



Howard Hughes®

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The Howard Hughes Corporation
2019-20 ESG ANNUAL REPORT

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Howard Hughes



The Howard Hughes Corporation's commitment to innovative placemaking, design excellence, and sustainability creates culturally vital and resilient communities, comprising one of the strongest real estate platforms in the United States.



Letter from our CEO

“ *It is our responsibility to ensure that our ESG investment strategy aligns with all aspects of our business and positions us for long-term, sustainable success.* ”

As companies navigate the challenges of an ever-changing world, environmental, social, and governance (ESG) strategies have never been more important and will continue to come into increasingly sharper focus as we work to ensure a long-term and sustainable future.

With the publication of this year’s ESG report, we find ourselves facing the unprecedented challenges of the COVID-19 pandemic and the long-standing issues of diversity, equity, and inclusion (DEI) that are reframing our societal view.

Our third annual Howard Hughes Sustainability (HHSustainability) report outlines a proactive approach for addressing sustainable development, natural resource conservation, and issues of cultural diversity and inclusion. The measurement of our company’s ESG-related key performance indicators shows that HHC made significant progress over the past year as we continued to expand programs that put our people and our communities at the center of our strategy.

In 2019 and 2020, we continued to build upon the foundation of HHSustainability, completing our third annual GRESB Real Estate Assessment and improving our score by 23%. In 2019, we moved toward achieving our established 10-year goals for energy, water, waste, and carbon emissions, and we achieved 12 new BOMA 360 certifications. These 12 are in addition to the 10 buildings certified in 2018 with the BOMA 360 program, which brings our portfolio total to 22 buildings with that designation.

Throughout this time, we engaged our stakeholders in events across the country focused on the environment, wellness, and local culture—including Earth Day, the Summerlin Wellness Festival, and the River To River Festival at the Seaport District in New York.

With the onset of the coronavirus pandemic, we have worked hand-in-hand with our regional leadership and business teams evaluating policies, employee relations, communications, operations and maintenance, facility cleaning protocols, and safety and security training. Our Executive Crisis Team and our Welcome Back Task Force continue to consult with industry subject-matter experts to develop best practices, strategies, and protocols in accordance with CDC, WHO, state, and local guidelines.

In response to the national conversations surrounding George Floyd’s death in May of this year, we signed the CEO Action for Diversity & Inclusion pledge affirming the importance of advancing diversity and inclusion within the workplace. We have engaged a DEI consultant with whom we have created a series of company-wide initiatives to reaffirm our zero-tolerance policy on racism or bias of any kind within HHC.

We have also expanded initiatives that foster career growth, creating and participating in a series of mentorship programs that span across the various functions, departments, and regions of our real estate business.

HHC’s master planned communities (MPCs) are extraordinary places to live, work, and play. The beautiful natural settings, masterful design, and exceptional standards of development exemplify our work— but it is in the open spaces integrated in and around the physical buildings where communities come together and memorable experiences are created.

The Howard Hughes Corporation is built on the strength, vitality, and diversity of our communities. We are proud of the outstanding efforts being made by our teams across the country to help our communities thrive. It is our responsibility to ensure that our ESG investment strategy aligns with all aspects of our business and positions us for long-term, sustainable success.



David R. O'Reilly

INTERIM CHIEF EXECUTIVE OFFICER;
PRESIDENT AND CHIEF FINANCIAL OFFICER



Our Regional Response

Seaport District

The Seaport District provided a robust community response to COVID-19 with a variety of initiatives to support local healthcare providers, first responders and essential services, local non-profit organizations, community neighbors, and small businesses.

COVID-19

At The Howard Hughes Corporation, we believe that we have no greater asset than the health, safety, mutual trust and respect of our tenants, residents, customers, and team members.

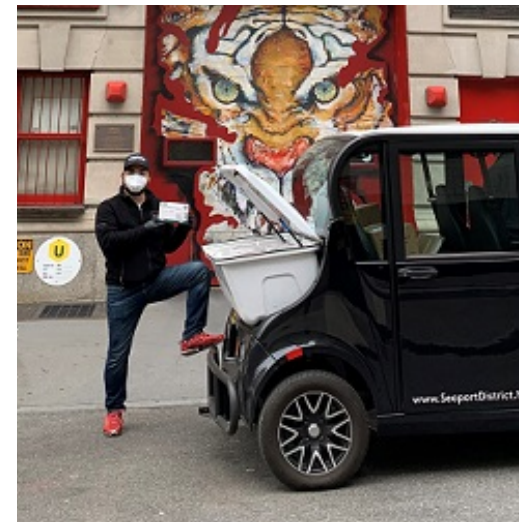
As we collectively face the COVID-19 pandemic, The Howard Hughes Corporation has provided a focused, unified response from our leadership across our portfolio, and we have continued to work closely with regional teams to evaluate policies, operations and maintenance, facility cleaning protocols, safety and security training, and employee communications to support the health and safety of our communities.

Our Executive Crisis Team and Welcome Back Task Force regularly consult with experts to develop best practices, strategies, and protocols in accordance with CDC, WHO, state, and local guidelines. We have prepared a number of processes and communications to provide a safe environment at our properties to protect our employees, tenants, and customers.

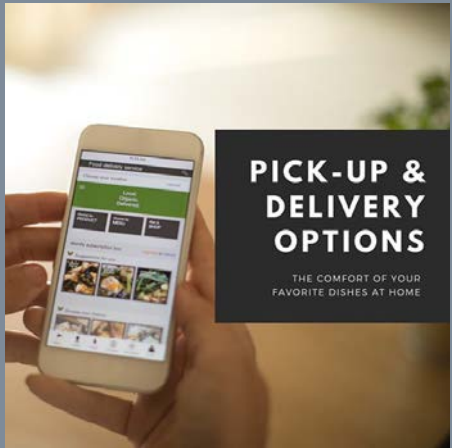
As the pandemic evolves, we will continue to ensure that health guidelines are diligently monitored and safety protocols are strictly followed. We are committed to providing help in any way we can as we make critical determinations in a thoughtful, measured, and strategic manner and progress towards recovery from this global crisis.

Our organization is built on a foundation of strength, vitality, and diversity of our communities. Despite the unprecedented challenges we are facing, we are tremendously proud of the courageous efforts being made by our teams across our portfolio to rapidly respond to these challenges and to give back to the people and organizations that help our communities thrive.

Since inception, we have worked diligently to position HHC to endure and continue to grow, despite market challenges we have faced. We are confident that we will navigate through this pandemic and move forward towards a thriving future.



- 500 KN95 masks were donated to support the safety of the FDNY Fire Engine 6 team
- Financial donations were made to New York-Presbyterian's Hospital Fund to benefit healthcare staff at the Lower Manhattan campus in April 2020
- Weekly meals were provided to the NYPD 1st Precinct, the Department of Sanitation at Pier 36 Depot, and Grand Street Settlement in April 2020
- 500 pounds of food were given to The Bowery Mission, which serves hungry and homeless New Yorkers
- Numerous food donations were made through April and May to the Alfred E. Smith Houses, the temporary City Council District 1 Food Pantry, and 80 & 82 Rutgers Slip
- Financial support was provided to the Fulton Stall Market for ongoing operations during quarantine
- Emergency funds were distributed for small businesses in partnership with the Downtown Alliance and other Manhattan real estate and property owners
- Virtual fitness classes and cooking demonstrations provided our community with online content during quarantine
- Pier 17 was lit in blue in solidarity with other NYC landmarks to show support and thanks to frontline and essential workers



Summerlin

Summerlin has maintained a robust philanthropic outreach since its inception three decades ago. HHC has granted millions of dollars to improve the quality of life in Southern Nevada. We focused on specific efforts to support those impacted by COVID-19, sharing messages of hope across social networks while also supporting first responders, businesses and the community-at-large with donations of personal protective equipment (PPE), comforting gifts, and encouragement.

- \$50,000 for thousands of additional PPE items were donated to the Nevada COVID-19 Task Force, with another \$1,000 donated to the Las Ventanas Senior Home
- “Play It Safe” welcome back bags were shared with 2,500 office tenant employees that included hand sanitizer and a touchless, sanitary tool for navigating elevators and building spaces
- Essential workers were honored with a Nurses Appreciation Day celebration at Summerlin Hospital with social posts and cupcakes for the nursing staff, two “Thank You” billboards along the 215 Beltway, and 300 Aviators gift bags donated to hospital teams across the region
- Meals were provided to first responders at multiple fire stations, Metropolitan Police Department and Summerlin Hospital
- The weekly Farmers Market at Downtown Summerlin was temporarily converted into a drive thru to ensure fresh produce was available while grocery stores were low on inventory
- HHC supported Downtown Summerlin restaurants donating hundreds of free meals to the unemployed
- One Summerlin was illuminated with a red heart, patriotic lights for the “USA Strong” and “Light it Blue” initiatives, and also for six local high schools’ and UNLV’s graduations to support the community
- Social media was leveraged to stay connected and promote businesses within our communities, as well as provide inspiration for home craft projects, workouts, recipes and a virtual Easter egg hunt where four winners received Downtown Summerlin gift cards
- Videos were created, including a “Staying at Home for You” video at the beginning of the pandemic as well as a “We Miss You” video for Downtown Summerlin that engaged hundreds of community members



Downtown Columbia

From finding ways to spread happiness during the crisis to supporting critical caregivers in hospitals, the Downtown Columbia community has rallied to help local first responders and keep spirits up during the coronavirus pandemic.

- “USA Strong” lighting featuring red, white, and blue lights debuted on 6100 Merriweather Drive
- The “Color Bursts of Joy” digital campaign provided Columbia and the community-at-large moments of creativity, happiness, and inspiration with over 400,000 campaign impressions
- “Care for Caregivers” provided meals for hardworking hospital staff at Howard County General Hospital in April, as well as support for local restaurant and deli tenants
- Meals were given to two firehouses that service Downtown Columbia, provided by HHC tenants Clyde’s and Cured during April
- Vacant office space was donated for non-profit Blessings in a Backpack to assemble 750 backpacks containing breakfast, lunch, and snacks for students in need
- The Downtown Columbia Business Bingo game encouraged residents to support local food delivery and carry-out from 18 local restaurants, 11 of which are HHC tenants



Greater Houston Area

HHC is an active philanthropist in the Houston region, donating annually to approximately 130 causes in and around The Woodlands, Bridgeland and The Woodlands Hills through local nonprofit organizations. Across our MPCs in the Greater Houston area, a variety of initiatives were launched to support community philanthropy and those who have been impacted most by COVID-19.

- HHCares philanthropy efforts were increased to make additional contributions to the Montgomery County Food Bank, Interfaith of The Woodlands food pantry, Kids' Meals, Meals on Wheels Montgomery County, Leadership Montgomery County's donations program, Cy-Fair Helping Hands, Children's Books on Wheels and the YMCA of Greater Houston
- The "Light it Blue" campaign illuminated key landmarks nightly with blue lights across HHC's Greater Houston area MPCs to share gratitude for healthcare professionals and essential frontline workers during the pandemic
- In support of the frontline medical workers at CHI St. Luke's Health – The Woodlands Hospital, 150 lunch meals and 150 dinner meals, lovingly prepared by The Woodlands Resort, were delivered by the HHCares team
- Boxed lunches were delivered to over 550 daytime medical and frontline team members at HCA Houston Healthcare Conroe by HHC and Sorriso Modern Italian Kitchen in The Woodlands
- An appreciation dinner for members of the Texas National Guard, hosted by HHC in conjunction with Woodforest National Bank, commemorated their assistance to the Montgomery County Food Bank over the early months of the pandemic, assisting organizations and communities most in need
- Messages of encouragement for medical personnel and first responders were shared on a billboard on Interstate 45, and an illuminated heart was displayed on The Woodlands Towers at The Waterway
- HHC and Sorriso Modern Italian Kitchen provided meals weekly to community first responders in April and May



Ward Village

The HHCares program ramped up efforts to help the Ward Village community with sweeping efforts including support for farmers markets to continue operations, donations of meals to essential workers, and emergency financial assistance to Hawai'i residents facing hardship due to COVID-19.

- The Kaka'ako Farmers Market, which is located within Ward Village, was expanded to include contactless drive-thru pick up every Saturday from April to June with support from HHCares volunteers wearing masks and gloves
- Free meals were shared by HHCares on April 30 to Ward Village essential workers, as well as 120 meals to Hawaii Pacific Health and Straub healthcare workers
- 430 meals were donated on May 1 to Hawaiian Dredging and ACK construction workers who made key safety-based operational adjustments as they continued to build Kō'ula and 'A'ali'i throughout the pandemic
- 750 produce boxes (35 pounds each) were donated to impacted merchant employees of Ward Village and Our Kaka'ako and community members focused on the urban core, in a collaboration between HHCares, the Food & Wine Festival, Our Kaka'ako, Ham Produce, and the USDA
- \$25,000 was donated to the Hawaii Foodbank, and HHCares volunteers helped distribute food boxes in rural areas of O'ahu in a collaboration with the construction and landowner communities
- Another \$25,000 was donated by the Ward Village Foundation to Hawaii Resilience Funding, offering one-time emergency financial assistance to Hawai'i residents facing COVID-19 hardships
- The IBM Building exterior was lit up a different color every week from April 28 to June 21 to honor frontline workers, law enforcement, first responders, healthcare workers, teachers, government workers, and volunteers who dedicated their time and efforts during the onset of the pandemic
- A MAHALO banner was placed prominently on the Kō'ula construction barricades to show Ward Village's appreciation to all the many groups who helped the community during this crucial time



Governance + Strategy

Our country's most inspirational communities are a result of the masterful planning, development, and nurturing from our teams at The Howard Hughes Corporation, with a leadership vision rooted in ethical responsibility.

Our Story

The Howard Hughes name is synonymous with innovation, achievement, and an unrelenting passion for excellence. From drill bits to aviation and film, the Hughes family legacy includes investments in Nevada real estate in the 1950s that are now home to our award-winning Summerlin master planned community in Las Vegas.

Two additional iconic entrepreneurs made important contributions to our history. James Rouse, widely regarded as the grandfather of the master planned community (MPC) business, became the founder of Columbia, Maryland, which represents one of the first American MPCs. In addition, George Mitchell, who acquired tens of thousands of acres of land in the 1960s, established the beginnings of our MPC now known as The Woodlands. Collectively, these three visionaries formed the entrepreneurial spirit that drives our innovative

placemaking as we shape planned communities and cities for generations to come.

With rapid growth since inception in 2010, HHC has become a resilient, market-leading enterprise. HHC is committed to ensuring our objectives remain aligned with the long-term goals of our stakeholders. We are constantly reevaluating development plans to meet the demands of a changing market and evolving needs of our communities.

Our portfolio-wide sustainability program, HHSustainability, represents our formalized policies, targets, programs, reporting, and long-term goals to enhance our ESG performance throughout our business. By prioritizing sustainability and monitoring our performance, we are making measurable progress towards building more resilient, extraordinary places for our communities.



HHC at a Glance

The Howard Hughes Corporation (NYSE: HHC) has become one of the strongest real estate platforms in the country by strategically positioning our company to meet and accelerate development based on market demand. We own, manage, and develop commercial, residential, and mixed-use real estate throughout the United States in four core business segments: master planned communities, operating assets, strategic developments, and the Seaport District.

Our portfolio of award-winning communities includes: the Seaport District in New York; Columbia, Maryland; The Woodlands®, The Woodlands Hills®, and Bridgeland® in the Greater Houston, Texas area; Summerlin®, Las Vegas; and Ward Village® in Honolulu, Hawai'i.

Within our Strategic Development segment, HHC has over 50 million square feet (SF) of development entitlements, and we own a variety of operating asset types including retail, office, multi-family, hospitality, and other assets. As of December 31, 2019, our portfolio included approximately 6.2 million SF of office, 3.2 million SF of retail, 2,909 multi-family units, 909 hotel rooms, and 1,374 self-storage units. In addition, we had 1.7 million SF of office, 0.2 million SF of retail, and 1,291 multi-family units under construction. The portfolio generated approximately \$230.3 million in annualized net operating income (NOI) as of year-end, and we expect it to achieve approximately \$367.3 million of NOI when stabilized. We are proud that our NOI has grown from approximately \$49 million in 2010.

