1251 Avenue of the Americas, New York **8**
- Coca-Cola Brazil Building, Rio de Janeiro **9**

**DGNB**

- Sony Center, Berlin, Germany **10**
- Campus E, Munich, Germany, **11**

**LEED Silver**

- Distribution Park Embu II, Embu Das Artes, Brazil **7**
- 1251 Avenue of the Americas, New York **8**
- Coca-Cola Brazil Building, Rio de Janeiro **9**

**HQE**

- Aviva Building – Carpe Diem, Paris-La Défense, France **1**
- M6 Headquarters Redevelopment, Neuilly-sur-Seine, France **12**

**BREEAM**

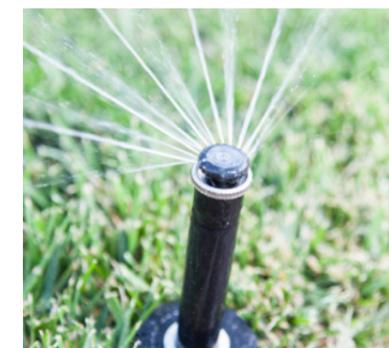
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**Net-Zero Water**

A net-zero water building draws no potable water from the municipal system and recycles all wastewater on-site. To move beyond water-efficient fixtures and use of municipal water sources, developers and owners must embrace existing “flush-to-faucet” technologies. Municipalities worldwide are already implementing these systems in drought-prone locations, such as Singapore and Orange County, CA. Greywater filters typically include bioreactors to organically break down water for irrigation or flushing. Blackwater, or sewage, filtering includes dual-membrane technology, utilizing microfiltration and

reverse osmosis, and disinfection through exposure to ultraviolet light to create potable water for consumption.



**Net-Zero Energy Assessment Tool**

Hines developed, and distributed to its engineering teams, an interactive assessment tool to determine which buildings might be preliminary candidates for achieving net-zero energy. Factors include: utility metering restrictions, state/local incentives, max/min energy loads and usable space for fuel cells or solar. Webinars were conducted to demonstrate use of the tool and to advise on net-zero energy resources.



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net-zero

**Net-Zero at LPL Financial at La Jolla Commons**

Hines developed the first commercially viable net-zero energy building working in partnership with architects, engineers, contractors and our tenant. LPL Financial at La Jolla Commons integrates state-of-the-art air handling units, LED lighting and fuel cells powered by biogas among the many features leading to net-zero energy and carbon. More than 85% of water use is provided through recycled water, including water closets, irrigation and cooling towers. Taken together, the ingredients used to create LPL Financial at La Jolla Commons lay the foundation for what's next in sustainable development.

**Eric Hepfer** Associate, West Region





“Over the 20 years that Hines has been in China, we have seen a significant increased focus on sustainability, driven by the need for greater energy efficiency and cleaner sources of fuel.”

James Morrison Senior Managing Director; Country Head, China

### 3: Property Management and Engineering

[hinessustainability.com/property-management-engineering](http://hinessustainability.com/property-management-engineering)

# Service



#### What We Said:

Hines will expand the upcoming tenant survey to include more questions related to sustainability to help Hines benchmark against the industry. We will hold a conference for Hines property managers to share best practices for on-site property management around the world.



#### What We Did:

Included questions related to sustainability in the 2013 tenant survey (see p. 19). Convened 225 Hines property managers from 10 countries in Miami.



#### What's Next?

Hines will initiate a LEED volume program to scale the number of our LEED-certified projects. We will expand the “paper lite” program to minimize paper use through digital document management.



“How can we adapt our buildings for a clean-energy future?”

In 2013, Hyundai Motor Tower, Beijing, completed work, led by Group Engineering Manager Shuyu Huang, to convert its central plant from diesel to natural gas. The 24-story tower, acquired in 2001 on behalf of Hines' Emerging Markets fund, is one of Beijing's most recognizable landmarks.

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

#### Diesel to Natural Gas Conversion Hyundai Motor Tower, Beijing

Hines began work in April 2013 to convert the building's three chillers and two boilers from diesel to natural gas, which included working with the city to bring natural gas lines to the building. The \$492,000 cost of the project, completed in September, will be offset in the first year by savings in operating costs. In addition, the cleaner-burning natural gas will reduce CO<sub>2</sub> emissions by 1,230 tons annually, the equivalent of 2,860 barrels of oil.

