

Hines Sustainability, Resilience and Responsible Investment Framework

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

Clients/Partners

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

Investment

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

Regulatory Compliance

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

Operations

- What are the operational risks due to environmental, social, and governance issues?

Environmental

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

- Is there environmental compliance set by the municipality, client, or a tenant that could impact the performance of this property?

Social

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

Governance

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

Tenant(s)

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

Resilience

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