

2024 Sustainability Report

HINES EUROPEAN
REAL ESTATE PARTNERS III

Hines



From Our Fund Leadership



Paul White
Senior Managing Director
Fund Manager



Daniel Chang
Head of Sustainability Europe

As the third fund in the Hines European Real Estate Partners (HEREP) value-add Fund Series, HEREP III sits in an exciting position to invest in buildings that require refurbishment and regeneration to meet evolving market demands. We believe this provides us with an opportunity – and a responsibility – to create and preserve value through sustainability. By improving efficiency and performance, addressing climate hazards and minimising risks, and prioritising people’s needs in and around our buildings, we are transforming HEREP III assets to meet the standards of the future.

We believe sustainability enhances asset performance and brings benefit

to all our stakeholders – from investors and occupiers to the communities surrounding our assets. We aim to embed sustainability initiatives into each stage of our refurbishment and development projects, from planning and construction through operation, as an integral part of our overarching Fund strategy. This approach has helped the Fund continue to lead in sustainability throughout 2024.

We are proud to report a strong start with our first Global Real Estate Sustainability Benchmark (GRESB) submission, achieving the maximum score of 100 points and earning stellar recognition as the Global Sector Leader. We are also pleased to share that the Fund earned the

PREA ESG Award for 2025, based on our 2024 performance. We aim to maintain this positive trend and will strive to keep achieving the highest sustainability performance metrics as we continue to develop our portfolio.

We adopted our firm’s new Sustainability Framework and aligned our Fund strategy to the firm’s sustainability themes, focus areas, and key performance targets. Designed to create and protect investment value while furthering business objectives, this new framework is helping our team drive sustainability decision-making and evaluate performance.

Other key 2024 progress included leveraging building design to achieve energy intensity benchmarks,

understanding district energy systems to quantify the impact of reliance, and using Hines’ proprietary tools and processes to conduct sustainability due diligence assessments at all potential acquisitions.

Lastly, you will notice this report is shorter than in previous years; this is intentional. We aim to share the most important 2024 content here while providing opportunities for Deep Dives on specific topics and initiatives throughout the narrative. We hope you enjoy learning more about specific initiatives the HEREP III team is undertaking to create and protect value – for people and the planet – through sustainability.



01	HEREP III Overview
02	Investment Value Creation and Protection
03	Environmental Stewardship
04	Thriving Communities
05	Annex



HEREP III Overview¹

HEREP III is the third fund in Hines' European value-add strategy commingled flagship fund series. This Luxembourg-based Fund exceeded its target of €1.5 billion, raising over €1.61 billion in equity commitments before closing in November of 2023.

Our HEREP III team focuses on managing, repositioning, and future-proofing assets to meet the evolving demands of occupiers and investors. By embedding sustainability considerations across the asset life cycle, we aim to transform real estate investments into sustainable and resilient assets that drive long-term value for stakeholders while minimising environmental and increasing social impact.