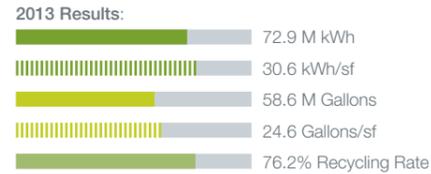


# Building Performance

## 1251 Avenue of the Americas

New York, NY

**Building Area:** 2,381,006 sf **Floors:** 54  
**Green Credentials:** LEED-EB Silver



Operational excellence improves a building's bottom line. In 2011, Mitsui Fudosan America engaged Hines as Property Manager at 1251 Avenue of the Americas with a focus on improving building operations. After carefully assessing the building's equipment and the operational requirements, significant progress was made to reduce utility consumption and cost, while enhancing the tenant experience.

The program led to upgrading variable frequency drives for the mechanical equipment, pump overhauling and conversions, replacing control valves, and a maintenance program focused on equipment re-commissioning. Maximizing the capacity of the existing building management system was essential in implementing many energy conservation measures. Major HVAC equipment schedules were optimized. HVAC delivery was revamped by shifting load from fan energy to chilled-water energy, improving tenant comfort and temperature control. This holistic approach to improving performance also led to water reductions through sealing leaks, and indirectly through optimizing the schedule of the cooling towers.

Since Hines' engagement, more than 24 million kWh of energy has been reduced, which is equivalent to the

energy consumption of more than 1,500 homes. The accumulated utility savings have led to \$2.6 million in operational savings. The support and approval of the building owner, Mitsui Fudosan America, was essential to implementing the required capital investment.

| 2010 to 2013                          | % Change | Total Savings            |
|---------------------------------------|----------|--------------------------|
| Energy Consumption                    | -25.0%   | 24,342,188 kWh saved     |
| Electricity Consumption               | -15.9%   | 8,652,767 kWh saved      |
| Gas Consumption                       | -36.7%   | 15,689,420 kWh saved     |
| Water Consumption                     | -24.3%   | 18,761,336 gallons saved |
| Total Utility Cost (energy and water) | -20.4%   | \$2,607,179 saved        |

### What is the Value in Benchmarking Building Performance?

Much of the emphasis of sustainability in real estate has been placed on measuring and reporting building energy consumption. Software tools have streamlined the process by which companies collect and analyze data, resulting in the ability to accurately report energy consumption and energy use intensity, as Hines has done in previous sustainability reports. Benchmarking internally and externally against these average energy intensities enables a better understanding of a building's performance, in addition to potential actions and savings. However, the challenge remains to make sense of these benchmarks in the context of a building's use and unique factors.

Hines maintains that building performance is best managed and understood at the property level. In this section, environmental performance metrics are shown. The figures vary widely from time to time due to a variety of factors, including climate, building age, tenancy and mechanical systems among many contributing elements. More of this type of information sharing will lead to further conversations within Hines, and across the industry, on how to continue to improve environmental performance in the built environment.

### Hines and ENERGY STAR

The U.S. Environmental Protection Agency's ENERGY STAR program includes an energy performance rating system for commercial buildings. Hines benchmarks 188 buildings representing 81,942,561 million square feet using the program's Portfolio Manager. Thirteen new properties earned the ENERGY STAR label in



2013, which brings Hines' total to more than 156 properties that have earned the ENERGY STAR label.

Hines' ENERGY STAR strategy and initiatives are led by the ENERGY STAR Management Group (ESMG) consisting of engineering leaders from Hines' central headquarters and every U.S. Hines business region.

Comparison of Hines ENERGY STAR-labeled buildings to the national median:<sup>5</sup>

- 39.7%** more energy efficient
- \$1.04** energy cost savings per sf per year
- \$52.6M** total portfolio savings per year
- 220,738** metric tons annual reduction in CO<sub>2</sub>e

### Benchmarking Legend

- Total Annual Energy Consumption
- Energy Intensity
- Total Annual Water Consumption
- Water Intensity
- Recycling Rate

## 1515 Wynkoop

Denver, CO

**Building Area:** 306,791 sf **Floors:** 8  
**Green Credentials:** ENERGY STAR Certified, LEED-CS Gold, BOMA Watts to Water 2013 Winner: Most Efficient Office Building in Denver



In 2014, the City of Denver wanted to acknowledge the most efficient office buildings in the city. The Watts to Water program, co-sponsored by ENERGY STAR and BOMA, is meant to encourage sustainability and showcase best practices. The Watts to Water jury awarded 1515 Wynkoop the most efficient office building in Denver due

to its energy and water efficiency, and, with a score of 95, the highest ENERGY STAR score in Denver.

Developed by Hines in 2009, 1515 Wynkoop demonstrates sustainability through superior design, construction and management. Upon completion, the building achieved LEED Gold certification under the USGBC's Core & Shell Program.

Taking an already efficient, new property and developing ways to make it more efficient provided an opportunity for the staff. Even with a high-quality development, the management team implemented improvements that continue to reduce energy. The HVAC sequence of operations was modified to take advantage of the equipment

capabilities and the Denver climate, and led to an additional annual reduction of 116,957 kWh.