During 2019, our MPC segment sold 570.8 acres of land and generated earnings before taxes (MPC EBT) of \$257.6 million. Since inception, we have sold in excess of \$2 billion of land and generated approximately \$1 billion in MPC EBT¹. At Ward Village in Honolulu, we have 2,697 condominium homes either completed or under construction, with 89.8% either closed or under contract.

Our successful track record allows us to drive long-term growth and value for our stakeholders as we move forward with our commitments to sustainability, design excellence, and innovative placemaking. We stand out from our competitors with our deep understanding of the markets in which we operate and strong local relationships and industry expertise.

Our 50 million SF of entitlements provide us 50 million opportunities to impact the lives of those who live, work, play, and thrive in our communities.

7
award-winning communities

\$230M
in annualized NOI

370%
NOI growth since 2010
as of December 31, 2019

50M
SF of development
entitlements

9.4M
SF of office and retail
properties, 1.9M SF under
construction

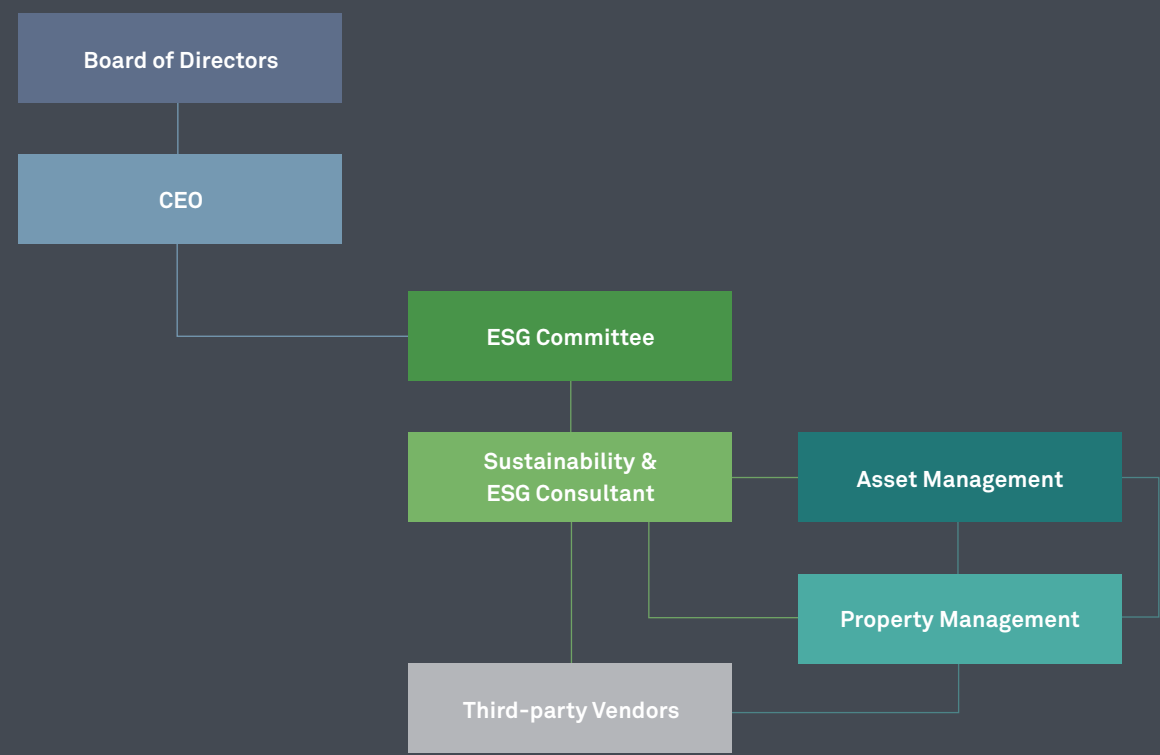
2,909
multifamily units
completed and 1,291 units
under construction

2,697
condominium homes at
Ward Village completed or
under construction

1. Details on HHC's NOI and MPC EBT can be found in the Financial Metrics Reconciliations portion of the appendix to this report.

Organizational Structure

The Howard Hughes Corporation is governed by a Board of Directors, which is headed by the Chairman of the Board who determines the schedule for when the Board meets. The company is led by the Interim CEO; President and CFO David R. O'Reilly, who oversees the Environmental Social Governance (ESG) Committee established in 2017. The ESG Committee guides the HHSustainability program and provides strategic direction for our corporate sustainability objectives.



“Our Board and executive leadership provide a breadth of experience and knowledge, and we are fortunate to have a tremendously talented and dedicated team of employees across the company. Together we share a dedication to our common goal of fostering long-term growth for our communities and providing attractive, risk-adjusted returns for our investors.”

~ David R. O'Reilly

Governance Policies

The Howard Hughes Corporation has a range of corporate governance policies and guidelines that shape and support our ESG program. These policies and guidelines include but are not limited to:

- / Bribery and Corruption
- / Political Contributions
- / Executive Compensation
- / Cybersecurity
- / Whistleblower Protection
- / Fiduciary Duty
- / Data Protection & Privacy
- / Insider Trading
- / Fraud

Processes to implement HHC’s governance policies include:

| | | | |
|---|--|---|--|
| Providing employees with training on material governance risks, including when employees join the company and regular follow-ups. | Permitting confidential, anonymous submissions of ethics concerns through our Whistleblower Hotline. | Requiring our General Counsel to report at least annually to the Board of Directors on the effectiveness of the company’s corporate compliance program. | Disciplinary actions in case of breaches of our policies, up to and including termination. |
|---|--|---|--|

Corporate Governance Best Practices

At HHC, we believe that good corporate governance promotes accountability to our shareholders, supports long-term value creation, and enhances investor confidence in our company. To foster a culture of integrity, we have implemented the following best practices:

- None of our director nominees serve on an excessive number of boards
- A majority of executive pay is tied to performance-based and long-term equity incentives
- The Board follows our Corporate Governance Guidelines
- Each committee of the Board has a published charter that is reviewed annually
- Each committee of the Board is 100% comprised of independent directors
- The Board and each of its committees meet regularly and frequently without management present



Governance Risk Management

The Howard Hughes Corporation prioritizes governance risk management and ensures we identify, monitor and mitigate potential risks that could impact our organization and investors.

As part of HHC’s corporate governance framework, we have a formal enterprise risk management program (ERM Program) that is overseen by the Risk Committee and led by our risk management team. The Committee helps to evaluate the effectiveness of the ERM Program and the performance of the risk management team.

The Committee assesses risks that have been identified and are considered critical by management, such as capital, market, reputational, and strategic risks. The Risk Committee reviews and approves risk assessment results and reviews risk mitigation activities deemed material by management. The Committee also reviews risk mitigation activities for emerging risks and oversees management’s approach to fostering a risk intelligent culture throughout our organization.

HHSustainability

The HHSustainability Program

We systematically increase the performance of our portfolio through comprehensive environmental sustainability policies and programs rolled out across our building operations. To achieve our ESG objectives, we perform strategic efficiency projects that reduce our environmental impact while lowering operating expenses. This results in increased resilience of our buildings and communities, as well as a competitive business advantage.

A Sustainable Approach for the Future

The Howard Hughes Corporation has established HHSustainability as the platform for our Environmental, Social and Governance (ESG) program and author of our ESG policies and practices.



Environmental

We are committed at the core of our operations to reducing our portfolio’s environmental footprint and to embedding sustainability at its full value into our overall strategy.



Social

We are dedicated to fostering thriving and diverse neighborhoods, employees, and vendors through authentic initiatives and purposeful policies.



Governance

We hold ourselves to the highest standards across our organization, honoring our commitments while challenging our thinking to stay ahead of the curve.

Core Values

Operational Excellence

Implementing sustainability measures throughout our operations in order to lower our carbon footprint, reduce our expenses, and increase the effectiveness of our portfolio management.

Community-Focused Philanthropy

Supporting our neighborhoods through charitable giving, partnerships, and volunteerism that are central to our corporate responsibility strategy.

A Safe, Healthy and Diverse Workplace

Attracting and retaining the best talent by providing a stable and balanced work environment that keeps employees and other stakeholders feeling secure, healthy, and engaged.

Sustainable Returns

Integrating ESG principles into our investment strategy to deliver sustained and high-quality value.

Ethical Leadership

Holding ourselves to the highest standards of transparency and ethics to ensure we remain accountable to our shareholders, employees, and customers.

Sustainability Goals

Transform the Footprint of Our Properties

We aim to reduce our environmental impact as we build and invest in communities and properties that reflect our commitment to sustainability.

Build Thriving Neighborhoods

We strive to support the local culture of our communities, honor their history, and responsibly integrate ourselves into their social fabric.

Foster Diversity Across Our Business

We are committed to strong diversity standards that will have a positive impact across everything we do, from employment and vendor relationships, to community involvement and charitable giving.

Pursue Resilient Returns on Investments

We create value by increasing the efficiency and resilience of our properties.

Lead Collaboratively and Transparently

We remain accountable as we share our continuous ESG progress with our stakeholders in a collaborative way.

Timeline

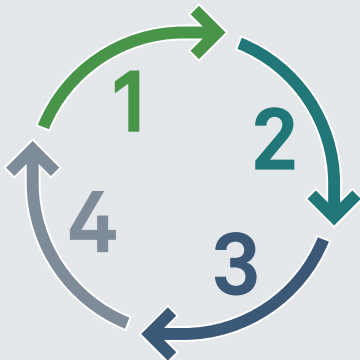
| Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 |
|--|---|---|--|--|--|
| JANUARY <ul style="list-style-type: none"> Attended NAREIT ESG Forum in Bonita Springs, FL Sponsored The Woodlands Arbor Day celebration FEBRUARY <ul style="list-style-type: none"> Hosted Survival of the Fittest 8-Week Get Healthy Challenge Responded to MSCI ESG Rating report MARCH <ul style="list-style-type: none"> Sponsored Honolulu Biennial 2019 Organized and sponsored a Minority Contractor Networking Forum, Columbia | APRIL <ul style="list-style-type: none"> Hosted tenant, resident, and community Earth Day events Hosted Bridgeland's Nature Fest Participated in Financial Innovations Lab exploring innovative financing of coastal resiliency infrastructure in Lower Manhattan MAY <ul style="list-style-type: none"> FTSE Russell ESG Rating consultation ICSC RECon 2019 at Las Vegas Convention Center, Las Vegas, NV JUNE <ul style="list-style-type: none"> Published HHSustainability newsletter issue no. 1 2019 GRESB Real Estate Assessment submission ISS-oekom Corporate Rating submission | JULY <ul style="list-style-type: none"> 11 Woodlands properties achieved BOMA 360 certifications Sponsored and hosted City of Water day for the Waterfront Alliance AUGUST <ul style="list-style-type: none"> Submitted AEW Securities ESG Survey Howard County Diversity & Inclusion Subcommittee kick-off meeting at Columbia One Summerlin achieved BOMA 360 certification SEPTEMBER <ul style="list-style-type: none"> Completed five ASHRAE energy audits in 2019 at Columbia, Summerlin and The Woodlands Sustainalytics ESG Ratings submission Received ULI Greenprint award for most sustainability projects Hosted Seaport resiliency workshop featuring the Waterfront Alliance | OCTOBER <ul style="list-style-type: none"> Participated in Energy Awareness Month NOVEMBER <ul style="list-style-type: none"> Participated in Waste Awareness Month Annual HHSustainability strategy meeting at Verdani Partners, Carlsbad, CA DECEMBER <ul style="list-style-type: none"> Participated in Water Awareness Month Nine ESG policies/guides approved Completed portfolio-wide resilience risk assessment of standing investments Published GRI-referenced 2018-19 HHSustainability annual report | JANUARY <ul style="list-style-type: none"> Published HHSustainability newsletter issue no. 2 FEBRUARY <ul style="list-style-type: none"> Participated in EDC's Lower Manhattan Coastal Resiliency stakeholder interactive Open House event MARCH <ul style="list-style-type: none"> SAM Corporate Sustainability Assessment consultation Formed Emergency COVID-19 Response Task Force Implementation of the HHC Executive Crisis Team | APRIL <ul style="list-style-type: none"> Engaged tenants, residents, and employees on Digital Earth Day Columbia appreciation lunch for healthcare workers MAY <ul style="list-style-type: none"> Houston region appreciation lunch for healthcare workers JUNE <ul style="list-style-type: none"> ISS ESG consultation |



Environmental Performance +

With a vision to responsibly plan, develop, and nurture our country's most inspiring planned communities, our environmental performance reflects a fully integrated, overarching strategy. We are committed to reducing our environmental footprint across our portfolio, and we work diligently to enhance quality and standardize efficiency at every step of development.

Environmental Strategy



Environmental Management System

HHC’s Environmental Management System (EMS) provides an actionable methodology for determining our sustainability strategy and managing our performance. Our EMS articulates our processes and protocols for implementing programs, applying policies, and augmenting our data management tools. In addition, our EMS provides a strong framework for measuring, reporting, and benchmarking our progress against our peers.

We certify our EMS with the International Organization for Standardization (ISO) 14001 Standard for Environmental Management Systems, which are based on the iterative Plan-Do-Check-Act cycle:

01. Plan

- Define the scope of the company’s environmental policies
- Define and maintain environmental objectives and targets (short-term and long-term)
- Define the company’s most material sustainability issues
- Identify relevant legal requirements
- Define emergency procedures

03. Check

- Establish appropriate communication channels with company leadership
- Monitor and report on progress
- Ensure compliance with internal policies and applicable legal requirements

02. Do

- Ensure the implementation of the action plan established in stage one and the maintenance of the systems in place
- Assign responsibility for the overall development and maintenance of the EMS
- Offer training and/or support to company leadership to ensure compliance with policies

04. Act

- Schedule periodic management reviews on performance and next steps
- Evaluate performance against targets
- Determine corrective and preventative actions
- Provide feedback and suggestions for improvement
- Prepare and/or update policies and supporting documentation



HHC is dedicated to building a leading sustainability program and have implemented industry-standard targets and performance goals to enhance the environmental performance of our portfolio. Our targets include commitments to reduce energy, water, waste, and carbon emissions. We also aim to improve indoor environmental quality and achieve green building certifications as feasible.

Notes

Our 10-year targets are measured against a 2017 baseline to track our progress. Targets are reviewed and revised periodically as industry standards evolve, and we assess our performance annually to identify areas of improvement.

3. Energy data disclaimer: The 2019 EUI may include energy consumption from outdoor areas (e.g. parking lots) for assets where the consumption for these areas cannot be separately tracked from the consumption of indoor spaces. Our EUI target only covers indoor areas.

4. Water data disclaimer: The 2019 WUI may include irrigation consumption for assets where irrigation consumption cannot be separately tracked from the consumption of indoor spaces. Our WUI target only covers indoor spaces. HHC is implementing additional water efficiency programs in 2020 to ensure we reduce our WUI going forward.