DEEP DIVE ↗

View the full HEREP III portfolio

Total Equity Commitments

€1.6B

Number of Project Investments

13

Total Asset Allocation

51%

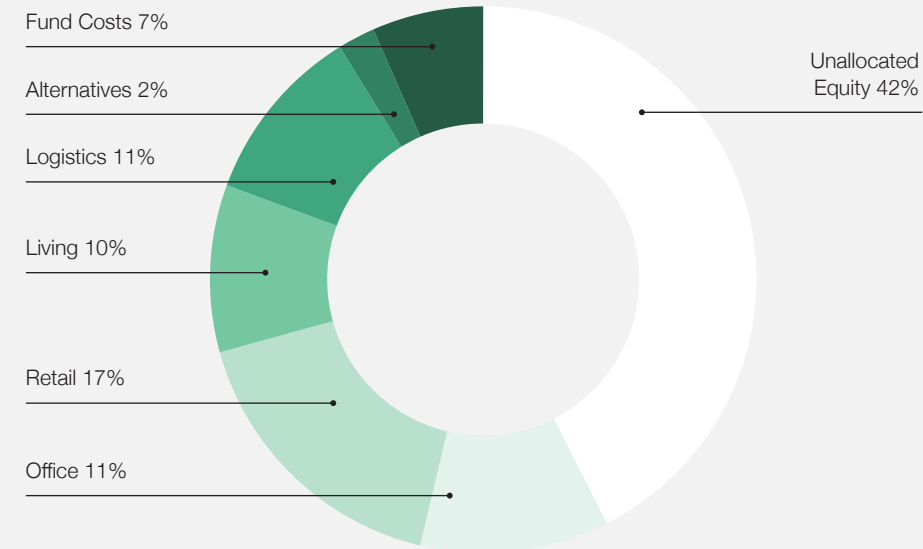
Cities

Barcelona
Cologne
Leipzig
London
Paris
Valencia

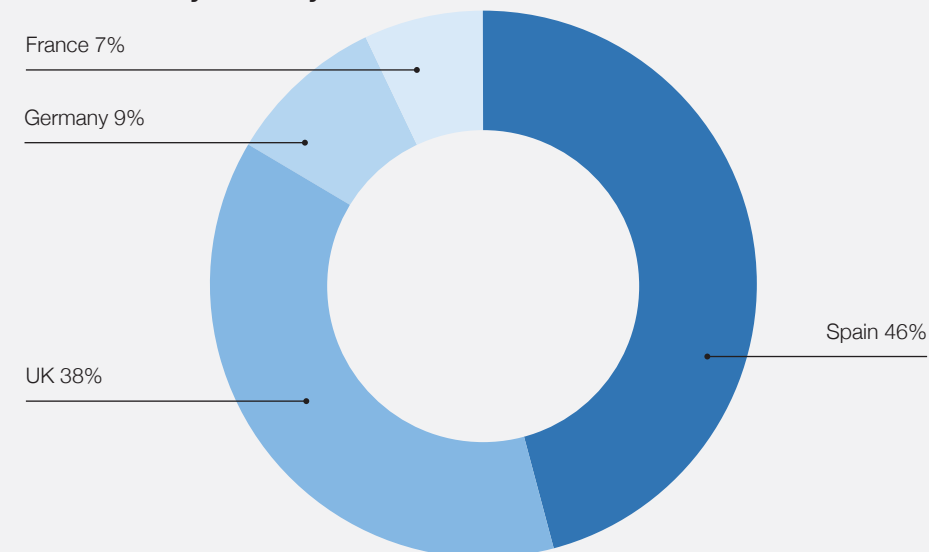
Countries

France
Germany
Spain
United Kingdom

Allocation by Sector



Allocation by Country



2024 HEREP III Highlights



100/100

Global Sector Leader

out of 62 Europe/Non-Listed/
Value-added/Closed-end funds


GRESB

100%

of the portfolio holds or is in
the process of obtaining
green building certifications

100%

of new acquisitions include
underwriting with
sustainability considerations

4

WELL

well-being certificates underway



100%

of developments and major
refurbishments are completing a
whole life carbon assessment



Closed-End Fund
ESG Award
for 2024 performance

Our Sustainability Focus and Goals

HEREP III integrates market-leading sustainability directly into its value-add strategy, focusing on transforming existing assets—a ‘brown-to-green’ approach. We strive to drive value by significantly enhancing building performance, particularly through energy efficiency upgrades, and by prioritising occupier health and wellness. This proactive approach not only minimises environmental impact and benefits communities but is core to creating resilient, desirable properties poised for premium performance, which can include financial benefits such as reducing the cost of the Fund’s debt capital. We track progress transparently, benchmark against recognised industry initiatives, and align with Hines’ overarching Sustainability Framework.

The Fund’s sustainability strategy aligns with Hines’ Sustainability Framework and includes key goals that support the firm’s performance targets.