Due to the rapid advancements in lighting technology, more than 300 light fixtures were retrofitted, leading to savings of 24,882 kWh. As the building completes LEED EB O+M certification, additional retrofits will yield further reductions, estimated at 35,000 kWh in the next year.

| 2010 to 2013            | % Change | Total Savings     |
|-------------------------|----------|-------------------|
| Electricity Consumption | -3.3%    | 296,119 kWh saved |
| Total Electricity Cost  | -1.3%    | \$127,331 saved   |

### Energy Tracking and Energy Intensity

Hines engineers track energy consumption at Hines-managed properties. Using a proprietary web-based application called ECOS, engineers input property information, certifications, monthly utilities cost and consumption totals, degree days and average occupancy. Automated analytics tools permit evaluation of data integrity and trends by property, region or the entire company.

### Does Energy Intensity Tell the Whole Story About Performance?

Every building is different. Buildings evolve as tenancy, equipment and density change. Weather varies from year to year. Annual per-square-foot energy intensity provides a quick first measure of the energy performance of a building or portfolio. If the energy intensity of a building goes up, does it mean the building is less efficient? Maybe.

If a tenant office suite was all private offices and held 20 people, and is now an open floor plan and holds 40 people, it is likely to use more energy—but could be more efficient. If a building was 85% leased and is now 100% leased, is it using more electricity? Very likely yes, but it is not necessarily less efficient.

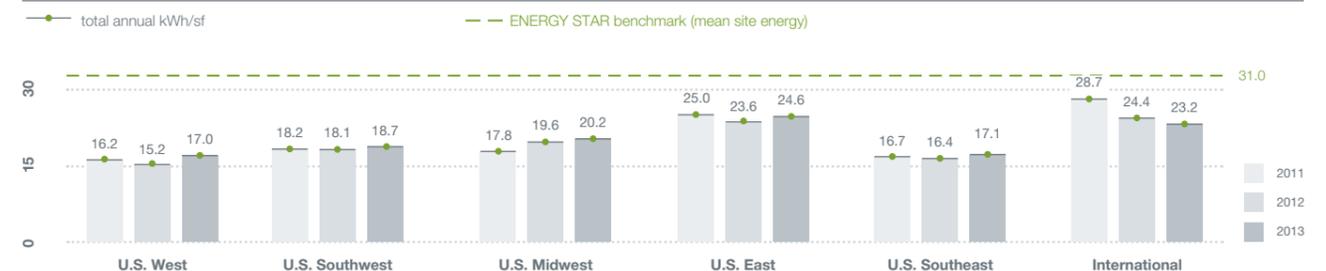
Considerable judgment must be exercised when interpreting these results, as significant drivers of energy consumption are not accounted for in this basic evaluation.

For example, Hines' West Region energy intensity increased from 2012 to 2013, yet the best sustainability practices were still in place. In fact, the West Region is where Hines' first net-zero building is located. So what happened?

This increase is best explained by an unusually cool winter, the addition of a large, high-tech space to the operating portfolio and increased worker density throughout many of the buildings. We think that understanding and normalizing for these factors is best evaluated right at the building.

### 2013 Building Energy Intensity by Region<sup>6</sup>

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





**Water Tracking and Initiatives**

Water consumption and costs, derived from utility bills, are tracked in ECOS (Hines' proprietary environmental tracking tool) by building engineers. As Hines has leveraged green building standards, water consumption from occupant use has decreased. Hines continues to evaluate lifecycle water savings and costs of restroom retrofits in existing buildings. LPL Financial at La Jolla Commons uses recycled wastewater to provide more than 85% of the building's water needs, including water closets, irrigation and cooling towers.



**Solid Waste Tracking**

In 2013, Hines added tracking of waste and recycling to ECOS. Unique solutions were integrated to accommodate regional differences in waste management, such as incineration for fuel use in Europe. Hines' central resources provided web-based training and tools to all properties. La Jolla Commons Tower I began single-stream recycling in 2012. Combined with a tenant awareness program, the recycling rate increased from 44% in 2012 to 94% in 2013.

**DOE Partnership Study**  
*Increasing Property Value with Energy Saving Practices*

Hines partnered with the U.S. Department of Energy's (DOE) Commercial Building Partnerships Program on a demonstration project to implement cost-effective, replicable ways to achieve dramatic energy savings in an existing commercial building. The team selected 522 Fifth Avenue, a 515,000-square-foot office building in New York City managed by Hines since 2008 for owner/occupant Morgan Stanley.