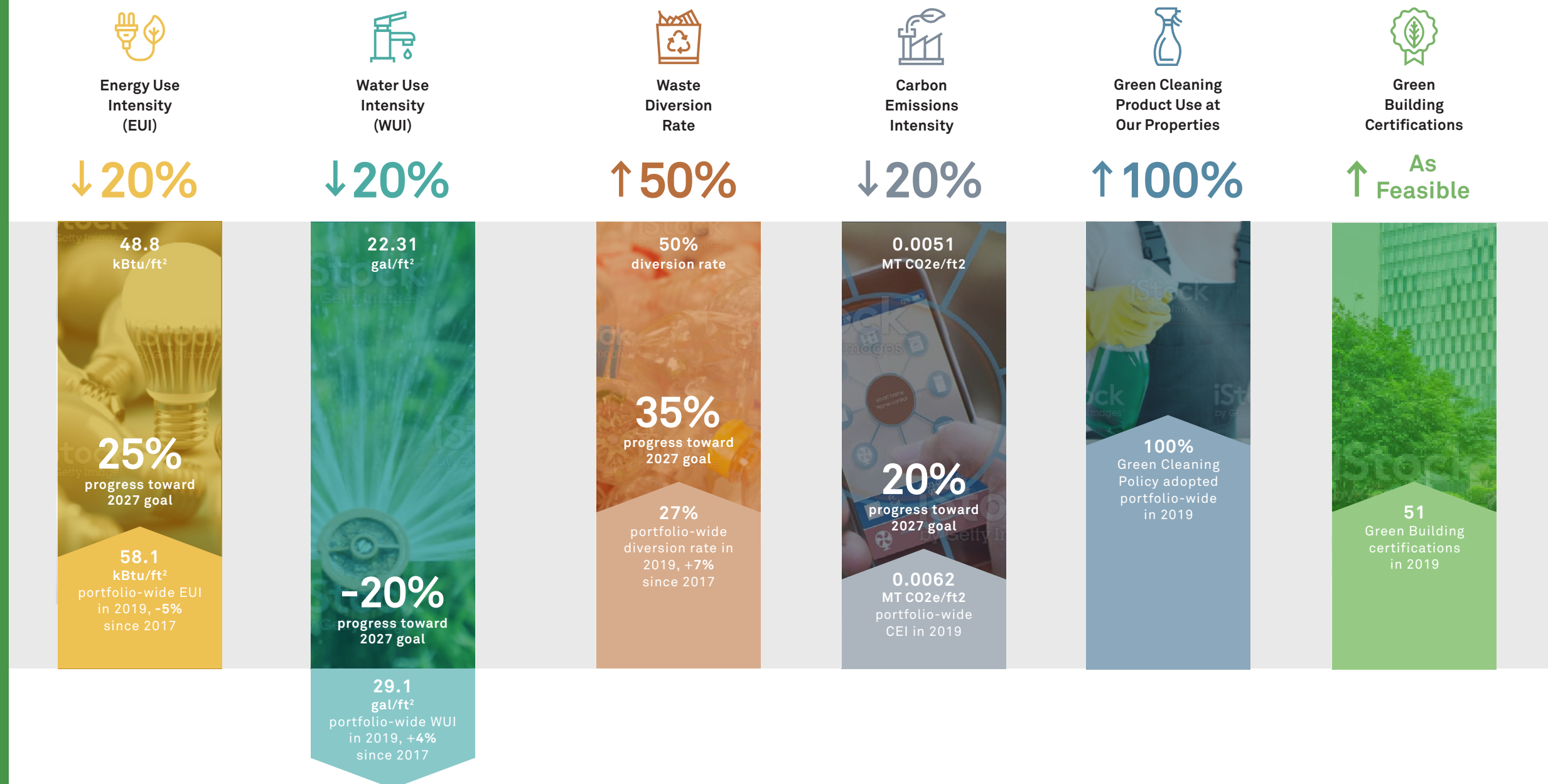
5. Waste data disclaimer: Our waste data coverage has increased by 46% since 2017, so the comparison above is not like-for-like.

6. Indoor Air Quality: Eliminate toxic materials and use green cleaning products at 100% of our properties; monitor and track indoor air quality (IAQ) in all HHC spaces by 2022.

7. Green Building Certifications: Pursue green building certifications at HHC operational assets and new construction, as feasible.

Targets & Performance

2027 TARGETS & GOALS FROM A 2017 BASELINE



Sustainability Policies

Our sustainability policies guide our teams to ensure adherence to operational best practices. In 2019, HHC adopted nine additional ESG guides, which will be distributed to all employees in 2020. All employees will be encouraged to become familiar with the guides in order to support the achievement of our portfolio-wide ESG goals.

| CORPORATE POLICIES | |
|-------------------------|---|
| G, E | Resilience Guide |
| S | Health and Well-Being Guide |
| S | Stakeholder Engagement Guide |
| G | Sustainability Due Diligence for New Acquisitions Guide |
| PROPERTY-LEVEL POLICIES | |
| S | Tenant Health and Well-being Guide |
| E | Energy Efficiency Guide |
| E | Water Efficiency Guide |
| E | Solid Waste Management Guide |
| E | Green Tenant Guide |
| E, S | Green Cleaning Guide |
| E, S | Indoor Air Quality (IAQ) Management Policy |
| S | No Smoking Policy |
| E | Tenant Improvement Guide |
| S | Operations & Engineering Team Training |
| G, E | Sustainable Purchasing Guide |
| E | Refrigerant Management Guide |



Ward Village / Hero

Environmental Risk Management

Our Resilience and Sustainability Due Diligence for New Acquisitions Guides provide important frameworks for assessing and mitigating environmental risk. Through careful analysis of sustainability and resilience criteria for both new acquisitions and standing assets, we are able to secure our investments far into the future.

In 2019, we conducted a property-level risk assessment across the standing assets in our portfolio. This assessment analyzed over 60 physical, social and climate-related transition risks including the following:



Physical Risks

- Building Codes
- Building Site
- Building Structure
- Building Systems
- Building Operations
- Biodiversity
- Climate Change Adaptation
- Flooding/Sea Level Rise/Drought



Social Risks

- Contamination
- Building Safety and Materials
- Health, Safety, and Well-being
- Emergency Response
- Transportation
- Socio-economic
- Environmental
- Resilience
- Occupant Needs



Transition Risks

- Regulatory
- Resilience
- Energy Supply
- Building Systems
- Insurance
- Asset Value
- Certifications

Our most material climate-related risks, based on our property-level risk assessment:



Regulation

Regulation requiring disclosure and/or reduction of building greenhouse gas emissions and energy use



Certifications

Increased demand for green building certifications



Extreme Weather

Wind, Flooding, and Hurricanes

60+

Risks Assessed in 2019

Additional environmental risk management initiatives include:

- **Maintaining Class A quality assets** that minimize life safety issues in case of building emergencies
- **Creating a Hurricane Preparation Plan for the Seaport District** to outline procedures for maintaining safety and minimizing asset loss or damage in case of a hurricane
- **Working with restoration vendors and an insurance broker** to send weather alerts when severe weather events (e.g. high winds, hail, tornadoes, and flooding) are likely to impact our assets
- **Assessing additional risk exposure of assets** that may be included in HHC’s casualty insurance program prior to development, acquisitions and/or security of loans
- **Completing lighting retrofits** that reduce our energy consumption and our exposure to climate-related regulatory risks and that align our assets with changing tenant preferences

Sustainable Operations

For HHC, sustainable operations represent our practice of improving the way we identify sources of value. Through integrating green building and ESG best practices, we have been able to accelerate the environmental performance of our entire portfolio. The same strategy that defines HHC’s approach to all our business lines applies to sustainable operations - we strive for quality at every stage of development and investment, innovating and adapting as needed.

For HHC and all building operators across the country, risk mitigation is increasingly important, and sustainable operations play a key role in helping us to protect our assets. Key considerations such as extreme weather, innovations in technology, regulatory requirements and investor demands also inform our commitment to operating a more sustainable portfolio.

Our primary sustainable operations strategies include:

- Implementing improved energy policies and operational guidelines
- Completing energy and water efficiency projects
- Expanding waste management programs
- Benchmarking the performance of our properties
- Pursuing additional green building certifications

Over time, our sustainable operations initiatives have helped us improve how we provide value to all of our stakeholders. Our commitment to sustainable operations is demonstrated by the 12 new BOMA 360 certifications we achieved in 2019, with the goal to continue to build momentum into the future.

12

New BOMA 360
certifications in 2019





Environmental Initiatives



Energy Initiatives

Identifying areas of opportunity for energy efficiency at all operating assets and communities is a high priority for HHC. Using the results of energy assessments, we carefully target efficiency projects that will help advance us towards our target of a 20% energy use reduction by 2027 from a 2017 baseline. We perform regular reviews of building management and system performance, which inform upgrades that are incorporated into our long-term capital budgets.

Energy Audits

In 2019, we worked with our sustainability and ESG consultant, Verdani Partners, to complete ASHRAE energy audits at five office properties: One Summerlin, Two Hughes Landing, 3 Waterway, 60 Corporate Center, and One Mall North.

After performing each audit, Verdani Partners provided HHC with a list of recommended energy conservation measures (ECMs) spanning:

- Lighting
- Building automation
- HVAC upgrades
- Domestic hot water systems

HHC will be implementing the ECMs that were estimated to have less than a three-year payback. These projects are projected to save over 486,000 kilowatt-hours in energy, reduce emissions by 171,055 kilograms of CO₂-equivalent, and save \$41,000 in energy costs per year. In late 2019, we began implementing projects for the audited assets, and we will continue to do so throughout 2020.

PROJECTED ANNUAL SAVINGS FROM
ENERGY CONSERVATION MEASURES

05

ASHRAE audits in 2019

486,000 kWh
energy savings

171,055 kg
of CO₂ equivalent savings

\$41,000
energy cost savings

Lighting Retrofits

Performing lighting retrofits across properties results in greater efficiencies and cost savings. The following retrofit projects were completed in 2019:

- The Outlet Collection at Riverwalk retrofits on Level C and in food court
- Three Merriweather and Tanager LED lighting installations during development
- Hughes Landing Retail Row parking garage retrofit

Our 2019 LED lighting retrofit initiative is expected to save over 505.7 megawatt-hours of electricity and over \$67,243 in operating expenses annually. The garage LED lighting retrofit for Hughes Landing Retail Row alone will save an estimated 372,607 kilowatt-hours in energy, \$32,685 in energy costs, and \$21,250 in maintenance costs per year. Overall, the project cost \$27,285 to complete, including rebates, with estimated cost savings of \$53,935 per year.

Energy Efficiency Upgrades

In order to reduce our energy use, we regularly upgrade building equipment with more efficient models. Over the years, we have made upgrades to key building systems, such as boilers, chillers, cooling towers, breakers and elevators. In 2019, the following upgrades were completed:

- Energy-efficient windows were installed at Lakeside Row (a multi-family property) and Three Merriweather (an office property) during development
- Energy-efficient appliances were installed at three multi-family properties including Creekside Park, Lakeside Row and Tanager during development
- HVAC-related upgrades were completed at 30 Corporate Center and the IBM Building
- Full roof insulation was installed at Three Merriweather during development, and roof insulation was replaced at the existing 60 Corporate Center
- Three Merriweather had new building commissioning completed

PROJECTED ANNUAL SAVINGS FROM
LED LIGHTING RETROFIT PROJECTS

505.7 MWh
electricity savings

\$67,243
in operating expenses



HUGHES LANDING RETAIL ROW
2019 LED RETROFIT PROJECT

\$27,285
total project cost

372,607 kWh
annual projected
energy savings

\$32,685
annual projected
energy cost savings

\$21,250
annual projected
maintenance cost savings

BAS UPGRADES IN RECENT YEARS

04

properties underwent BAS
upgrades, replacements,
or new system installations

ENERGY INITIATIVES

Building Automation System Upgrades

Substantial reductions of energy use can be achieved using Building Automation Systems (BAS). By upgrading or installing new BAS throughout our portfolio, we have been able to:

- Access real-time building systems data
- Improve energy efficiency
- Reduce operating expenses

In recent years, we have provided upgrades to the following:

- BAS upgrades/replacements were completed at Three Merriweather during development and at two existing properties, 30 Corporate Center and Lake Front North
- Building energy management systems were installed at Three Merriweather during development
- Tanager had smart building technologies (DWELO Home Automation Technology) implemented during development



Water Initiatives

HHC has been proactively managing our water use since 2003 when Summerlin became Nevada's first community to implement WaterSmart conservation guidelines. Our stakeholder education programs, such as the Fix-A-Leak Week event and the annual Water Conservation Symposium at The Woodlands, help us raise awareness of water use reduction. As we work towards our 2027 water reduction target, we will continue to evaluate water efficiency and conservation projects to reduce our environmental impact and operating expenses.

Drought-Tolerant Landscaping

We have incorporated drought-tolerant landscaping across our master planned communities. In recent years we have incorporated native plant species and water-wise landscaping at properties. We have also saved millions of gallons of water each year by planting desert-friendly plants at developments in warm climates. Furthermore, we use native plants that require less water in desert landscapes, some of which do not require irrigation.

Other Water Use Reduction Initiatives

In 2019, HHC completed a number of other initiatives to improve water efficiency and reduce our resource use across our portfolio. Key water saving projects include:

- Water-efficient fixtures, a drip irrigation system and drought tolerant landscaping were implemented at Tanager during development
- An aerator assessment was completed at 14 office, retail and hotel properties in Columbia. In 2020, aerators will be installed as needed based on the assessment results
- Stormwater management and water-efficient fixtures were implemented during development at Three Merriweather

WATER USE REDUCTION MEASURES

Millions
of gallons of water saved
through native and water-
wise landscaping

14
properties conducted aerator
assessments in 2019

OTHER WATER SAVING PROJECTS

Water-efficient fixtures
Drip irrigation
Drought tolerant landscaping
Aerator assessments
Stormwater management



Waste Initiatives

We have implemented, improved, and maintained our portfolio-wide waste management programs in order to meet our ambitious waste diversion goal of 50% by 2027. We are actively collecting waste data for 48 properties, which cover 54% of our portfolio to date¹.

Waste Management

A comprehensive plan with objectives and goals as well as successful communications and stakeholder engagement strategies are essential to a successful operational waste management program. Waste services across our portfolio are re-bid on a regular basis to meet our evolving waste and recycling needs, to adjust service levels, and to take advantage of competitive pricing in the market. In addition, we work with our waste management partners to perform waste audits that help us determine any streams of material that could be added to our programs or that are causing contamination.

Recycling

In order to help increase recycling participation and increase our waste diversion rates, HHC is continuously improving our recycling, waste management and tenant education programs. Education initiatives include a recycling guide, a communications and signage program, and other stakeholder engagement activities.

Some of our properties have diverse recycling streams including metal, cardboard, paper, plastic, glass, and food digesters. Other properties also have recycling streams in place for metal, cardboard, paper, plastic, and glass, and coordinate with local waste management in order to optimize their program as the community grows.

Electronic Waste

While electronic waste is rarely accepted by most waste haulers, our teams are helping to facilitate an increase in this type of disposal, which is critical to increasing our recycling rates, increasing recycling literacy among our tenants, and reducing pollution. Our properties regularly hold e-waste drives to encourage our tenants and residents to safely dispose of their unwanted electronic appliances and batteries.

1. This waste data coverage figure only includes landlord-controlled assets where HHC has the ability to introduce and implement environmental policies.