Film House, London



The Hines Sustainability Framework

The latest evolution of Hines’ Sustainability Framework was introduced in 2024. It sharpens the focus on the most material and important global challenges and opportunities Hines can address, ensuring we remain proactive and engaged in a rapidly changing world. The framework builds upon Hines’ legacy of sustainability leadership and innovation while supporting broader efforts to deliver client-centric solutions on a global scale. The Sustainability Framework is composed of three themes, nine focus areas, and key

foundational elements, which align firm-wide targets, policies, and standards to drive sustainable value creation. It applies across all aspects of Hines – from corporate strategy and investment impact, to development and operations – and is reinforced by strong firm-wide governance.

The framework helps our Fund prioritise environmental and social initiatives that create and protect value at our assets and for our stakeholders.



Foundations: Data, Policies, Processes, Disclosures and Reporting

DEEP DIVE ↗

Read more about sustainability at [Hines.com](https://www.hines.com)

HEREP III Sustainability Goals Overview

DEEP DIVE ↗
Review our detailed sustainability goals and targets.

THEMES	FOCUS AREAS	2025 SUSTAINABILITY GOALS
Investment Value Creation and Protection Sustainable Development Goals (SDGs): 9, 11, 12, 13, 17	Investment Intelligence	<ul style="list-style-type: none">All new acquisitions will utilise the the Investment Committee (IC) process to underwrite sustainable value creation and protection. The Fund will leverage sustainability tools, research, and resources – such as the ESG Due Diligence Scoping Guide, ESG Development Brief, CIA Tool, Climate X, and District Energy Matrix — to inform underwriting.
	Portfolio Management	<ul style="list-style-type: none">Continue to submit to GRESB in 2025, maintaining Peer Group Leader status and a maximum score as new assets are added.Track Fund-specific sustainability objectives alongside 2025 Firmwide Sustainable Value Creation Goals.Publish the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) aligned ESG section in the Fund’s Annual Report.Ensure all New Developments and Major Refurbishments follow the ESG Development Brief and align with EU Taxonomy.
	Innovation Leadership	<ul style="list-style-type: none">Monitor opportunities for sustainable innovation and integrate initiatives where appropriate.
Environmental Stewardship SDGs: 9, 11, 12, 13, 17	Building Operations and Performance	<ul style="list-style-type: none">Maintain 100% green building certification, targeting BREEAM ‘Excellent’ (or equivalent) and Energy Performance Certificate (EPC) A for new developments, EPC B for major refurbishments, and in-use certification for operational assets.Align energy intensity with industry benchmarks, pursue 100% renewable landlord-procured electricity, and minimize energy, water, and transport impacts. Implement best-practice water efficiency/reuse measures.Complete asset decarbonization prioritization exercise by year-end 2025.Apply European Occupier Engagement Plan and green lease clauses in tenant negotiations.Implement Automatic Meter Reading (AMR) devices for utility metering, a comprehensive BMS for monitoring, and develop/implement commissioning plans for energy, water, and health systems; conduct post-occupancy evaluations on resource use, Indoor Air Quality (IAQ), and user satisfaction (Value-Add assets only).
	Sustainable Design and Materials Circularity	<ul style="list-style-type: none">Use the Whole Life Carbon Assessment (WLCA) for all new developments and major refurbishments, targeting a 15% embodied carbon reduction and aligning with benchmarks (e.g., RIBA 2030).Require responsibly sourced timber, Environmental Product Declarations (EPD), responsible sourcing certification, locally sourced/recycled materials, and Health Product Declarations in material tenders.Assess historical and heritage value of potential sites, including existing structures.
	Climate and Nature Risk	<ul style="list-style-type: none">Conduct Physical Climate Risk (PCR) assessments for all new acquisitions and develop PCR Management Plans for ‘High Risk’ assets, integrating mitigation into underwriting and business plans.Align with Task Force on Climate-related Financial Disclosures (TCFD) recommendations.Require a 10% biodiversity net gain for new developments and consider ecological enhancements for refurbishments. Prioritize brownfield sites, native planting, and blue/green infrastructure while assessing ecological value, including aquatic ecosystems, floodplains, and habitats for native/endangered species.
Thriving Communities SDGs: 3, 5, 8, 10, 11, 12, 13, 17	People-Centric Places	<ul style="list-style-type: none">Target WELL ‘Gold’ and WiredScore ‘Gold’ for all new developments and refurbishments, aiming for ‘Platinum.’Align with best practices for occupant comfort (visual, thermal, and air quality); prioritize sites with strong multi-modal transport connectivity; and minimize environmental impacts on surrounding communities, including light and noise pollution and air quality protection.Share the Tenant Sustainability Fit-Out Guide before tenant fit-outs and report on community engagement initiatives throughout project lifecycles.Ensure site safety through best practices, clear communication, onsite H&S coordination, and training.Conduct employee engagement surveys.
	Talent and Culture	<ul style="list-style-type: none">Assess procurement processes for alignment with Hines’ ethical and sustainable sourcing criteria.Provide sustainability training for the HEREP III investment management team.
	Building Economic Resilience	<ul style="list-style-type: none">Host an annual volunteering day and community engagement events, logging activities on OurCommunity.Report on engagement initiatives, including community site visits.Prioritize local suppliers, contractors, employees, and partnerships with voluntary, community, or social enterprises.Measure social value outcomes of value-add projects, including local employment, training, and community infrastructure improvements.
Foundations SDGs: 12, 13, 17		<ul style="list-style-type: none">Upload 100% of landlord energy data and available tenant data to the Carbon Impact Assessment Tool; ensure all portfolio data is in Scaler.Fund Management will review progress and allocate resources for goal implementation.Encourage employees to set sustainability-linked Managing Performance and Cultivating Talent (MPACT) objectives aligned with firm or business unit goals.Integrate stakeholder feedback into decision-making.