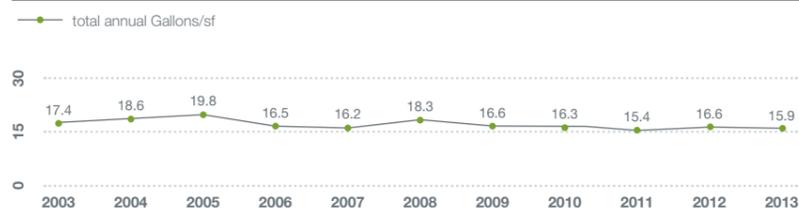
Hines worked with the owner to evaluate a range of improvements with the criteria of providing return on investment in under four years. The greatest potential for energy savings existed in lighting; more efficient lighting generates less heat, thereby reducing the cooling load. More than 40 energy efficiency measures and operational improvements have been implemented resulting in energy savings of 30% to date in comparison to historic consumption. A detailed case study of the project was published by the DOE in September 2013 and can be found at: [hinessustainability.com/doe](http://hinessustainability.com/doe)



**Building retrofit saves tenant over \$1 million/year.**

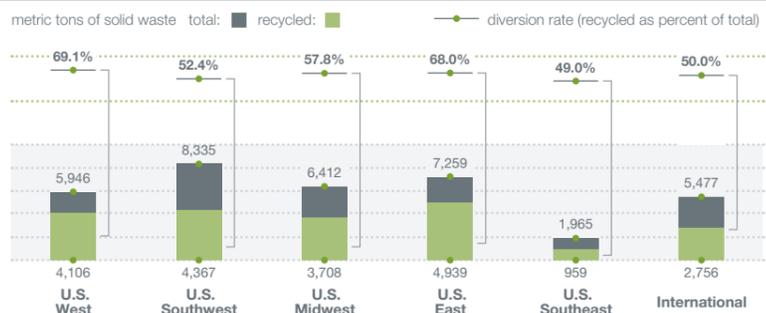
**U.S. Building Water Intensity 2003 – 2013<sup>7</sup>**

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



**2013 Solid Waste and Recycling by Region<sup>8</sup>**

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



**180** PROPERTY TURNAROUNDS

**Hines180 Highlight**

Hines managed the renovation of the 45-year-old, 1 million-square-foot Kinder Morgan Tower in Houston and completed the project on schedule and under budget with major risk reduction, lower operating costs, improved occupant comfort and enhanced asset value. The property, transformed from an aging facility into a modern and collaborative work environment, received LEED-CI Gold certification.

Projected savings:

- 20%** Electrical Consumption
- 30%** Water Consumption
- 50%** Natural Gas Consumption

**Tenant Surveys**

Hines commissions a third party to conduct tenant surveys to gauge tenant satisfaction. The 2013 survey, administered as a web survey by email invitation, had 1,763 respondents, a 90% response rate. When asked "how would you rate your satisfaction with Hines' commitment to sustainability?" 84% of those who responded rated their satisfaction as "good" or "excellent"; 61% felt "green" building operation was important or very important to their company.



Tenant interest in green initiatives in their buildings:

- 69%** recycling
- 46%** energy conservation
- 46%** e-waste recycling\*
- 31%** "green" cleaning
- 30%** water conservation
- 11%** composting\*

\* new in 2013 survey

**HinesGO** GREEN OFFICE

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.

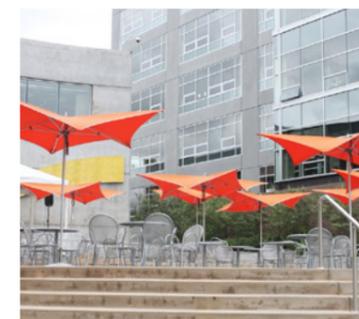
- 739** active tenants have achieved GREEN OFFICE ratings
- 32** million leased square feet of GREEN OFFICE tenants
- 1/3** of total occupied space firm-wide in the program
- 100%** Hines offices certified in the program

trend  
**tenants**

**Trends in Property Management**

Today's property manager must have an expanded definition of sustainability in response to informed tenants and investors. Almost every decision factors in sustainability in some form, including ways to accommodate efficient modes of transportation, how much daylight an occupant can capture, and what kind of renewable energy to purchase or generate to energize a building. It's no longer just reducing waste: it is creating opportunities to do the better things for our communities.

**Thomas Kruggel** Senior Vice President, Operations, West Region and Asia Pacific





**What We Said:**

Hines will initiate training programs to advance the next generation of leadership at Hines including online courses for all employees on “Valuing Generational Differences” and webinars for supervisors on “Managing Generational Differences.”