48

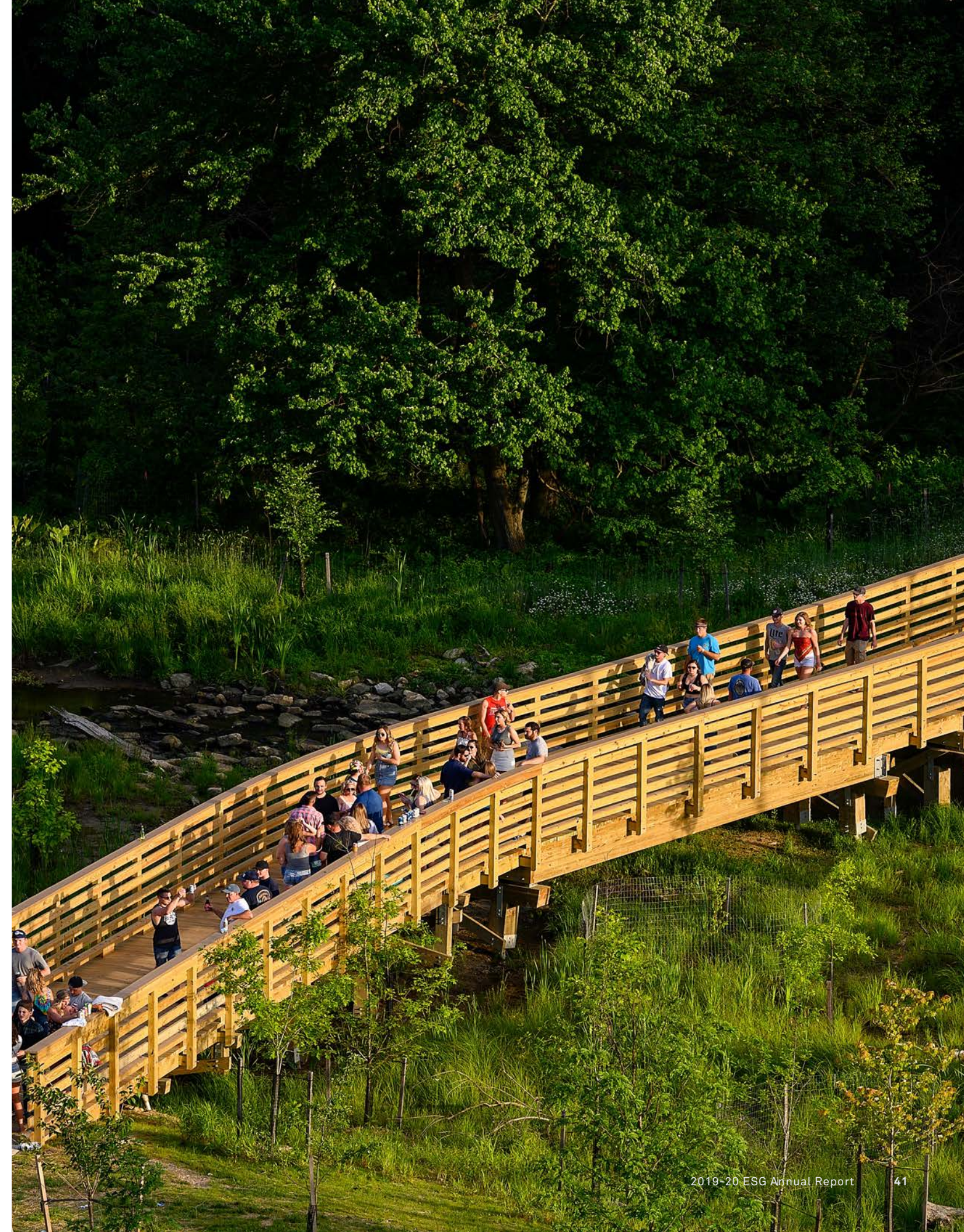
properties disclose
waste data

54%

waste data coverage

OPERATIONAL
WASTE MANAGEMENT
BEST PRACTICES

Ambitious objectives and goals
Communications and signage
Stakeholder engagement
Tenant education programs
Re-bid services regularly
Waste audits
Service-level adjustments
Assessment of new waste streams
Recycling and composting
E-waste recycling
Food digesters





SPOTLIGHT

Environmental Restoration

Blossoms of Hope Tree Planting with Howard EcoWorks

In 2018, HHC signed an agreement with Blossoms of Hope to plant 300 trees within the Merriweather District. The project will contribute to local biodiversity and fund the provision of resources for local cancer patients and their families. Each year through 2020, HHC and Blossoms of Hope will plant 100 trees in the community.

In 2019, HHC hosted an event with the Wilde Lake High School National Honors Society at Merriweather District, where students learned about the environmental restoration work completed at Merriweather and worked side-by-side with Howard EcoWorks, a non-profit workforce program, to plant the trees.

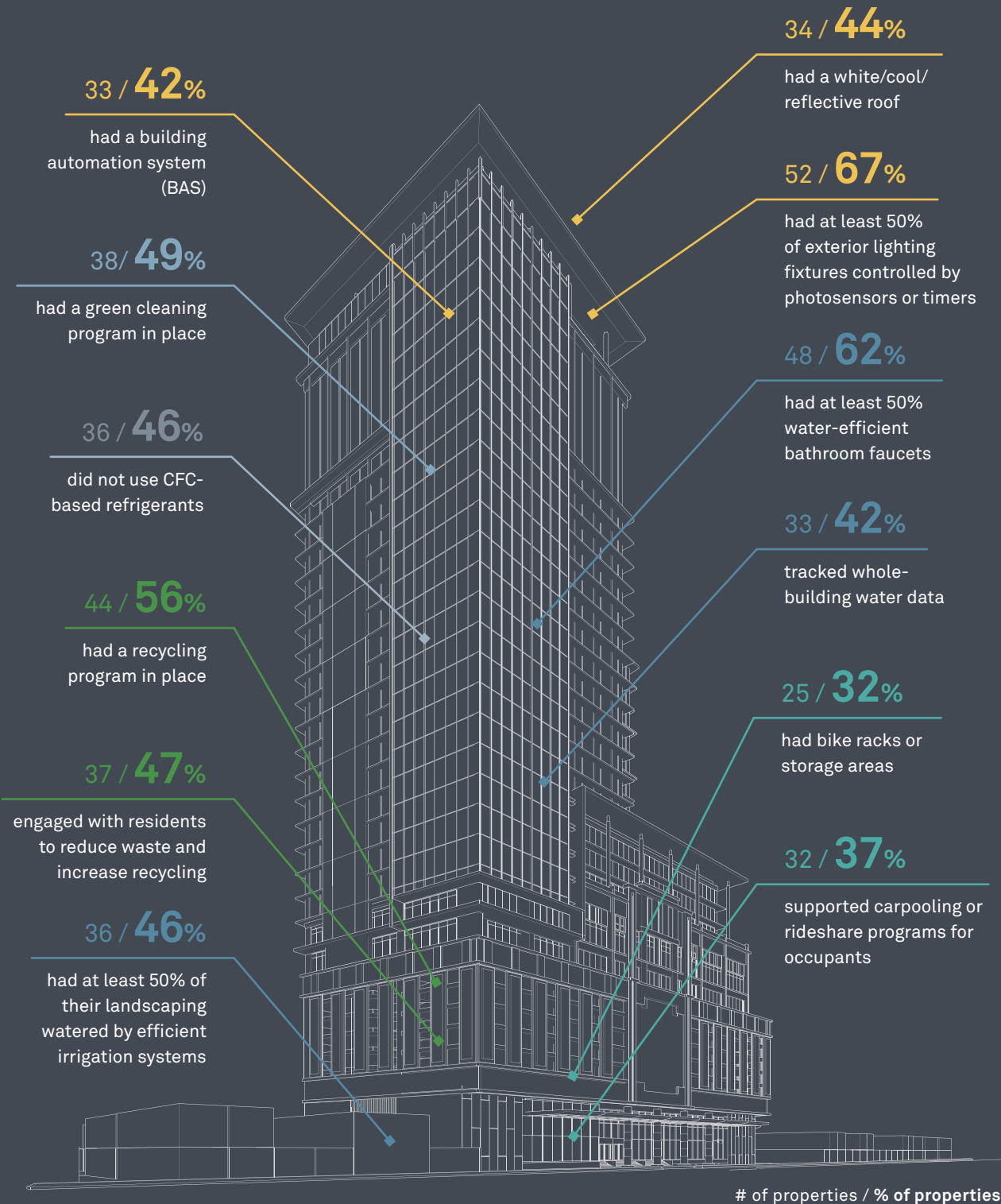
300

trees planted from
2018 to 2020



Sustainability Attributes

Tracking the sustainability attributes for our properties provides a lens into the overall sustainability of our portfolio and allows us to better understand the needs of the communities in which we operate. A recent survey of our properties throughout HHC’s portfolio found select features in the following number and percentage of HHC’s buildings:



Data Management

To measure building performance across our portfolio, HHC uses several data management platforms. We participate in the Environmental Protection Agency (EPA) ENERGY STAR program and pursue green building certifications such as LEED and BOMA 360. We also partner with Measurabl, through ULI Greenprint, to help aggregate and analyze our building data. Verdani Partners is responsible for reviewing all data supplied to GRESB and other reporting platforms.

Currently, 100% of the portfolio is benchmarked in ENERGY STAR Portfolio Manager, including utility data for 82% of the portfolio (89 properties). We plan to expand this coverage to newly acquired and developed assets in 2020.

Verdani Partners

The Portfolio Schema™, developed by Verdani Partners, is used for tracking green building certifications, efficiency projects, audits, and environmental risk assessment results. It serves as a repository and daily management tool for data points across a full range of categories including energy monitoring, whole building data management, and building attributes pertaining to all asset types. HHC utilizes the Portfolio Schema™ for reporting, assessing ESG risk factors, renewable energy analysis, data validation, and benchmarking.

ENERGY STAR Portfolio Manager

The EPA’s ENERGY STAR Portfolio Manager is an interactive energy management platform that allows organizations to securely track and assess energy and water consumption across building portfolios. As a centralized database and universal platform for reporting, Portfolio Manager enables HHC to benchmark our portfolio and buildings against similar ones. Data stored in Portfolio Manager can be easily shared with our partners, such as Measurabl, for GRESB reporting or to municipalities for compliance with local benchmarking laws.

Measurabl

Measurabl provides automatic data import technology, step-by-step reporting, and powerful portfolio-wide data analytics that allow HHC to measure, manage, and act on our sustainability performance. We use Measurabl for GRESB reporting and performance indicator calculations, which streamlines reporting processes and investment-grade data aggregation.

100%

of portfolio is ENERGY STAR benchmarked

82%

of portfolio (89 properties) has utility data

ENGIE Insight

ENGIE Insight provides HHC with bill-pay services across our entire real estate portfolio, with the exception of multi-family properties. The ENGIE Insight platform and dashboard are also used for expense management, including data analytics to visualize property-level resource use. Data from the ENGIE platform is pushed into ENERGY STAR Portfolio Manager, where it can then be exported to GRESB for reporting, benchmarking compliance, and additional external analysis.

Conservice

Conservice works with property management companies across the United States and Canada, providing comprehensive and customized utility billing solutions that effectively reduce operating costs and promote conservation. Conservice provides HHC with bill pay and expense management services for our multi-family properties, and its dashboard includes data analytics to visualize property-level resource use. Additionally, Conservice data is pushed into ENERGY STAR Portfolio Manager, where it can then be exported to GRESB for reporting and benchmarking compliance.

Resource Energy Systems (RES)

RES provides HHC with benchmarking, energy management, energy procurement, and energy analytics services. RES also manages ENERGY STAR Portfolio Manager property profiles for most of HHC’s portfolio. In addition, RES provides regular reports on energy use, which HHC uses as actionable intelligence for sustainable building operations.

Certified Properties

Through sustainable design, construction and operations, green buildings reduce carbon emissions, energy and water use and waste. Green buildings also prioritize safer materials throughout design and construction, resulting in better health outcomes for building occupants.

Certifications such as LEED, ENERGY STAR and BOMA 360 increase property values through operational efficiency, amplified employee productivity, increased occupant comfort, and low vacancy rates. HHC is proud of our growing list of certified properties and will continue to expand on our green certifications into the future.

LEED

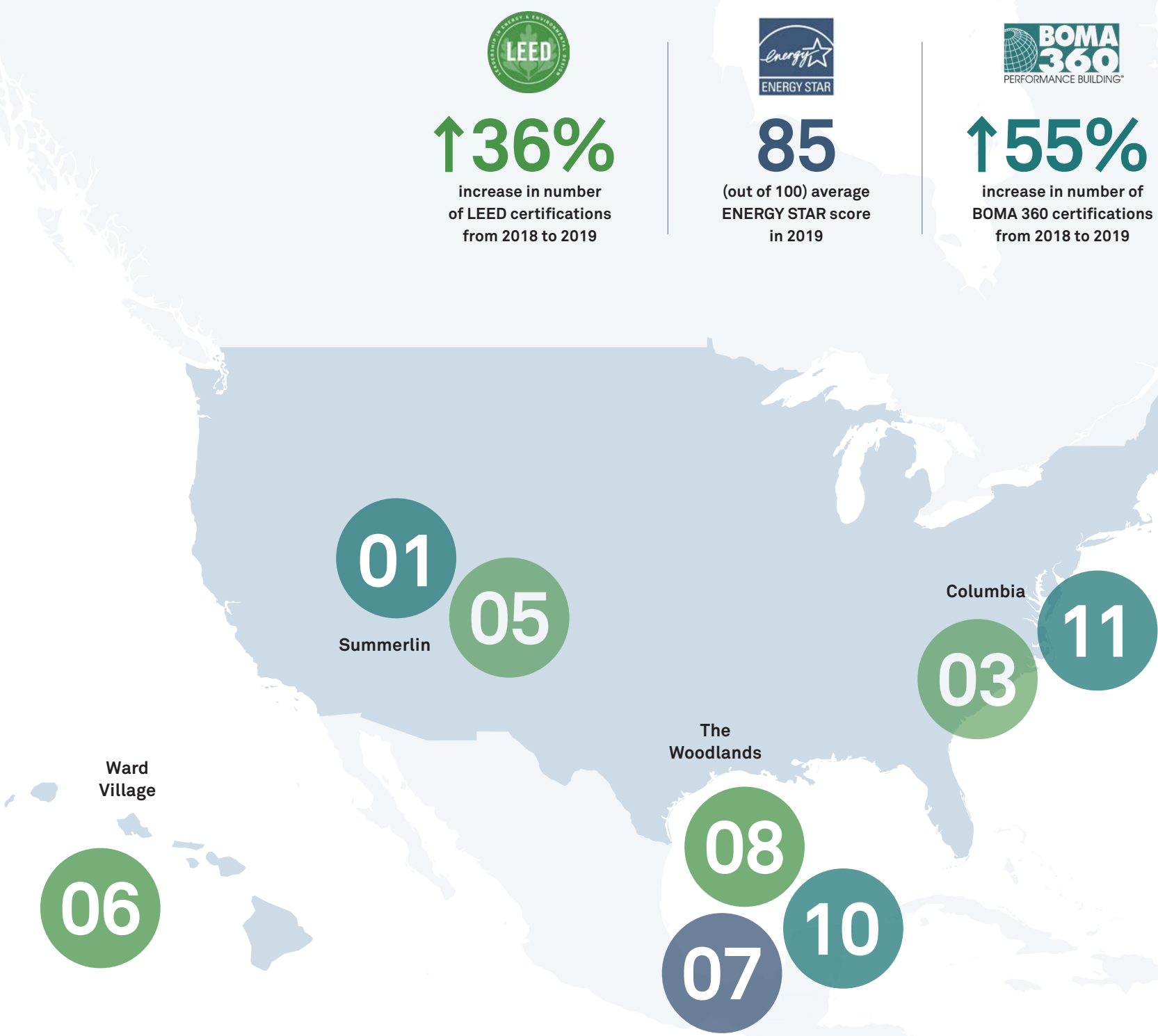
Leadership in Energy and Environmental Design (LEED®) is the preeminent program for the design, construction, maintenance, and operations of high-performance green buildings. Administered by the U.S. Green Building Council (USGBC), LEED uses a whole-building approach, meaning that the building must perform better than conventional buildings in all aspects of sustainability including site maintenance, energy efficiency, refrigeration management, water efficiency, material selection, and indoor air quality.

ENERGY STAR

ENERGY STAR certified buildings demonstrate the ability to meet strict energy performance standards set by the U.S. Environmental Protection Agency. On average, buildings that are ENERGY STAR certified use 35% less energy by identifying and implementing cost-effective approaches to managing energy use. Certification can help to reduce energy use, increase profits, and strengthen competitiveness in the market. In 2019, our ENERGY STAR certified buildings achieved an average score of 85 out of 100. We aim to increase our number of ENERGY STAR certified buildings by conducting energy audits for the five least energy-efficient properties every year, identifying improvement opportunities, and implementing project recommendations to increase the buildings' efficiency. In doing so, HHC improves the ENERGY STAR scores of our assets.

BOMA 360

The Building Owners and Managers Association (BOMA) 360 Certification is an international building standard for operational best practices in commercial real estate. Earning the BOMA 360 label signifies that a building has achieved operational efficiency and high levels of tenant satisfaction and outperforms the competition across all areas of operations and management.