Investment Value Creation and Protection



HEREP III aims to enhance stakeholder value by managing, repositioning, and future-proofing assets to align with evolving market demands. We integrate sustainability principles into investment decisions, reducing environmental impact and maintaining a competitive portfolio through green building certifications, whole life carbon assessments (WLCAs), and strong GRESB performance.

HEREP III's subscription facility is linked to sustainability outcomes, incentivising sustainability excellence. The Fund achieved a margin decrease in 2024 due to an

outstanding GRESB score. Our team continues to explore solutions that complement asset strategies, targeting scalable innovations that drive impact while supporting long-term value.

Investment Intelligence

The HEREP III team leverages sustainability data to drive value creation and manage risk across our portfolio. We follow Hines' Investment Committee (IC) process for all acquisitions, incorporating



Kings Hill Business Park, Wednesbury (Project Aurora)

“

At Townsend, sustainability is embedded in our investment strategy as a key driver of long-term, strong performance for the clients that we invested into HEREP III on behalf of. We prioritize partnerships with firms that share our commitment to ambitious sustainability goals and continuous improvement.

MYLES GROVER

Principal
Townsend Group



guidance from Hines' sustainability experts to identify opportunities for value creation and asset resilience. This approach helps us embed sustainability considerations in deal structures, aligning investments with market expectations and profitability goals.

To enhance decision-making, we source sustainable investment intelligence that helps us understand and assess tenant and market demand for green, low-carbon spaces over the next five to seven years. By analysing supply-demand dynamics in key markets, we can identify potential imbalances that could impact leasing velocity, liquidity, and asset valuation.

Due Diligence

Every potential acquisition is evaluated using **Hines's ESG Due Diligence Scoping Document** and **ESG Development Brief** (for major refurbishments), assessing key criteria such as CRREM alignment, energy consumption data, fossil fuel presence, and feasibility for on-site renewables. The review also considers certifications, regulatory compliance, and physical climate risks, embedding sustainability into investment decisions.