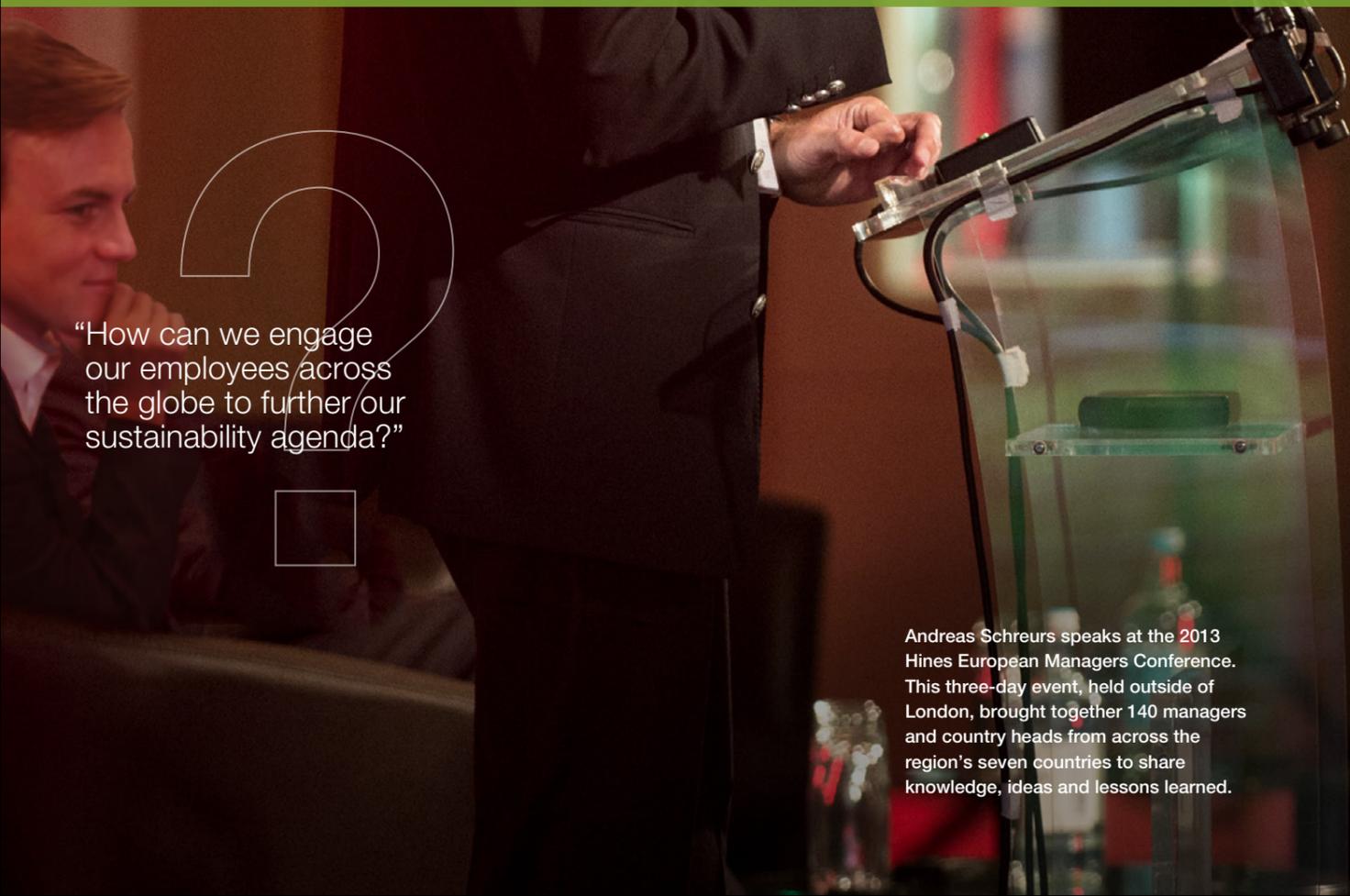
**What We Did:**

Hosted eight online training sessions to educate employees on valuing and managing generational differences; 457 employees attended the training.



**What’s Next?**

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



“How can we engage our employees across the globe to further our sustainability agenda?”



Andreas Schreurs speaks at the 2013 Hines European Managers Conference. This three-day event, held outside of London, brought together 140 managers and country heads from across the region’s seven countries to share knowledge, ideas and lessons learned.

“Leadership at Hines is earned, not granted. Leaders emerge because others choose to follow them. Competence, respect for others and professionalism are essential traits for effective leadership.”

Colin Shepherd Senior Managing Director/CEO, Investment Management

**4: Our Employees**

[hinessustainability.com/our-employees](http://hinessustainability.com/our-employees)

# Leadership

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

**Training and Development**

In addition to formal training, the Hines Standard is passed on to newer generations of Hines employees through individual and group meetings where critical thinking is encouraged. The approach of well-tested methods, combined with the freshest ideas of new team members, are an important part of the Hines culture.