22 LEED Certifications

| Region | Property | Certification Type | Level | Awarded |
|---------------|----------------------------------|---|-----------|------------|
| Columbia | 30 Corporate Center | Retail, Commercial Interiors (CI) | Silver | 2012 |
| Columbia | Merriweather District | Neighborhood Development (ND) | Silver | 2018 |
| Columbia | Two Merriweather | Core and Shell (CS) | Silver | 2018 |
| Summerlin | Aristocrat Campus | Core and Shell (CS) | Silver | 2018 |
| Summerlin | Downtown Summerlin - North | Building Design and Construction (BD+C) | Silver | 2016 |
| Summerlin | Downtown Summerlin - South | Building Design and Construction (BD+C) | Silver | 2016 |
| Summerlin | One Summerlin | Building Design and Construction (BD+C) | Silver | 2016 |
| Summerlin | Two Summerlin | Building Design and Construction (BD+C) | Silver | 2018 |
| The Woodlands | 3 Waterway Square | Core and Shell (CS) | Silver | 2014 |
| The Woodlands | 1725 Hughes Landing | Core and Shell (CS) | Certified | 2016 |
| The Woodlands | 1735 Hughes Landing | Core and Shell (CS) | Certified | 2015 |
| The Woodlands | 9950 Woodloch Forest | Building Design and Construction (BD+C) | Silver | 2014 |
| The Woodlands | Millennium Six Pines | Homes | Gold | 2015 |
| The Woodlands | Millennium Waterway Square | Building Design and Construction (BD+C) | Silver | 2011 |
| The Woodlands | One Hughes Landing | Commercial Interiors (CI) | Silver | 2012 |
| The Woodlands | The Westin at The Woodlands | Building Design and Construction (BD+C) | Certified | 2018 |
| Ward Village | Ae'o | Neighborhood Development (ND) | Silver | 2019 |
| Ward Village | Anaha | Neighborhood Development (ND) | Silver | 2018 |
| Ward Village | IBM Building (Ward Village) | Neighborhood Development (ND), Commercial Interiors (CI) | Platinum | 2015, 2015 |
| Ward Village | Ke Kilohana | Neighborhood Development (ND) | Certified | 2019 |
| Ward Village | Waiea | Neighborhood Development (ND) | Silver | 2018 |
| Ward Village | Ward Village Shops (Auahi Shops) | Core and Shell (CS) | Certified | 2014 |

07 ENERGY STAR Certifications

| Region | Property | Certification Year(s) | 2019 Score | 2018 Score | 2017 Score | 2016 Score |
|---------------|------------------------|------------------------------|------------|------------|------------|------------|
| The Woodlands | 3 Waterway Square | 2019, 2018, 2017, 2016, 2015 | 86 | 87 | 87 | 87 |
| The Woodlands | 4 Waterway | 2019, 2018, 2017, 2016, 2015 | 75 | 90 | 84 | 80 |
| The Woodlands | 1725 Hughes Landing | 2019 | 99 | | | |
| The Woodlands | 1735 Hughes Landing | 2019, 2017 | 84 | | 95 | |
| The Woodlands | 3831 Technology Forest | 2019, 2017 | 78 | | 92 | |
| The Woodlands | Three Hughes Landing | 2019 | 96 | | | |
| The Woodlands | Two Hughes Landing | 2019, 2017 | 79 | | 94 | |



22 BOMA 360 Certifications

| Region | Property | Level | Awarded |
|---------------|-------------------------------|-----------|-----------|
| Columbia | 10 Corporate Center | Certified | 9/1/2018 |
| Columbia | 20 Corporate Center | Certified | 9/1/2018 |
| Columbia | 30 Corporate Center | Certified | 9/1/2018 |
| Columbia | 40 Corporate Center | Certified | 9/1/2018 |
| Columbia | 50 Corporate Center | Certified | 9/1/2018 |
| Columbia | 60 Corporate Center | Certified | 9/1/2018 |
| Columbia | 70 Corporate Center | Certified | 9/1/2018 |
| Columbia | 1400 Woodloch Forest | Certified | 7/19/2019 |
| Columbia | Columbia Association Building | Certified | 9/1/2018 |
| Columbia | One Mall North | Certified | 9/1/2018 |
| Columbia | One Merriweather | Certified | 9/1/2018 |
| Summerlin | One Summerlin (Office) | Certified | 9/1/2019 |
| The Woodlands | 3 Waterway Square | Certified | 7/19/2019 |
| The Woodlands | 4 Waterway | Certified | 7/19/2019 |
| The Woodlands | 1725 Hughes Landing | Certified | 7/19/2019 |
| The Woodlands | 1735 Hughes Landing | Certified | 7/19/2019 |
| The Woodlands | 2201 Lake Woodlands | Certified | 7/19/2019 |
| The Woodlands | 3831 Technology Forest | Certified | 7/19/2019 |
| The Woodlands | 9303 New Trails Drive | Certified | 7/19/2019 |
| The Woodlands | One Hughes Landing | Certified | 7/19/2019 |
| The Woodlands | Three Hughes Landing | Certified | 7/19/2019 |
| The Woodlands | Two Hughes Landing | Certified | 7/19/2019 |



Stakeholder Engagement +

With a dedication to innovative placemaking, The Howard Hughes Corporation creates vibrant communities that are the result of both great people and high-quality assets with expert operations, offering a sustainable lifestyle and culture imbued with a sense of discovery.



Our People

As a community creator, The Howard Hughes Corporation recognizes people as the lifeblood of our company. We support our people and encourage them to look outside the box, uncover new ways of working and living happy, healthy lives. Our Flexible Work Schedules Policy is just one example of how we are helping employees to achieve balance between their personal and work lives.

We offer competitive wellness programs to support our employees and their families, including health benefits, a 401k, a fully-paid, 12-week maternity leave and one week of child bonding leave for both the birth of a child or placement of a child with the employee for adoption or foster care. We are also proud to be a mother-friendly worksite.

We encourage personal discovery for our team members and advocate for personal and professional growth through tuition reimbursement, student debt management resources, and a personal growth fund for non-job-related training.

Giving back to our local communities is also an important part of our company culture. We offer all full-time employees 24 hours per year to volunteer, with a 1:1 match on donations to the charity of their choice, which reflects our commitment to sustaining the communities where we live and work.

Our friendly company atmosphere also welcomes and celebrates diversity and inclusion, and we work hard to ensure that all employment activities are conducted with fairness and in alignment with our Affirmative Action Plan.

12
weeks fully-paid
maternity leave

24 hrs
per year per
employee for
volunteering

1:1
employee charitable
donations matching

Diversity & Inclusion

As the reporting window for this year’s look at HHC’s community engagement efforts was concluding, issues of diversity, equity and inclusion (DEI) were thrust into the spotlight and placed at the forefront of social issues to be addressed. HHC took immediate action with steps that will continue to be expanded and built upon in subsequent reports.

- HHC’s CEO immediately signed the CEO Action for Diversity & Inclusion pledge, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace, joining over 1,000 CEOs of the world’s leading companies in recognizing that change starts at the executive level.
- We hired a DEI consultant to help us navigate our path forward and create a series of company-wide initiatives designed to address the complex social dynamic of race relations as we commit to a zero-tolerance policy on racism or bias of any kind within HHC.
- HHC signed on to participate in the virtual summer mentorship program that is part of the Development School for Youth’s All Stars Project (ASP), designed to help transform the lives of underrepresented inner-city youth across the country through opportunities in the workplace.

CEO **ACT!ON** FOR
DIVERSITY & INCLUSION

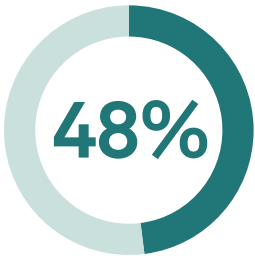


Our Commitment to Equal Employment Opportunity

As we work towards a gender-balanced organization, we follow Equal Employment Opportunity laws and guiding principles and have a formal Affirmative Action Plan in place. As of December 31, 2019, of our current 1,576 employees, 48% are female and 52% are male, with 44% of management positions held by women.

We believe it is the responsibility of each officer, manager and supervisor to ensure all employment activities are conducted with fairness. We are committed to recruiting, hiring, developing, and promoting the best individuals based on job-related qualifications, and without regard to race, religion, color, creed, national origin, sex, age, disability, sexual orientation, veteran status, or any other reason prohibited by law. We do not tolerate differential treatment, and we believe that any practice toward employees or candidates that may get in the way of that duty hinders us all.

We provide reasonable accommodations to qualified individuals with a disability, as required by law, under the Americans with Disabilities Act and other applicable statutes. Sexual or any other type of workplace harassment is not tolerated at HHC, and any employee who engages in discriminatory conduct or workplace harassment is subject to disciplinary action up to and including termination.



FEMALE
EMPLOYEES
FIRMWIDE



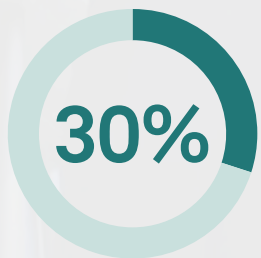
WOMEN IN
MANAGEMENT
POSITIONS



ONSHIPS
IN EV SPOTLIGHT

Diversity & Inclusion

/ Downtown Columbia Contractor Diversity



MINORITY, WOMEN, DISABLED,
VETERAN-OWNED, LOCAL
BUSINESS ENTERPRISE
(MWDVOLBE) CONTRACTOR
PARTICIPATION GOAL

30

MWDVOLBE PUBLIC
INFRASTRUCTURE CONTRACTS
TOTALING TO DATE

\$6.8M

Diversity and inclusion are at the heart of the Downtown Columbia development. This includes working with a diverse set of contractors during the development process. In partnership with Howard County, The Howard Research and Development Corporation (a wholly-owned subsidiary of The Howard Hughes Corporation) set a 30% Minority, Women, Disabled, Veteran-Owned and Local Business Enterprise (MWDVOLBE) participation goal for the Tax-Increment Financing (TIF) -funded public improvements in Downtown Columbia. To date, the development's public infrastructure projects have resulted in over 30 MWDVOLBE contracts totaling over \$6,800,000.

To help guide the process, HHC established a Diversity and Inclusion Advisory Committee (DIC) made up of executives who have worked with diversity and inclusion programs for Fortune 500 companies, the military, and the government.

HHC hosted a total of six meetings to monitor progress on the TIF-funded projects' diversity and inclusion goals and to discuss ways to improve opportunities for MWDVOLBE firms and workforce development. In addition, HHC has continued outreach and engagement efforts to further support contracting opportunities to multiple MWDVOLBE small businesses.

Education & Outreach

At HHC, we encourage employees to be the "CEO of their own career." We provide training and educational programs that can help employees improve their skills and grow professionally. We set up our new team members for success with our orientation processes, one-on-one coaching and on-the-job training. HHC managers and supervisors show their commitment to serving as partners and coaches for employees by providing mentorship and developmental opportunities, while our tuition reimbursement program supplements training and education outside the company.

All HHC employees have access to free, online sustainability education through our partnership with sustainability and ESG consulting firm Verdani Partners. Through Verdani, we offer sustainability best practices webinar courses on topics such as sustainability budgeting, sustainable sites, energy efficiency, water efficiency, and indoor environmental quality. In addition, our employees can access Verdani's LEED Green Associate exam training. Finally, all employees receive our semiannual ESG newsletter, which includes updates on topics such as green building certifications, ESG reporting, sustainability awareness events, and sustainability awards.

EDUCATION & TRAINING

- New Employee Orientation
- One-on-One Coaching
- On-the-Job Training
- Mentorship
- Tuition Reimbursement
- Online Sustainability Education
- LEED Green Associate Exam Training

OUTREACH TOOLS

- ESG Newsletter (2x per year)
- Program Memos
- Sustainability Awareness Events
- Green Building Certifications
- ESG Annual Report



Health & Well-Being

At HHC, we enforce the highest standards for building operations to protect the health, well-being, and safety of our employees, tenants, residents and visitors. We are dedicated to improving quality of life by developing properties with healthy spaces to live, work, relax, and socialize. We also believe that attracting and retaining the best talent means we must strive to provide an inclusionary work environment in which employees feel valued and safe.

We are committed to providing affordable benefits for our employees. Changes we have planned for 2020 help us all be better consumers of health care services and will help keep everyone's costs down. Program changes include a Health Savings Account contribution, expanded preventative services under High Deductible Health Plans, and a new Employee Assistance Program (EAP) vendor.

In 2019, we approved and implemented a portfolio-wide Health and Well-Being Guide that provides best practices for increasing indoor environmental quality (IAQ), such as using non-toxic finishes and materials (paint, carpets and furnishings with low volatile organic compounds (VOCs)) and providing natural daylight and views for occupants. Also in 2019, we adopted a Green Cleaning Guide encouraging the use of green cleaning products and procedures at all our managed properties.

Changes and Additions to Health & Well-Being Programs

| Program | Year |
|---|------|
| Health Savings Account contribution | 2020 |
| High Deductible Health Plans expansion | 2020 |
| New Employee Assistance Program (EAP) vendor | 2020 |
| Portfolio-wide Green Cleaning Guide | 2019 |
| Portfolio-wide Health and Well-Being Guide with guidelines for indoor environmental quality (IAQ) | 2019 |

Programs Supporting Employee Well-Being

Through a variety of partnerships, we are able to support the health and well-being of our employees around the country. With the help of clinical laboratory firm Quest Diagnostics, we were able to provide health and wellness screenings for 875 employees in 2019, resulting in a participation rate of 58%. These screenings provided us with information on our employees' top health risk factors and will inform how we improve our employee wellness programs.

Health & Well-Being Partnerships

- RIDE Spin
- Pure Barre
- Fleet Feet
- Quest Diagnostics
- Sonic Boom
- Seaport FIT
- Cenegenics Elite Health
- American Heart Association

Sonic Boom Wellness Platform

HHC also engaged Sonic Boom, a health-technology company, to support our employee wellness programs. Sonic Boom provides a wellness platform that offers tools including health coach consultations, biometric screenings, and health quality assessments, as well as engagement modules such as contests, challenges, and other health-focused incentives. Additionally, Sonic Boom provides Challenges-of-the-Day messages that are sent to users with topics such as: Health Snacks, Fitness Fundamentals, and What are you grateful for?

Recent Sonic Boom data for HHC employees:

1,412

Sonic Boom users

7,029

average daily steps per person

3.35

miles average daily distance

38

average daily minutes of activity

49%

female participants

51%

male participants

875

employees participate in health screening

58%

participation rate



Wellness Events

In 2019, we provided a variety of health and wellness events for HHC employees. Ongoing lunch and learn sessions in partnership with Cigna provided insights for physical health, mental health, and nutrition topics. From our Medicare Made Clear on-site seminar to answer questions about company health benefits, to our Retirewise Financial Wellness four-part series on financial literacy, we offer something for everyone.

Health and Wellness in Bridgeland

Residents in Bridgeland enjoy 250 miles of hiking and bike trails. Whether residents are looking for a leisurely stroll or a heart-pounding run, the variety of trails offers something for everyone. The Cypress Creek Nature Trail is nestled next to historic Cypress Creek, and flora and fauna can be seen throughout as visitors connect to nature. Several trails offer fitness stations for those looking to circuit train.

In addition to state-of-the-art fitness centers, lap pools, yoga lawns, and more, Bridgeland has several fitness boutiques found at Lakeland Village Center for those looking for CrossFit, kick boxing or yoga. In the summer, Bridgeland hosts International Day of Yoga where yogis can enjoy complementary yoga on the event lawn overlooking the beauty of Josey Lake. With 28% of the community dedicated to open space, parks, lakes and trails, there are ample opportunities to stay active and healthy.

Seaport Fit

Seaport Fit continued throughout 2019 with free fitness classes held in the Seaport District. Local gyms hosting these classes include Trooper Fitness, Physique57 and Mile High Run Club. In January 2020, we hosted the first Wellness Summit, which brought together local gyms and experts in wellness from New York-Presbyterian Lower Manhattan Hospital and featured wellness panels, a conversation with Helene Henderson of Malibu Farm about nutrition, and mini-workouts to prep attendees for the upcoming Seaport Fit season.



Summerlin Wellness Festival

Downtown Summerlin hosted the popular Wellness Festival in 2019. The festival highlights a variety of health-related activities, including health screenings provided by Summerlin Hospital, free fitness classes featuring instructors from Downtown Summerlin gyms and studios, and active children’s activities such as rock climbing, acrobatic demonstrations and lawn games. The event was kicked off with the Tour de Summerlin 40-, 60- and 80-mile cycling routes and the Summerlin Half Marathon, as well as Downtown Summerlin’s very popular weekly Farmers Market. The day’s activities highlight the active, outdoor lifestyle of the Downtown Summerlin community.