Our process includes third-party evaluation of potential physical risks and climate hazards across

Mitigating Risk

To further mitigate risk, Hines developed a Climate Risk Analyzer in 2024, leveraging risk-assessment data to estimate the financial impact of climate hazards on current and potential assets. This analysis informs our investment planning, helping us to proactively identify vulnerabilities, enhance resilience, and support long-term value.

nine Intergovernmental Panel on Climate Change (IPCC) aligned scenarios and three time horizons.

With the help of **Hines' Carbon Impact Assessment Tool and District Energy Guide**, we also estimate the costs of energy performance certificate (EPC) upgrades and decarbonisation measures at initial underwriting. We integrate these into the business plans for each asset to drive progress toward performance standards while aligning with our sustainability commitments.

DEEP DIVE ↗


Learn more about Hines' asset-level sustainability due diligence tools

Portfolio Management

We integrate sustainability and decarbonisation across all stages of an asset’s life cycle to drive the Fund’s environmental, social, and financial performance. Guided by our ESG Strategy and Implementation Framework, we actively strive to reduce carbon emissions and enhance energy efficiency through design, material selection, and operational improvements.

We aim to create assets for core/core+ buyers seeking green buildings aligned to regulations and industry certifications. For all developments and refurbishments, we collaborate with supply chain partners to support sustainable practices, aligning the portfolio with investor and occupier expectations while striving to optimise risk-adjusted returns.

A key component of the Fund’s approach is our **Environmental Management System (EMS)**, part of Hines’ **ISO 14001-certified EMS**, which is reviewed annually by Bureau Veritas. This structured framework follows the Plan-Do-Check-Act model to set

DEEP DIVE  Learn more about our ESG Policy and EMS



HEREP III Team Attends Europe Sustainability League Offsite

In 2024, HEREP III asset and development managers joined Hines’ Sustainability offsite in Paris, engaging in discussions on investor perspectives, decarbonisation, and the financial benefits of energy efficiency. The Hines France team highlighted the Fund’s office-to-residential conversion project, Charenton Liberté, in Paris, exploring refurbishment risks and opportunities linked to district energy, reinforcing our commitment to sustainable value creation.

sustainability objectives, track progress, and drive improvement. Additionally, we apply Hines Europe’s ESG Development Brief to maintain best-in-class sustainability standards in developments, refurbishments, and acquisitions, reinforcing our strength in sustainable asset management.



Sustainability Expertise

The HEREP III portfolio benefits from Hines’ holistic approach to sustainability strategy and implementation.

A team of sustainability experts drive a comprehensive sustainability agenda across Hines’ European platform, providing guidance from acquisition to implementation, including:

- Coordinating regional carbon reduction standards and initiatives
- Defining social programs that support stakeholder engagement
- Implementing transparent and accountable governance frameworks

The Europe Sustainability League fosters knowledge-sharing and upskilling across key roles in asset management, development, property management, and acquisitions.

Country-level sustainability task forces align local initiatives with Fund and regional sustainability goals, driving effective implementation and continuous improvement.

HEREP III portfolio managers participate in role-specific sustainability training as well asGRESB training and integrate sustainability objectives into their annual goals.

This structured approach enhances our ability to embed best-in-class sustainability principles across our portfolio.

Sustainability Frameworks

We are committed to transparency and accountability, aligning with key global frameworks to drive sustainable investment practices.

HEREP III continues to be an Article 8 Fund under the European Union's Sustainable Finance Disclosure Regulation (SFDR). We prioritise green building certifications, energy performance, and embodied carbon assessments and embed sustainability into tenant engagement and lease structures.

Additionally, we incorporate the United Nations Sustainable Development Goals (SDGs) into our sustainability strategy, supporting environmental stewardship, community benefit, and positive impact.

HEREP III aligns with the Task Force on Climate-related Financial Disclosures (TCFD), addressing governance, strategy, risk management, and metrics to manage climate-related risks proactively.

The portfolio was included in the HEREI (acting as Portfolio Manager for the Fund) Climate Risk report which aligns to TCFD and is required by UK's Financial Conduct Authority. This was published in 2024 and is publicly available [here](#).