EMPLOYEE HIGHLIGHTS FOR SUSTAINABILITY ACHIEVEMENTS

Hines employees around the globe are champions of sustainability, from engineering to property management and within Hines offices. Read more at [hinessustainability.com/our-employees](http://hinessustainability.com/our-employees)

**1. LEIA JENSEN**  
General Property Manager, West Region

**2. RICHARD XIA**  
Vice President Operations, China

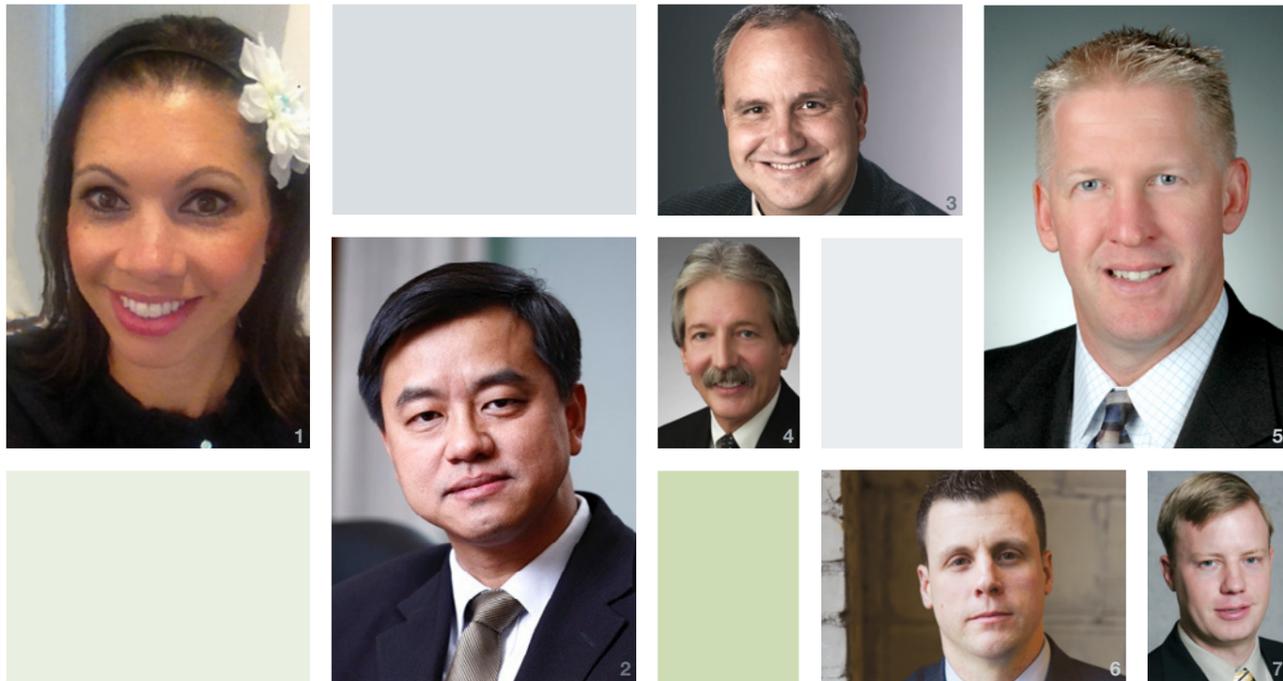
**3. ROBIN OBAUGH**  
Vice President of Engineering, Southwest Region

**4. MONTY SCHLAICH**  
Senior Engineering Manager, Southwest Region

**5. MARK ANDERSON**  
General Property Manager, 321 N. Clark, Midwest Region

**6. FRANK CLARK**  
Property Manager, Wells Fargo Center – Minneapolis, Midwest Region

**7. MICHAEL TYLER**  
Engineering Manager, 999 Peachtree, Southeast Region



TOTAL NUMBER OF EMPLOYEES

**3,391**

NUMBER OF NEW EMPLOYEES IN 2013

**589**

AVERAGE TENURE OF EMPLOYEES (YEARS)

**7.52**

**8. CHELSEA SULLIVAN**  
Sustainability Business Process Analyst, East Region

**9. GISELLE TAMINEZ**  
Property Manager, 1200 Nineteenth Street, East Region

**10. LILLIAN GIUNTINI**  
Conceptual Construction Manager, Brazil

**11. YVONNE BERGMAN**  
Assistant Construction Manager, Germany

**12. FRANCK LAGET**  
Project Manager, France

**13. SYLVIA HU**  
Manager of Hines Global Document Center, Central

**14. AUGUST KOVACH**  
Senior Graphic Designer, Central

**15. DANIEL CHANG**  
Director, Office of Investments



**Vitality**

In 2013, Hines began offering employees and their spouse, or domestic partner, the opportunity to engage with Vitality. This wellness program provides employees with tools, motivation and a personalized approach to achieve better health.