Summerlin Fitness on The Lawn

In 2019, Downtown Summerlin hosted Fitness on The Lawn, a four-month outdoor fitness series featuring Downtown Summerlin fitness tenants including TruFusion, Dance Dynamics, Pure Barre and Fit4Mom. The weekly series generated 50-100+ fitness enthusiasts each week to take part in a complimentary fitness class set to the backdrop of Red Rock Natural Conservation Area.

The Woodlands Health & Wellness

In 2019, HHC launched The Howard Hughes Wellness 360 program, which focuses on keeping our employees and tenants healthy. “Survival of the Fittest,” a get healthy competition for our office tenants, returned this year with a 17% increase in participation. The competition had 220 participants across 55 teams, who achieved a combined weight loss of over 1,000 pounds. The Woodlands also hosted quarterly Lunch and learns that invited our tenants to discover information from financial wellness to maintaining eye health.

The Hughes Landing Band Shell provided the perfect setting for RIDE spinning classes and Pure Barre classes on the lawn throughout the year. HHC also engaged with a wellness experience company, Fitspot, to bring boot camps and personal trainers into our assets. In addition, The Woodlands features ample open space dedicated to parks, nature trails and lakes, to name a few, which allows plenty of opportunity for healthy outdoor activities.



HHC continued to provide Wellness Wednesdays to students at the neighboring elementary and junior high schools, supporting students who reside in The Woodlands Hills community. The monthly “Wellness Wednesdays” program, which ran during the 2019-2020 school year, provided students with education about healthy foods and how to stay fit. The Woodlands Hills has hosted this initiative for two school years with Willis Independent School District.

Ward Village Community Health & Wellness

Ward Village has a long-standing, free weekly yoga program that is open to employees and the entire community that was held in the hardscaped courtyard of our office building. With the opening of Victoria Ward Park in 2019, the program was moved to a grassy space that more than doubled its capacity. In 2019, Ward Village added twice-a-week boot camp classes that were also free to employees and the community at Victoria Ward Park. During the COVID-19 pandemic, we have continued these classes virtually on Instagram Live and have even expanded yoga to two days per week.

The Howard Hughes Wellness 360

program launched in 2019 at The Woodlands

Survival of the Fittest ‘get healthy’ competition

continued in 2019 with 220 participants, 55 teams

1,000+ pounds

of weight loss achieved

Occupational Health & Safety

4.66%
2019 Injury Rate

77
work-related
injury claims

1,653
employees

5.47
2019 Lost-Time
Injury Frequency
Rate (LTIFR)

17
lost-time injuries

3.1M
hours worked

Risk Culture

We are continuously evolving to implement processes to improve occupational health and safety practices. Our Risk Management Department hosts discussions with all Operations leadership regarding health issues and risks to employees on at least a monthly basis. The department also hosts at least an annual in-person/onsite training for all employees with respect to Risk Management principles, including safety and security. The Risk Management Department and insurance broker consultants visit each HHC location frequently throughout the year for internal safety inspections. In addition, our regional teams report any safety and security incidents through Case Global, and these reports are shared with the Risk Management team.

Education

Howard Hughes ensures our property teams know how to properly respond to building emergencies by providing relevant training, including but not limited to:

- Ongoing onsite awareness and refresher training on insurance provisions in contracts, certificates of insurance compliance, etc.
- Training on our internal crisis management protocol
- Evacuation and other life safety drills at all operating assets

Physical Security/Safety

Howard Hughes works to mitigate risks related to physical safety/security by engaging a professional security company at all retail assets, and we are expanding their services to all non-hospitality assets. Other security initiatives include but are not limited to:

- Hostile aggressor/intruder program
- Situational awareness presentation
- Termination protocols
- Establishing a security guard standard for internal events





Community Engagement

At HHC, we see our built environments as shared spaces to create memorable experiences that engage, inspire, and help define the cultural life of our communities. Our Howard Hughes Arts (HHArts) portfolio-wide artistic initiative is a natural extension of our long-standing commitment to celebrating the integral role of arts and culture in our placemaking process. A rich cultural discourse unfolds across our portfolio that embraces extensive public art programs, performing arts series, large-scale installations, immersive cultural festivals, and artist residency programs that activate our buildings and our open public parks.

Community Engagement

Summerlin

Annually, Summerlin recognizes various cultural and cherished community traditions with festivities. The year kicked off with the Lunar New Year parade, featuring an oversized dragon, a lion dance in partnership with Guan Strong Lion Arts Association, percussionists, and fan dancers through the streets of Downtown Summerlin. As summer arrived, Summerlin residents enjoyed the third annual Summer Concert Series, a weekly concert at The Lawn, featuring local musicians and singers while children are entertained with activities and more at Downtown Summerlin June through July. Fourth of July crowds gathered for the 25th Annual Summerlin Council Patriotic Parade, which is Southern Nevada's largest and most colorful parade. The Summerlin Festival of Arts on October 2019 marked the 24th annual event in Downtown Summerlin. The juried festival provided a spectacular lineup of more than 100 fine artisans showcasing sculpture, art, and jewelry from the country's best craftsmen. It was closely followed by the spirited Parade of Mischief hosted every weekend in October, marking a calendar full of seasonal fun for the entire family. The year wrapped up with a colorful Holiday Parade that drew crowds to celebrate the season.



Seaport District

In 2019, the Seaport District enjoyed a wide range of art installations with contributions from Mike Perry Studio, Tin&Ed, and Wade and Leta. Early in 2020, Seaport was also home to a large public art installation called Wave-Field, which used seesaws, light, and sound to engage visitors in a beautiful visual and auditory experience. Seaport kicked off Summer by the Sea on Memorial Day 2019 with a kick-off event that celebrated new culinary, fashion, entertainment, and culture debuts such as the launch of Summer Sounds, rotating art installations by Mike Perry and Yoko Ono, the Chase Sapphire Lounge, and a restaurant by David Chang. Later in 2019, the 10th Annual Taste of the Seaport Food Festival united 40 of the best restaurants in Lower Manhattan and provided a day of food, fun, and fundraising for the community. Seaport also hosted the 2019 River To River Festival, the Lower Manhattan Cultural Council's (LMCC) annual summer arts festival, which celebrated creativity in all its forms.



Columbia

In Columbia, a number of cultural events held recently reflect our commitment to uplift the human spirit and celebrate diversity and inclusion. In 2019, the Blossoms of Hope initiative planted 300 trees within the Merriweather District, while the third annual Books in Bloom Festival celebrated the joys of books and reading. The Merriweather District Artist-in-Residence program in Downtown Columbia selected artists and hosted an exhibition in 2019 and opened a call for 2020 participation. Downtown Columbia's Lakefront District also hosted youth-led Black Lives Matter protests in 2020 to protest American racism and police brutality. Local elected officials supported marchers while the Chief of Police walked and talked with participants.



Ward Village

Contemporary public art continues to be highlighted throughout Ward Village with large-scale wall murals, sculptures, and locally-inspired exhibits throughout the year. Following our HHC tradition and the successful partnership in 2017, Ward Village hosted the largest exhibition site at the Honolulu Biennial celebration in 2019. Ward Village has also continued its long-standing partnership with POW! WOW! Hawai'i, bringing new wall murals to the district on an annual basis. Ward Village has a vibrant cultural life and offered a wide array of community events this past year, including: Cinema in the Park, monthly music and hula event Kona Nui Nights, art and environmental awareness street fair New Wave Friday, Hawai'i Food & Wine Festival events along with local favorites Noodlefest and Ricefest, dining pop-up Pacific Plate, and pet block party PetBlock Paina – a partnership with the Hawai'i Humane Society.



The Woodlands Hills

In recognition of National Good Neighbor Day on September 28, The Woodlands Hills community asked residents to nominate a "good neighbor" for a chance to be rewarded and celebrated for the unique value they bring to the community. For the second year in a row, heart-warming responses to the contest brought the community together. Students in The Woodland Hills also participated in National Walk to School Day in October. In December, the community honored its first 50 founding families during a Founders Club Tree Dedication Ceremony, complete with a plaque bearing the family name.



The Woodlands

Since the late 1970s, the Art in The Woodlands project has supported the placement of public art in every village that represents one of the largest collections of outdoor public art in the country. The 80th piece of art will be introduced into The Woodlands in 2020. The 56 outdoor sculptures and the 24 art benches in the community integrate the natural forested beauty of The Woodlands with cultural perspectives for residents to enjoy. The Woodlands Arts Council also hosts one of the top arts festivals in the country, The Woodlands Waterway Arts Festival. In addition, the Inspire Film Festival brings enlightening independent films to The Woodlands in the first quarter of the year, and The Inspire Award is presented annually by HHC to the film that inspires guests the most. Finally, students in The Woodlands participated in National Walk to School Day as a fun way to forego the normal bus or carpool route and join friends on the community's walking paths on the way to school.



Celebrating Earth Day

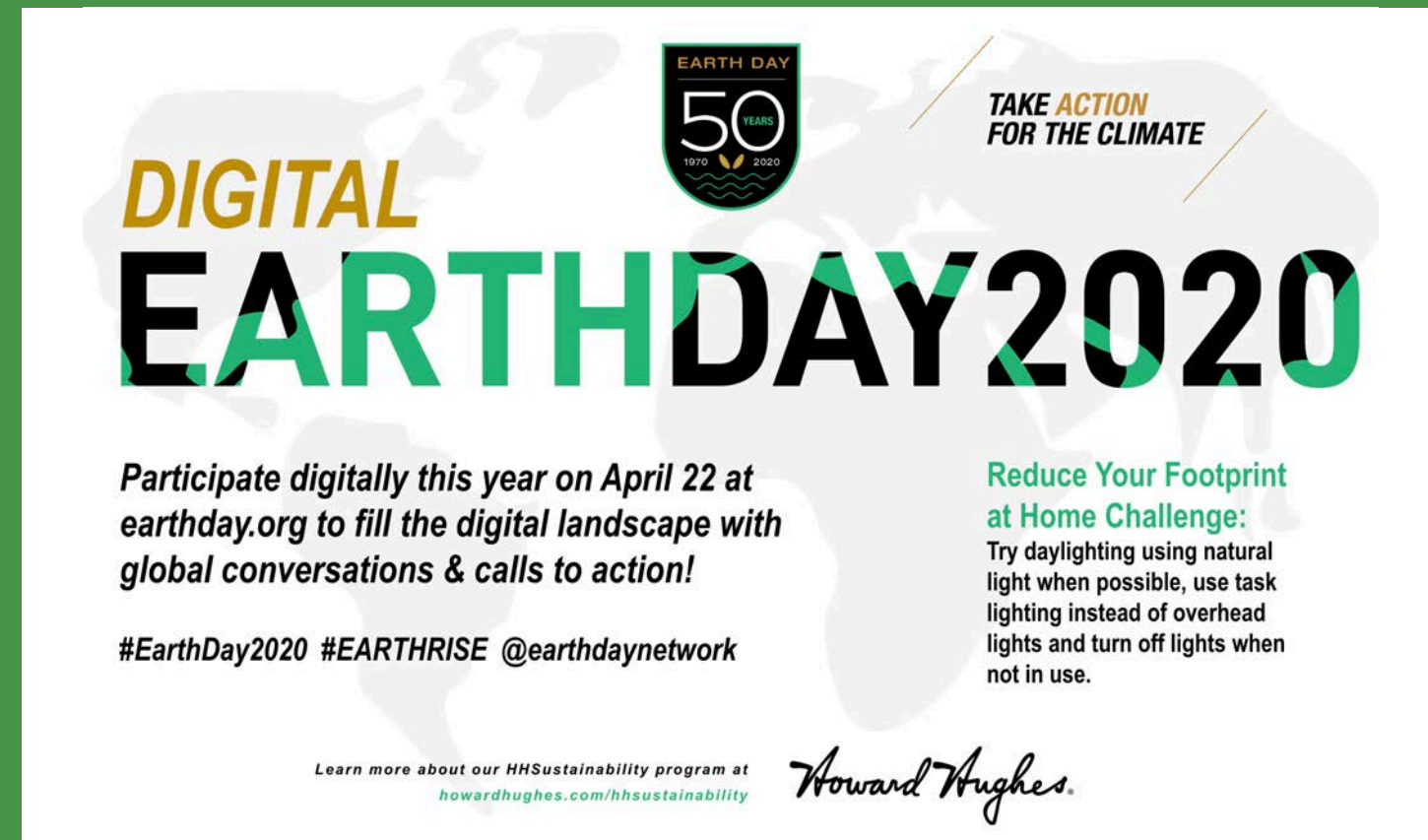
At HHC, we believe that the success of our ESG programs and initiatives depends heavily on the engagement of our employees, tenants, and communities.

Throughout the last year, we provided opportunities to contribute to a healthier planet through participating in special events and environmental activities with a particular focus on Earth Day. Since it was first celebrated in 1970, Earth Day has become global with more than 1 billion people in 192 countries celebrating together in one of the largest civic-focused days of action in the world.

For our Earth Day celebrations in 2020, which marked the 50th anniversary of the event, we continued our annual tradition of celebrating the beauty of our Earth and inspired action to preserve the environment. Despite the challenges presented by the COVID-19 pandemic,

we participated in the first Digital Earth Day celebration led by the Earth Day Network. We shared inspiring sustainability practices to help our communities make a positive impact through learning more about green cleaning products, energy efficiency techniques, sustainable transportation options, and recycling best practices.

In 2020, HHC's corporate team, all of our MPCs and the Seaport District promoted Earth Day through our social media channels to mobilize both employees and tenants.



Other Environmental Events

Bridgeland

Nature Fest

Since 2008, Bridgeland has proudly hosted Nature Fest, a large community event where guests are invited to celebrate the great outdoors in the 11,400-acre Bridgeland development that practices careful consideration for the natural environment and wildlife of the area. The event attracts thousands of guests for a vibrant day filled with live stage performances and up-close interactions with all types of animals. Attendees have the chance to explore a petting zoo, pony rides, kayaking class, roaming entertainment, food trucks, face-painting, and a nature-inspired craft station for kids. There is also a nature exhibitor area that hosts a variety of organizations dedicated to conservation and education. Nature Fest has raised more than \$75,000 for local charities over the past 12 years.



Summerlin

GREENFest Earth Day Festival

Summerlin's long-standing history of environmental stewardship is highlighted with several environmental events throughout the year, namely the annual GREENFest Earth Day Festival organized by the Nevada Energy Star Partners Green Alliance. GREENFest aims to raise awareness about environmental issues and emerging sustainable technologies. In previous years, the event has featured interactive displays and over 100 exhibits on clean energy, green homes, sustainable living and more.

Christmas Tree Recycling Program

In addition to the festival, Summerlin hosts a Christmas tree mulching program which encourages residents of the area to recycle their Christmas trees at the conclusion of the holiday season to be returned to Mother Nature. HHC partners with dozens of local conservation organizations to coordinate the collection of the trees which are chipped into organic mulch and used in public gardens and parks across the Las Vegas valley to conserve soil moisture and keep plants healthy. Since the program started in 2001, Summerlin residents have helped to recycle 244,000 trees and produce 2,118 tons of mulch for the valley.

Other Environmental Events, continued

The Woodlands

Earth Day GreenUp

The Woodlands would have celebrated the 10th annual Earth Day GreenUp in March 2020. However, the event was cancelled in 2020 due to the pandemic. The annual community litter cleanup day is organized in recognition of Earth Day and HHC has been a sponsor of this event since inception. Annually, volunteers remove approximately 4,500 pounds of trash. Prior to this effort, The Woodlands celebrated Earth Day with an environmental awareness festival sponsored by HHC.

Wildflower Festival

The Woodlands celebrated its 32nd Annual Wildflower Festival in October 2019. HHC along with other sponsors have donated over 2 million free wildflower seed packets. With a proud history of hosting and producing the event for 31 years, HHC passed the torch in 2019 for coordination of the celebration to The Woodlands Lions Club while continuing to sponsor the event.