Driving Value with Sustainability CapEx

In 2024, Hines introduced the **Occupier ESG Engagement & Value Creation Guide** to help asset management teams link sustainability capital expenditure (CapEx) to rental income growth and asset valuation.

Using this innovative resource, we're working to align energy efficiency improvements with tenant cost savings and premium rents, boosting both sustainability and financial performance across our portfolio.





GRESB Global Sector Leader

within the European, Non-Listed, Value-added, Closed-end peer group (1st out of 62 funds)

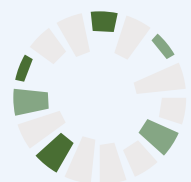


Five out of five stars

100/100

points (peer group average: 86)

In 2024, we submitted to GRESB for the first time, with exceptional results that reinforce our commitment to transparent governance and sustainability benchmarking. As new assets commence construction, we remain focused on strengthening sustainability performance and positioning our portfolio for long-term success in GRESB assessments.



G R E S B
REAL ESTATE
sector leader 2024

PREA Closed-End Fund ESG Award

for 2024 performance

In 2025, HEREP III was honored to be recognised as the winner of the PREA Closed-End Fund ESG Award. This award recognises excellence in addressing sustainability issues among closed-end real estate funds. This is the fifth year in a row a Hines flagship fund has won a PREA ESG award.



Innovation Leadership

We advance sustainability at HEREP III by integrating innovative technologies, forward-thinking design, and cutting-edge sustainability tools into our investment management process. As part of our value-add strategy, we push the boundaries of sustainability in both development and refurbishment projects, setting ambitious targets that drive smart, energy-efficient buildings.



EU Taxonomy Alignment

In 2024, we began assessing EU Taxonomy alignment using Hines' proprietary EU Taxonomy Tool. This tool tracks improvements and promotes ongoing compliance with EU Taxonomy standards, helping us evaluate assets across operational, refurbishment, and development categories.

Environmental Stewardship

HEREP III leverages Hines Europe's comprehensive ESG Development Brief to guide developments and refurbishments in our portfolio. To reduce environmental impacts across the building life cycle, we integrate environmental standards into our project plans, leverage sustainable design and construction practices, and include sustainability requirements in material purchases. We also track and report on environmental metrics when feasible.

This strategic approach supports long-term value for investors while meeting the growing demand for high-performing, environmentally responsible real estate.



Aligning with CRREM

At Project Eagle's logistics site in Oldham, UK, we revised the design to a fully electric scheme after our research revealed minimal tenant gas dependency. Operational energy modelling showed reduced energy use intensity (EUI) – from 37.33 to 28.8 kilowatt hours per square metre – through a £200,000 investment in air source heat pumps, meeting both the UK Net Zero Building Standard for 2035 and CRREM 2040 targets. The project will also include photovoltaic (PV) installation to support energy needs.

Building Operations and Performance

HEREP III focuses on enhancing building performance and reducing operational carbon emissions through energy-efficient practices and sustainable innovations. Our strategy includes monitoring energy consumption and integrating renewable energy solutions, conserving water with high-efficiency fixtures and grey water recycling, and managing waste, reinforcing our holistic approach to sustainability. We also use green building certifications to demonstrate high performance standards while driving measurable environmental and social impact.

Decarbonisation

While the Fund does not have a standalone net zero commitment, we aim to meet Hines' operational carbon target of net zero by 2040 across all three scopes. We align relevant developments and refurbishments with CRREM 2040 energy and carbon intensity targets or U.K. Green Building Council guidance (whichever is more rigorous) to mitigate transition risk and support long-term asset resilience.



CASE STUDY

Transforming Student Housing at Charenton Liberté



In early 2024, HEREP III acquired Charenton Liberté, Hines’ first student housing investment in Paris. The refurbishment project will transform a 21,700-square-metre office building into a 645-bed student housing and mixed-use scheme, offering best-in-class amenities and excellent connectivity to major universities.