**2013 Vitality Program Results**

**781** employees completed a Vitality Health Review (VHR)

**420** employees completed a Vitality Check

**Training and Career Advancement**

Hines develops training based on specific job functions to educate employees about Hines' properties, processes and policies, as well as our unique and valued culture. In 2013, 86 courses were conducted in Hines regions and via webinars, with a combined total of 2,307 attendees.

**2013 Training Highlights**

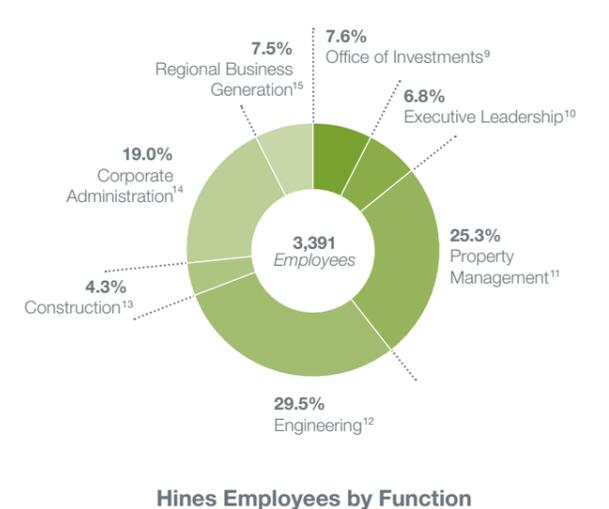
**86** courses conducted

**2,307** attendees

**Global Workforce**

Hines is driven by values and innovation, and diversity is a key expression of both. Our international, multicultural platform allows the advancement of ideas to foster our entrepreneurial nature, which benefits our work, as well as our partners and investors. We strive to support an environment where everyone can reach his or her full potential.

|               |              |                         |
|---------------|--------------|-------------------------|
| <b>Female</b> | <b>Male</b>  |                         |
| <b>850</b>    | <b>1,512</b> | U.S. employees          |
| <b>456</b>    | <b>573</b>   | International employees |





#### What We Said:

In 2013, the firm will increase participation in the myCommunity program by 20 percent.



#### What We Did:

Successfully increased participation in Hines myCommunity program by 18% firm-wide.



#### What's Next?

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



“How can we leverage our work at Hines to promote sustainability throughout the industry?”

Gary Holtzer, Global Sustainability Officer, lectures on sustainability initiatives at the Gerald D. Hines School of Architecture, University of Houston.

11-YEAR HIGHLIGHTS FOR ULI GERALD D. HINES STUDENT URBAN DESIGN COMPETITION

TOTAL PARTICIPANTS SINCE 2003

5,495

TOTAL PARTICIPATING TEAMS

1,097

TOTAL SCHOOLS REPRESENTED FROM U.S. AND CANADA

170

## 5: Our Communities

[hinessustainability.com/our-communities](http://hinessustainability.com/our-communities)

# Dialogue

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

### 2013 ULI Gerald D. Hines Student Urban Design Competition

A joint team of graduate students representing three universities—Kansas State University, the University of Missouri-Kansas City and the University of Kansas—took the \$50,000 top prize in this year's competition with their proposed long-term development plan for a downtown Minneapolis site adjacent to the new Minnesota Vikings Stadium location. In total, 790 students representing 70 universities in the United States and Canada participated.



# What's Next for Sustainability in the Built Environment?

**Understanding complex issues requires listening carefully. With that objective, we have asked a cross section of stakeholders in the real estate community, "What's next for sustainability in the built environment?" We hope that these responses will prompt discussion within your own communities and companies.**

**Gary Holtzer** Senior Managing Director, Global Sustainability Officer

"Real estate leaders are getting better at making the business case for efficient operations and healthier workplaces. Beyond the business case, it is important that we also remember the environmental impact of the built environment, and why we are doing these things. In the face of frequent extreme weather events, as we are beginning to design and construct more resilient buildings that can withstand environmental extremes, we must also continue to look for ways to mitigate these events."

**Michael Deane** Vice President, Chief Sustainability Officer, Turner Construction Company



## Engaging Communities

**"We need to figure out how everyone can participate in sustainability. The industry spends a great deal of time and effort making people who are good at it even better, when some of those resources should be spent figuring out how to engage those that are not participating at all. Globally, we find little resistance to sustainable practices once they are introduced."**

**Art Gensler** Founder, Gensler



**"There will be a growing realization that technology won't be able to solve for climate change without people being engaged in the process on a personal level."**

**Nicholas E. Stolatis** Senior Director, Global Sustainability & Enterprise Initiatives, TIAA-CREF



"Companies are embracing sustainable construction in new developments, but existing buildings make up nearly all of our current building stock. What's next in sustainability is twofold. Retrofit existing buildings to use less energy, water and natural resources, leading to improved occupant health and productivity. Second, challenge ourselves beyond ENERGY STAR and LEED, and consider a living building that strives for net-zero energy and water."