Arbor Day

On January 25, 2020, The Woodlands celebrated its 44th year of donating free tree seedlings to the community at Northshore Park. This long-standing community tradition is sponsored by HHC. In 2020, HHC passed the coordination responsibility for the event to The Woodlands Township Environmental Services Department, which produced Arbor Day in partnership with The George Strake District of the Boy Scouts of America. Arbor Day helps residents green their neighborhoods by planting trees that help to lower energy costs, filter air and water, and reduce stormwater pollution.

In 2020, 12 different varieties of native seedlings were available, with a selection of both understory and canopy trees that can range between 8 to 90 feet at full maturity. Since 1977, Arbor Day has provided more than 1.5 million seedlings to support homeowners in reforesting their community and encouraging a healthier environment for both residents and wildlife alike.

4,500

pounds of trash removed by volunteers annually

2M

free wildflower seed packets donated

1.5M

seedlings provided to homeowners since 1977

Portfolio-wide Campaign

Energy, Water, Waste Awareness Campaign

As part of our community engagement program, in the fall of 2019, we distributed energy, water, and waste awareness campaigns for the first time to our properties in The Woodlands, Summerlin and Columbia. Useful tips for how to reduce resource use were shared via email and posters were displayed in breakrooms throughout the properties. In future years, we will continue to engage our tenants in this initiative to help us to achieve our portfolio-wide environmental targets.



Philanthropy

HHC is highly attuned to how we impact the lives of those within our communities, and we prioritize charitable giving and volunteerism by providing annual donations to over 130 non-profit organizations.



Our corporate social responsibility program, Howard Hughes Cares (HHCares), is at the heart of our community-focused philanthropy. The entire HHC team is encouraged to participate in our charitable programs with paid volunteer days and strong leadership from our executive team, many of whom have built deep civic connections over decades by helping local organizations in their respective regions.

Under HHCares, we sponsor community events to help local charitable and cultural organizations. In addition to our corporate donations, HHC offers a 1:1 match for all charitable donations made by our employees.



HHC encourages employees to get involved with our corporate charity, United Way, a non-profit organization that focuses on providing low-income communities with the necessary tools to pursue education, achieve financial stability, and live healthy lives. We also offer grants and scholarships and have donated millions of dollars in support of education, the arts, youth issues, and environmental stewardship.

We have continued to make a strong contribution to property-level organizations under our HHCares umbrella, such as the Ward Village Foundation and Seaport Cares. Over the past five years, Seaport Cares has donated over \$3 million to more than 25 local organizations and causes, with \$1 million in donations during 2019 alone. Overall, we donated over \$3 million under our HHCares umbrella in 2019.

Annual Spring Giving Campaign

HHC continued our yearly tradition of raising funds for local charities during our Spring Giving Campaign March 1- April 20, 2019. Our Houston area communities (Bridgeland, The Woodlands, and The Woodlands Hills) raised record funds to support local charities, including Cy-Hope, Cy-Fair Educational Foundation, Montgomery County Community Foundation, YES to Youth, and Leukemia & Lymphoma Society. During this campaign, HHC pledged to donate \$1,000 for each home purchased, with donations made on behalf of buyers for any of the designated charities of their choosing.

Doing Good While Doing Well in Seaport

As part of an ongoing effort to practice good corporate citizenship in our communities, HHC made numerous donations to organizations in the Seaport District in 2019. Initiatives ranged from helping downtown public schools with donations to purchase needed school equipment and fund after-school programs to providing support to the Lower Manhattan-based Knickerbocker Chamber Orchestra, where we offered storage space for their music library and equipment, to \$75,000 in financial support for 2019's River To River Festival. We also hosted the free Seaport Cinema series, where droves of Lower Manhattan residents turned out to enjoy ten movies over the summer on the roof of our Pier 17 building.

In addition, HHC has provided substantial funding to the South Street Seaport Museum, with \$550,000 worth of donations to support operations and fuel the cultural institution that keeps the rich history of maritime trade and commercial innovation in the Seaport District alive. Our philanthropic concert, the Z100 Summer Bash Presented by P.C. Richard & Son, raised \$40,955 alone for the Museum. In addition, we sponsored the Museum's production of "The Very Hungry Caterpillar Show Experience" and purchased 60 tickets for children living in the Lower Manhattan's Alfred E. Smith Houses (a New York City Housing Authority complex) to attend an interactive puppet show.

Bring Light to the Darkness of Cancer

HHC has routinely participated in the Leukemia & Lymphoma Society's (LLS) National Light the Night (LTN) event. We have been avid supporters of the Montgomery County chapter, and our team members championed creative fund-raising strategies that ultimately helped us to raise \$220,000. This surpassed our initial goal and earned us record-breaking achievements for the HHC Houston Team and as individual fund raisers nationally. Over the last five years, our combined impact from the HHC Houston Team totaled over \$750,000.

Community Spotlight

Topping Out and Giving Back

In October of 2019, HHC and Riverside Investment and Development marked the symbolic raising of 110 North Wacker's final structural beam with a "Topping Out & Giving Back" celebration. More than 175 commercial real estate, business, political and community leaders participated in the event that included a donation of over \$45,000 to seven local Chicago charities, and set a precedent for future development projects. HHC now recognizes the traditional topping out of a building with an event that celebrates not only the building's addition to its skyline, but its contribution to the social fabric of its community-at-large.

The following month, HHC "gave back" at the topping out of the reconstructed, historic Tin Building at the Seaport District by funding 3,145 meals through The Bowery Mission for New Yorkers in need during Thanksgiving, part of HHC's company-wide volunteer efforts throughout the holiday season. HHC's third "Topping Out & Giving Back" celebrated the mixed-use tower A'ali'i at Ward Village, which donated \$25,000 in personal protective equipment and recreational equipment to the City and County of Honolulu's Department of Parks and Recreation for its Summer Fun program.

Awards & Recognition

Adding to consecutive years of receiving “The Best Master-Planned Community of the Year” awards, HHC is annually recognized by numerous nationwide organizations for our outstanding environmental, social, and governance achievements. The following awards reflect our efforts to integrate ESG strategies into our business, operations, and daily lives of our communities.

Corporate Award



Urban Land Institute (ULI) Greenprint Center for Building Performance, Most Sustainability Projects Award in 2019.

In recognition of HHC’s accomplishments in 2018 for the highest portfolio coverage of energy, water, and waste projects among Greenprint members, HHC was awarded the Most Sustainability Projects Award in 2019.

25

awards for master planned communities in 2019

250+

awards for master planned communities since 2010

Master Planned Community Awards

Bridgeland

NATIONAL ASSOCIATION OF HOME BUILDERS, THE NATIONALS, LIFESTYLE PROGRAM OF THE YEAR (GOLD) FOR FRIDAY NIGHT BITES, 2019

NATIONAL ASSOCIATION OF HOME BUILDERS, THE NATIONALS, BEST LANDSCAPE DESIGN (SILVER), 2019

NATIONAL ASSOCIATION OF HOME BUILDERS, THE NATIONALS, BUILDING INDUSTRY COMMUNITY SPIRIT (SILVER), 2019

HOUSTON BUSINESS JOURNAL, LANDMARK AWARDS, RESIDENTIAL DEVELOPMENT OF THE YEAR, 2019

WEST HOUSTON ASSOCIATION, SUSTAINABILITY STARS AWARD FOR BRIDGELAND CREEK PKWY. 7 AND 8, HOUSTON, TX, 2019

HOUSTON-GALVESTON AREA COUNCIL (H-GAC), SPECIAL RECOGNITION PLANNING, CHRYSALIS LAKE, BRIDGELAND, 2019

HOUSTON-GALVESTON AREA COUNCIL (H-GAC), SPECIAL RECOGNITION PROJECTS OVER \$500,000, LAKELAND HEIGHTS TOWN SQUARE PARK, 2019

TEXAS ASSOCIATION OF BUILDERS, STAR AWARDS, DEVELOPER OF THE YEAR, 2018

TEXAS ASSOCIATION OF BUILDERS, STAR AWARDS, BEST COMMUNITY AMENITY, 2018

HOUSTON-GALVESTON AREA COUNCIL (H-GAC) AND NATURAL AREAS AWARDS, WINNER FOR PLANNING PROCESS FOR JOSEY LAKE, 2018

Summerlin

BEST OF LAS VEGAS, LAS VEGAS REVIEW JOURNAL, BEST SHOPPING CENTER, DOWNTOWN SUMMERLIN, 2019

URBAN LAND INSTITUTE’S (ULI) BEST COMMUNITY PLACE SUBURBAN CATEGORY, LAS VEGAS BALLPARK, 2019

BALLPARK DIGEST, BALLPARK OF THE YEAR, 2019

Seaport District

URBAN LAND INSTITUTE (ULI), GLOBAL AWARD FOR EXCELLENCE, FINALIST, PIER 17, 2019

VENUESNOW, CLUB ALL-STAR, THE ROOFTOP AT PIER 17, 2019

MONDO DR., BEST CONCERT HALL AND BEST OF AMERICAS OVERALL WINNER, THE ROOFTOP AT PIER 17, 2019

POLLSTAR, BEST NEW CONCERT VENUE, THE ROOFTOP AT PIER 17, 2018

Columbia

NICHE.COM, BEST PLACES TO LIVE IN AMERICA #8, 2019

NICHE.COM, BEST CITIES TO RAISE A FAMILY #5, 2019

WALLETHUB.COM, BEST PLACES TO FIND A JOB #2, 2019

MONEY MAGAZINE, BEST PLACES TO LIVE #20, 2019

WALLETHUB.COM, HAPPIEST CITIES IN AMERICA #12, 2018

NAIOP MARYLAND, AWARD OF EXCELLENCE, BEST OFFICE PARK FOR ONE & TWO MERRIWEATHER, 2018

The Woodlands Hills

HOUSTON-GALVESTON AREA COUNCIL (H-GAC), SPECIAL RECOGNITION PROJECTS OVER \$500,000, FOUNDERS PARK, THE WOODLANDS HILLS, 2019

NATIONAL ASSOCIATION OF HOME BUILDERS, BEST LANDSCAPE OF A COMMUNITY (SILVER), 2019

NATIONAL ASSOCIATION OF HOME BUILDERS, BUILDING INDUSTRY/COMMUNITY SPIRIT AWARD (SILVER), 2019

The Woodlands

GREATER HOUSTON BUILDERS ASSOCIATION, HUMANITARIAN OF THE YEAR AWARD, 2019

NATIONAL ASSOCIATION OF HOME BUILDERS, BEST SOCIAL MEDIA CAMPAIGN (SILVER), 2019

TEXAS ASSOCIATION OF BUILDERS, BEST COMMUNITY AMENITY STAR AWARD, THE WOODLANDS WATERWAY, 2019

HOUSTON APARTMENT ASSOCIATION, TOP MIDRISE COMMUNITY OF THE YEAR, CATEGORY - APARTMENTS BUILT 2010 TO 2017, MID-RISE, WITH MORE THAN 300 UNITS, ONE LAKES EDGE, 2019

HOUSTON APARTMENT ASSOCIATION, 2018 NEW DEVELOPMENT OF THE YEAR, CREEKSIDE PARK, THE RESIDENCES, 2019

GREATER HOUSTON BUILDERS ASSOCIATION, TRAILBLAZER OF THE YEAR, 2018

Ward Village

SUNSET MAGAZINE TRAVEL AWARDS, BEST ISLAND HOT SPOT, 2018

NATIONAL ASSOCIATION OF HOME BUILDERS, MASTER PLANNED COMMUNITY OF THE YEAR, 2018

PCBC GOLD NUGGET AWARDS, MASTERPLAN COMMUNITY OF THE YEAR, 2018

Partnerships & Programs

Key industry partnerships and programs complement HHC’s long-term commitment to measure, assess, benchmark, and reduce the impacts of our buildings and operations.



ENERGY STAR

HHC is proud to be collaborating with the U.S. Environmental Protection Agency’s (EPA) ENERGY STAR division as we work toward reducing the environmental impact of our portfolio. Currently, 100% of our properties are benchmarked in ENERGY STAR Portfolio Manager, the premier tool for tracking energy, water, and waste data.



URBAN LAND INSTITUTE (ULI)

ULI’s Greenprint Center for Building Performance provides HHC with a variety of sustainability resources, the knowledge of the greater real estate community, and access to Measurabl’s sustainability data tracking tool. HHC utilizes these resources to improve our sustainability programs, share best practices, and report on our ESG performance.



G R E S B

GRESB

GRESB is an investor-driven organization committed to assessing the ESG performance of real estate assets and infrastructure investments around the world. HHC became a member in 2018, joining hundreds of global real estate companies in benchmarking their performance. Last year, companies from 64 countries voluntarily reported their ESG data and progress across portfolios with an estimated gross asset value of \$4.1 trillion.



U.S. GREEN BUILDING COUNCIL (USGBC)

HHC aims to align our properties with the sustainability best practices outlined in USGBC’s LEED rating system, which is the most widely used green building rating system in the world. LEED provides a framework for highly efficient, healthy, cost-saving green buildings. By encouraging the use of the LEED framework as a resource, property teams have the opportunity to take advantage of the environmental and cost benefits that correspond with adopting green building best practices.



BUILDING OWNERS & MANAGERS ASSOCIATION (BOMA) INTERNATIONAL

The BOMA 360 Performance Program sets the standard worldwide for operational best practices in the commercial real estate industry. Earning the BOMA 360 label demonstrates that a building is outperforming the competition across all areas of operations and management. Participants in the program report it helped them achieve operational efficiencies and higher levels of tenant satisfaction.



VERDANI PARTNERS

The Howard Hughes Corporation has engaged Verdani Partners, a full-service sustainability and ESG consulting firm, to develop and implement our sustainability program strategy. Verdani Partners collaborates with HHC’s internal teams to manage day-to-day ESG initiatives, certifications, data management, and reporting.

ENVIRONMENTAL CASE STUDY

Bridgeland’s Environmental Initiatives

Bridgeland is an 11,400-acre HHC master planned community in Cypress, Texas. Once fully complete, Bridgeland will be home to 65,000 residents. This top-selling and award-winning development offers a broad variety of housing options for residents as well as ample outdoor activities with over 3,000 acres dedicated to trails, parks, and lakes. The development’s design places a strong emphasis on conserving and enhancing the natural environment, with scenic lakes that provide residents recreational areas with complimentary use of kayaks, paddle boats, and other recreational equipment. The waterways also support biodiversity while forming an extensive stormwater system that improves water quality and irrigation during droughts.

Bridgeland Creek Parkway

Bridgeland won several Sustainability Star awards from the West Houston Association for the carefully designed sustainable stormwater management concepts in two sections of the Bridgeland Creek Parkway through Prairieland Village. The 18 bioswales with approximately 88,000 cubic feet of stormwater storage, crafted in conjunction with neighborhood roadways and false inlets, prevent flooding and allow for minimal storm sewers through natural infiltration and sediment control.

Sustainability Features:

- Bioretention & engineered soil
- False inlets
- Vegetated filter strips
- Vegetated swale

Josey Lake

Nestled in the Bridgeland community is Josey Lake, an award-winning, 140-acre waterway recognized for its stunning beauty and innovative design. Josey Lake functions as both a stormwater detention system and a communal greenspace. The lake offers Bridgeland residents many outdoor activities such as kayaking on a three-mile waterway, a birding tower, boardwalk, skyway bridge, playground-style zip line, and additional land activities.

Meadow Plantings

Throughout Bridgeland, natural meadow plantings have been integrated into the landscape to visually enhance the ecosystem, support local wildlife, and enhance sustainability. The community’s bluestem grasses are drought tolerant and provide nesting grounds for grassland birds, insects, and mammals, while its wildflowers support pollinators and bring colorful hues to the landscape. Roots of meadow perennial plants reach deep into the soil, prevent erosion, and support water filtration for neighboring lakes.



SOCIAL CASE STUDY

Kō’ula & Victoria Ward Park

The integration of indoor and outdoor spaces

Ward Village, known for bringing together the best of urban and island living, is a 60-acre master planned community located in O’ahu, Hawai’i. Indoor and outdoor spaces blend together in this sweeping landscape that is globally recognized as a destination for wellness, connectivity, and vibrant placemaking.