Charenton Liberté will showcase the Fund’s commitment to sustainability leadership and set a new standard for student housing that aligns with sustainability ambitions. The project has been carefully reviewed against HEREP III’s Development Brief, targeting net zero operational carbon and aligning with EU Taxonomy standards for refurbishments.

Energy Efficiency

A building management system with sub-metering will optimise energy use.

There is no specific CRREM benchmark for student housing. We are targeting an EUI of 62 kilowatt hours per square metre. We have aligned the project with an assumption that the benchmark for student housing would fall between Multi-family and the Hotel benchmarks, due to more constant use and higher energy consumption.

We will utilise 100% electric air conditioning in common spaces and natural ventilation in student rooms.

District Energy Guide

Together with Hines France, the Fund team incorporated Hines’ District Energy Guide to evaluate the potential carbon impact of relying on the district energy system (DES) at Charenton.

In order to reach our decarbonisation goals and shift the building closer to self-sufficiency, we will utilise air source heat pumps and cover 50% of the roof with solar PV, generating 68,000 kilowatt hours per year, with the DES retained as a seldom-used backup.



Charenton Liberté, Paris

CERTIFICATIONS
TARGETING

BREEAM®
BREEAM
Excellent

A B C
EPC
A

WELL
WELL
Gold

Embodied Carbon
and Circularity

A WLCA estimates embodied carbon at 502kg of carbon dioxide per square metre, meeting the RIBA 2030 challenge for residential assets.

Retaining the historic stone façade will preserve embodied carbon while responding to regulatory and community priorities. Though this limits envelope efficiency compared to new construction, it reflects a strategic balance between heritage and sustainability.

The project will incorporate a water reuse system for external areas. ■

Energy Optimisation

In 2024, we began implementing a rolling programme of energy performance improvements across the HEREP III portfolio. Efforts include procuring and implementing recommendations from energy optimisation reports to enhance EPC ratings and green building certifications.

We also participated in the Hines European Energy Reduction Competition, with 20 Old Bailey, one of the Fund’s office assets in London, competing alongside 15 European office buildings to optimise whole-building performance and reduce energy consumption over six months. Our active tenant engagement programme, which supports collaborative energy savings, was central to this effort.

Leveraging a Power Purchase Agreement at 91SAX

The 91SAX office refurbishment leverages a country-wide power purchase agreement established by Hines Germany, which guarantees that procured electricity will come directly from renewables.



Data Collection

We believe good data helps us understand and improve sustainability performance.

We use Hines’ proprietary **Carbon Impact Assessment Tool**, powered by the CRREM framework, to assess the challenges, opportunities, and CapEx associated with achieving net zero operational carbon at our assets. This tool provides a standard, central platform for collecting and evaluating asset - and portfolio-wide operational data, including stranding risk analysis.

To improve efficiency in multi-tenant logistics assets, our team is onboarding **Metry**, an automated data collection platform. We are also aligning with Hines’ global efforts to integrate data into the **Scaler** global platform which will complement the Carbon Impact Assessment Tool and the firm’s global data hub to enhance portfolio-wide sustainability metrics and insights.

91SAX, Cologne



EPC Upgrades at Project Aurora

Project Aurora, a portfolio aggregation of multi-let industrial assets across the UK, demonstrates our proactive approach to EPC upgrades in response to UK Minimum Energy Efficiency Standards (MEES), which require a minimum EPC B rating by 2030.

As part of due diligence, we procured EPC reviews and upgrade reports, underwriting capital expenditures (CapEx) to aid compliance while targeting EPC A where feasible. Targeted upgrades include:

- Installing insulation
- Replacing gas-fired heating with electric radiant heaters
- Upgrading LED lighting
- Installing passive infrared sensors

These improvements align with lease expirations or vacancies, supporting smooth execution and minimal tenant disruption.

Beyond EPC compliance, the team is pursuing BREEAM In-Use assessments, leveraging quick-win strategies to maximise certification ratings.