**Laura Spanjian** Director, Office of Sustainability, City of Houston



"We have proven to ourselves that industry leaders can build high-performance buildings in virtually any market context. New benchmarks of success will transcend the envelope of the individual building and seek to aggregate the metrics of sustainability either at a district scale or across investment portfolios. By doing so, we will swing the door open to new partnerships, new business relationships and new market transactions."

**Uwe S. Brandes** Executive Director, Urban and Regional Planning Program, Georgetown University



## Behavior Change

"The public really cares about what products we use to maintain buildings, and so do our investors. So-called green cleaning used to be cutting edge; now it is the base line. It is expected. This is good for our customers, good for our investors and good for the environment."

**Henrik C. Slipsager** President and Chief Executive Officer, ABM



**"At CalPERS we see sustainability, in its simplest form, as the ability to prosper. That means we have to understand how issues such as climate change, energy needs, water availability and global supply chains affect our portfolio, and our duty to ensure the integrity and soundness of the trust fund for many, many generations to come."**

**Anne Stausboll** Chief Executive Officer, California Public Employees' Retirement System



## Healthy Buildings

"Technology continues to put the internet in people's hands, enabling mobility of the workforce in unprecedented ways. The sharing economy and emerging technologies have profound implications on city planning and workplace design. These relationships between economic and demographic change and the resulting demand are creating new risks and opportunities in the built environment."

**Patrick Phillips** Global Chief Executive Officer, Urban Land Institute



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](mailto:sustainability@hines.com)

## Hines Executive Leadership

### Gerald D. Hines

Founder and Chairman

### Jeffrey C. Hines

President and Chief Executive Officer

### C. Hastings (Hasty) Johnson

Vice Chairman and Chief Investment Officer

### Charles M. Baughn

Chief Financial Officer

### Christopher D. Hughes

CEO – Capital Markets Group  
and East Region

### Colin P. Shepherd

CEO – Investment Management

### Thomas D. Owens

Senior Managing Director  
and Chief Risk Officer

### James C. Buie, Jr.

CEO – West Region, Asia Pacific  
and Australia

### Mark A. Cover

CEO – Southwest Region and  
Mexico/Central America

### E. Staman Ogilvie

Co-CEO – Eurasia Region

### C. Kevin Shannahan

CEO – Midwest & Southeast Regions,  
Canada and South America

### S. Lee Timmins

Co-CEO – Eurasia Region

### Michael J.G. Topham

CEO – Europe/Middle East Region  
including North Africa

## Map Notes

- "Under Development" includes projects that are in the design phase and projects on which Hines has broken ground
- "Managed" means either property managed or asset managed, or both
- "Owned" properties are properties where a Hines entity has some portion of ownership

## Endnotes

1. Square feet under management include projects that are Hines-owned and managed and Hines-managed for third parties
2. The firm's historical and current portfolio of projects that are under way, completed, and acquired and managed for third parties
3. Australia square footage consists of properties that are Hines-owned and asset managed
4. Includes flex tech, land and data centers
5. ENERGY STAR numbers from the firm's 2014 ENERGY STAR Partner of the Year application, as evidenced by the Energy Performance Report from Portfolio Manager. The report covers data from August 31, 2012, through August 31, 2013, and includes properties with a score of 75 or greater.
6. Energy intensity data represents approximately 70.5 million square feet of predominately office space in Hines' U.S. and international locations. Only properties with reliable complete building data (base building and tenant) have been included. This information is being presented in comparison to the U.S. EPA's ENERGY STAR mean site energy, which is based on the U.S. Department of Energy's most recently published Commercial Building Energy Consumption Survey (CBECS).
7. Water intensity data represents approximately 75.3 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.
8. Recycling and waste data represents approximately 54 million square feet of predominately office space in Hines' U.S. and international locations.
9. Office of Investments: Includes all fund management employees, fund accountants and support employees in the Office of Investments departments
10. Executive Leadership: Includes all officers (EVPs, SVPs, VPs, SMDs and MDs)
11. Property Management: Includes all property management employees, property accountants and support employees
12. Engineering: Includes all engineering and engineering management employees
13. Construction: Includes all construction employees
14. Corporate Administration: Includes all Central employees (excluding fund and fund accounting), corporate accounting, other corporate administration and support employees
15. Regional Business Generation (RBG): Includes all directors, marketing/leasing and support employees (employees in project, leasing, or marketing in the Hines Reporting department)

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

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

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

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

*Hines' Guiding Principles*

# Hines

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