Kō’ula, HHC’s new 41-story residential tower, whose name means “red sugar cane,” is a striking new development whose architectural design references the native landscape with structural columns similar to sugar cane leaves native to the region. The development features 566 residences, from studios up to three-bedroom homes, with 64% of the project pre-sold in the first six months since launching sales. Kō’ula features a spa, a deluxe fitness center, multiple event spaces, a resort-style swimming pool, children’s play areas, a sunset lounge, spacious garden terraces, and views across the coastline.

An award-winning architecture and urban design group called Studio Gang developed the concepts for Kō’ula, with an emphasis on seamless indoor-outdoor living and ocean views to provide a connection between residents and the island landscape. The development is adjacent to Victoria Ward Park, a lively, pedestrian-friendly gathering place. The park brings the community together with free events such as weekly yoga, Cinema in the Park, Kona Nui Nights, farmer’s markets, and hula.

In addition to providing homes in urban Honolulu, Kō’ula will enrich the Park experience and make Ward Village a cultural destination with a new collection of dining, shopping, and entertainment venues at the base of the tower, which will enhance the streetscape and expand the scale of public amenities within the award-winning, walkable community.

Sustainability is also a focus for Kō’ula, which is targeting LEED certification through a structural design that both improves environmental performance and reduces solar heat gain. Furthermore, the building is part of Ward Village’s LEED ND-Platinum certified master plan development, the largest in the state of Hawai’i and the greater United States. Ward Village has earned its position squarely at the forefront of sustainable community development and will feature public amenities at a scale unseen by other developments in the state.

Seamless
indoor-outdoor
living in a LEED
ND-Platinum
neighborhood
community
development

KŌ’ULA:

- 566 residences
- Dining, shopping, and entertainment venues
- Spa
- Deluxe fitness center
- Multiple event spaces
- Resort-style swimming pool
- Children’s play areas
- Sunset lounge
- Spacious garden terraces
- Views across the coastline

VICTORIA WARD PARK:

- Pedestrian-friendly
- Community gathering
- Free events such as weekly yoga, Cinema in the Park, Kona Nui Nights, farmers markets, and hula

SUSTAINABILITY:

Sustainable structural design improves environmental performance including, reducing energy use



Development of HHC’s 10-year ESG Strategic Plan

In November 2019, HHC’s ESG team met for our annual HHSustainability strategy meeting. During this meeting, the ESG team developed a 10-year ESG strategic plan for the company. This plan provides a roadmap to achieving our portfolio-wide ESG goals and targets.

Within our strategic plan, the ESG team created a comprehensive set of sustainability priorities by category. For each priority, we created an action plan and a tentative timeline to fulfill the priority.

Key Sustainability Priorities for 2020

- Continuing to refine and implement policies and guides
- Conducting energy and waste audits at select properties
- Implementing select energy efficiency projects with a quick payback
- Pursuing green building certifications at select properties
- Expanding our disclosure of environmental and social risk management strategies

The ESG team will review and adjust the strategic plan on an ongoing basis in order to ensure we achieve our goals and targets and keep up with industry best practices. We look forward to continuing to expand the HHSustainability program in the years ahead.



HHSustainability and ESG Consulting Team

ESG Goals & Targets Categories

- Sustainability Leadership
- Policies
- Reporting
- Risk Management
- Stakeholder Engagement
- Risk Assessment

Key Targets

- Data Collection and Assurance
- Asset-level Performance
- Building Certifications

HHC’s 10-year ESG Strategic Plan helps us achieve our environmental targets, reduce operating expenses and increase our performance on ESG ratings such as GRESB.



As part of this Strategic Plan, we created a business plan to prioritize key ESG projects over the next three years.



Reporting & *Disclosure*

About This Report

This annual ESG report was prepared by the Environmental Social Governance Committee, a collective of team members across The Howard Hughes Corporation, with support from our sustainability consultant, Verdani Partners. Reporting and disclosure for our portfolio-wide performance data and sustainability operations allows us to benchmark and assess our performance against our peers in the U.S. and around the world.

The aim of this report is to share sustainability-related information that is material to The Howard Hughes Corporation's stakeholder groups including investors, tenants, employees, partners, and communities. Our disclosure references the Global Reporting Initiative's (GRI) 2016 Standards. This is our third annual disclosure of ESG data to GRESB.

Prior to this report, the most recent report was published in December 2019 and covered calendar year 2018, with some information regarding the first half of 2019. To align with the previous report, the performance data in this report represents the 2019 calendar year, while qualitative data covers the 2019 calendar year and the first half of 2020.

Contact

For questions about this report, please contact:
sustainability@howardhughes.com

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is an international, independent organization that helps businesses, governments, and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, governance, and social well-being. With thousands of reporters and the world’s largest 250 corporations participating, GRI provides the world’s most widely used standards on sustainability reporting, and disclosure, enabling businesses, governments, civil society, and citizens to make better decisions based on information that represents global best practices on economic, environmental, and social issues.

GRI Index

| NUMBER | DESCRIPTION | PAGE NUMBER | REFERENCE |
|---------------------------|---|---------------|--|
| 1: ORGANIZATIONAL PROFILE | | | |
| 102-1 | Name of the organization | 1, 17 | 1) Cover Page 2) HHC at a Glance |
| 102-2 | Activities, brands, products, and services | 17 | 1) HHC at a Glance |
| 102-4 | Location of operations | 17 | 1) HHC at a Glance |
| 102-5 | Ownership and legal form | 17 | 1) HHC at a Glance |
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| 102-7 | Scale of the organization | 17, 53 | 1) HHC at a Glance 2) Diversity & Inclusion - Our Commitment to Equal Employment Opportunity |
| 102-11 | Precautionary Principle or approach | 33 | 1) Environmental Risk Management |
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| 102-14 | Statement from senior decision-maker | 6-7 | 1) Letter from Our CEO |
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| 3: ETHICS AND INTEGRITY | | | |
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| 102-18 | Governance structure | 18, 21 | 1) Organizational Structure 2) Governance Risk Management |
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| 102-30 | Effectiveness of risk management processes | 21 | 1) Governance Risk Management |
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| 305-4 | GHG emissions intensity | 31 | 1) Targets & Performance - Carbon Emissions |
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| 306-2 | Management of significant waste-related impacts | 40 | 1) Environmental Initiatives - Waste Initiatives |
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| GRI 405: DIVERSITY AND EQUAL OPPORTUNITY | | | |
| 405-1 | Diversity of governance bodies and employees | 53 | 1) Diversity & Inclusion |

Stabilized

Properties in the Operating Assets segment that have been in service for more than 36 months or have reached 90% occupancy, whichever occurs first.

Unstabilized

Properties in the Operating Assets segment that have been in service for less than 36 months and do not exceed 90% occupancy.

Under Construction

Projects for which construction has commenced. This excludes MPC and condominium development.

Earnings Before Taxes (EBT)

Represents the revenues less expenses, including interest income, interest expense, depreciation and amortization, and equity in earnings of real estate and other affiliates. EBT excludes corporate expenses and other items that are not allocable. We use this measure, among others, internally to assess the core operating performance.

Net Operating Income (NOI)

We define net operating income (“NOI”) as operating cash revenues (rental income, tenant recoveries and other revenue) less operating cash expenses (real estate taxes, repairs and maintenance, marketing and other property expenses), including our share of NOI from equity investees. NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, other (loss) income, depreciation, development-related marketing costs, gain on sale or disposal of real estate and other assets, net, provision for impairment and, unless otherwise indicated, equity in earnings from real estate and other affiliates. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that factors which vary by property, such as lease structure, lease rates and tenant bases, have on our operating results, gross margins and investment returns.

Operating Assets Q4 2019

| OPERATING ASSET NOI¹ | Q4 2019 ANNUALIZED NOI* | STABILIZED NOI* |
|-------------------------------|-------------------------------|--------------------|
| Stabilized Properties | \$192,602 | \$233,596 |
| Office | \$81,226 | \$113,249 |
| Retail | \$63,454 | \$70,678 |
| Multi-Family | \$23,644 | \$24,900 |
| Hospitality | \$5,612 | \$4,500 |
| Other | \$18,666 | \$20,269 |
| Unstabilized Properties | \$37,702 | \$86,685 |
| Office | \$8,726 | \$44,258 |
| Retail | \$148 | \$3,352 |
| Multi-Family | \$5,609 | \$12,075 |
| Hospitality | \$23,219 | \$27,000 |
| Under Construction Properties | \$0 | \$47,027 |
| Office | \$0 | \$18,821 |
| Retail | \$0 | \$2,318 |
| Multi-Family | \$0 | \$25,888 |
| Total NOI | \$230,304 | \$367,308 |

Operating Assets FY 2010

| OPERATING ASSET NOI² | FY 2010* |
|----------------------|----------|
| Office | \$11,364 |
| Retail | \$32,837 |
| Multi-Family | \$0 |
| Hospitality | \$4,379 |
| Total NOI | \$48,580 |

MPCs FY 2019

| OPERATING ASSET NOI³ | ACRES SOLD | EBT* |
|----------------------|---------------|-----------|
| The Woodlands | 60.9 | \$3,753 |
| The Woodland Hills | 40.2 | \$4,131 |
| Bridgeland | 150.3 | \$46,833 |
| Summerlin | 319.4 | \$203,819 |
| Columbia | 0.0 | \$(950) |
| Total MPC | 570.8 | \$257,586 |

*\$ in thousands
1. Disclosed on pg. 11 - 12 of the Q4 '19 Supplemental
2. Disclosed on pg. 45 of the 2011 10K
3. Disclosed on pg. 48 - 49 of the 2019 10K



Independent Assurance Statement

Introduction

DNV GL Business Assurance USA, Inc. (DNV GL) has been commissioned by the management of Howard Hughes Management Co., LLC to carry out an independent verification of Howard Hughes Corporation (HHC) 2019 and 2018 Like-for-Like (LFL) environmental footprint claims and assertions relating to GHG emissions (Scope 1 and 2), Energy Consumption, Water Consumption and Waste Generated. These assertions are relevant to the 2019 and 2018 calendar year.

HHC has sole responsibility for preparation of the data and external report. DNV GL, in performing our assurance work, is responsible to the management of HHC. Our assurance statement, however, represents our independent opinion and is intended to inform all stakeholders including HHC.

Scope of Assurance

The scope of work agreed with HHC includes the following:

- Organizational boundaries for the environmental data inventory are:
 - o All directly managed global assets operating under HHC’s operational control
 - o Indirectly managed assets where HHC has financial control and available data
- All environmental data were verified for the following periods:
 - o January 1st to December 31st, 2019 (the reporting year)
 - o January 1st to December 31st, 2018 (2018 LFL)
- Emissions data verified includes Scope 1 (69% data coverage) and Scope 2 (84% data coverage)
- Additional environmental metrics verified include:
 - o Energy Consumption (Electricity – 60% data coverage; Fuel - 41% data coverage)
 - o Water Consumption (73% data coverage)
 - o Waste Generated (53% data coverage)
- For assets under design, construction, or renovation in 2018 and 2019, data coverage begins on construction end date this includes:
 - o 6 properties totaling 1,069,854 gross square feet in 2019
 - o 6 properties totaling 886,097 gross square feet in 2018
- The assurance was carried out April-July 2020

Level of Assurance

We performed a limited assurance engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised)*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable

assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

DNV GL’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. This includes but is not limited to sales and acquisitions, square footage, occupancy rates, data coverage, and financial/operational control. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance Methodology

DNV GL is a leading provider of sustainability services, including verification of GHG emissions data and other environmental metrics. Our environmental and social assurance specialists work in over 100 countries.

In that respect, the environmental footprint inventories have been evaluated against the following reporting criteria:

- World Business Council for Sustainable Development (WBCSD) / World Resources institute (WRI) Greenhouse Gas Protocol, Corporate Accounting Standard REVISED
- GRESB 2020 Real Estate Reference Guide

DNV GL used a risk-based approach throughout the assurance engagement, concentrating on the areas that we believe are most material for both HHC and its stakeholders. DNV GL applied a materiality threshold of five percent for all GHG emissions, Energy Consumption, Water Consumption, and Waste Generated. DNV GL applied International Standards Organization (ISO) guidance for determining the sample size.

The following methods were applied during the assurance of HHC’s environmental footprint inventories and management processes, the data that supports the company’s environmental footprint inventories including assertions and claims presented by the company:

- Review of documentation, data records and sources relating to the corporate environmental footprint data claims and GHG emission assertions;
- Review of the processes and tools used to collect, aggregate, and report on all environmental data and metrics;
- Interview of managers and data users representing relevant functions for supporting the environmental inventory management process;
- Assessment of environmental information systems and controls, including:
 - Selection and management of all relevant environmental data and information;
 - Processes for collecting, processing, consolidating, and reporting the environmental data and information;
 - Systems and processes that ensure the accuracy of the environmental data and information;
 - Design and maintenance of the environmental information system;
 - Systems and processes that support the environmental information system.
- Performed sample-based audits of the processes for generating, gathering, and managing the data;
- Examination of the environmental data and information to develop evidence for the assessment of the environmental claims and assertions made;
- Evaluation of whether the organization conforms to the verification criteria;
- Evaluation of whether the evidence and data are sufficient and support HHC’s environmental claims.

Appendix: Environmental Data Assurance

In addition to the above, specific to the environmental indicators, the following steps were conducted for the Water and Waste:

- Water:
- Review of the water consumption methodology;
 - Conduct data checks for the water data collected, transferred and calculated;
 - Perform sample-based assessment of data reported against the source data water consumed provided by utility company and metered data.

- Waste
- Review of the waste segregation methodology and description of waste categorization;
 - Conduct data checks for the waste data collected, transferred and calculated;
 - Perform sample-based assessment of data reported against the source data (waste collected to landfill and waste diverted) provided by waste management companies

Data Verified

The environmental footprint claims for HHC are as follows:

Greenhouse Gas Emissions

- 2019 Greenhouse Gas Emissions
 - Total Scope 1 Emissions4,078 (MtCO₂e)
 - Total Scope 2 Emissions (location-based)53,882 (MtCO₂e)

Energy

- 2019 Total Energy Consumption160,077,817 kWh

Water

- 2019 Total Water Consumption1,529,926 m³

Waste

- 2019 Total Waste Generated12,839 metric tonnes
- 2019 Total Waste Recycled3,482 metric tonnes

Like for Like (2019 and 2018 performance) - Buildings are excluded from the like for like portfolio if they were bought or sold within the 2019 or 2018 reporting period, or stabilized in the current reporting period, or where data availability does not cover the full years of 2018 and 2019:

Greenhouse Gas Emissions

- 2019 Greenhouse Gas Emissions
 - Scope 1 Emissions3,530 (MtCO₂e)
 - Scope 2 Emissions (location-based)48,447 (MtCO₂e)
- 2018 Greenhouse Gas Emissions
 - Scope 1 Emissions3,537 (MtCO₂e)
 - Scope 2 Emissions (location-based)47,742 (MtCO₂e)

Appendix: Environmental Data Assurance

Energy

- 2019 Energy Consumption143,765,904 kWh
- 2018 Energy Consumption142,611,827 kWh

Water

- 2019 Water Consumption1,441,470 m³
- 2018 Water Consumption1,444,199 m³

Assurance Opinion

Based on the processes and procedures conducted with a limited assurance, there is no evidence that the environmental claims and assertions listed are not materially correct and are not a fair representation of environmental data and information, and have not been prepared in accordance with the calculation method referenced.

Independence

DNV GL was not involved in the preparation of any part of HHC’s data or report. This is our first year of providing assurance for HHC. We adopt a balanced approach towards all stakeholders when performing our evaluation.

DNV GL Business Assurance USA, Inc.
Oakland, California
July 30, 2020



Natasha D’Silva
Project Manager



Shruthi Poonacha Bachamanda
Technical Reviewer

The purpose of the DNV GL group of companies is to promote safe and sustainable futures. The USA & Canada Supply Chain & Assurance Services team is part of DNV GL Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

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