Triton Park, Rugby (Project Aurora)

Green Building Certification

HEREP III pursues leading certifications, including BREEAM, DGNB, and LEED®, to benchmark our performance and set ambitious sustainability targets. All assets aim for “Excellent” or “Outstanding” certification levels, highlighting our commitment to measurable sustainability performance.

100%

of the HEREP III portfolio currently holds or is in the process of obtaining green building certifications

DGNB PLATINUM 2

BREEAM NEW CONSTRUCTION EXCELLENT 9

EPC A 11

DEEP DIVE Review our certifications by asset

Tenant Engagement

Tenant engagement is a key part of our decarbonisation and sustainability strategies. By building strong partnerships with tenants, and embedding decarbonisation into building rules, fit-out guidelines, and ongoing communication, we align our collective sustainability goals and keep them front of mind as shared priorities.

Programmes like **Hines GREEN OFFICE™ (HinesGO)** and **Hines GREEN RETAIL™ (HinesGR)** provide our tenants with tools to set, implement, and track sustainability objectives, supporting collaborative, measurable progress.

Green Leases

Green leasing is central to our decarbonisation strategy. We use Hines Europe’s updated Green Lease Templates, which include tailored clauses for specific asset classes, to embed sustainability provisions into tenant agreements. These templates emphasise energy efficiency, data sharing, and renewable energy procurement, with both

minimum and aspirational clauses to drive improvement.

Our green leasing language also requires tenants to designate a sustainability contact who will support key initiatives, and includes split-incentive clauses to support shared benefits from sustainability efforts.



Sustainable Fit-outs

Created in 2024, Hines’ Sustainability Tenant Fit-out Guide helps occupants understand the benefits of prioritising sustainability in a fit-out – including greater flexibility, energy savings, reduced costs, and improved well-being – and how to accomplish it. We use best efforts to present the guide to all stakeholders involved in fit-out projects at the earliest possible stage, so sustainability can help drive decision-making.



DEEP DIVE ↗

Learn more about Hines’ tenant-focused sustainability resources

100%

of new leases signed for HEREP III include a green lease

Sustainable Design and Materials Circularity

We integrate circular principles into the HEREP III portfolio by leveraging WLCAs on key projects, including Film House, 91SAX, Charenton Liberté, Grima Industrial Park, and Porta Diagonal. These assessments guide our decision-making throughout the asset life cycle, from construction and operation to demolition and material reuse, prioritising net zero goals and minimising embodied carbon.

Our team also focuses on responsibly sourced materials, circular design, and waste diversion in construction to cut carbon emissions from material production, transport, and disposal. When feasible, we incorporate recyclable and green façade elements, high-quality insulation, sensor-controlled LED lighting, and added roof load capacity for PV panels to enhance circularity across developments.



Porta Diagonal, Barcelona

Climate and Nature Risk

We proactively identify, evaluate, and manage climate-related risks to protect HEREP III asset value and long-term resilience.

Using insights from a best-in-class third-party platform, Climate X, that relies on predictive modeling, we are evaluating hazards such as flooding and heat stress across multiple climate scenarios and time horizons to inform asset management strategies. Insights from these assessments are helping us identify vulnerabilities and shape risk mitigation plans that protect long-term value at new and existing investments.

Biodiversity

We recognise the built environment’s role in supporting biodiversity on-site and within surrounding ecosystems. Aligned with our Hines Development Brief’s and 10% Biodiversity Net Gain target, we are commissioning a Taskforce on Nature-related Financial Disclosures (TNFD) gap analysis with third-party experts. This initiative is helping us identify biodiversity opportunities and integrate nature-related risks and benefits into the Fund’s sustainability strategy.



Grimma Industrial Park, Leipzig



Grimma Industrial Park

Acquired in January 2024, Grimma Industrial Park is a 114,600-square-metre, Grade-A logistics development in Leipzig, a key manufacturing hub with increasing demand for modern, sustainable facilities. HEREP III is setting a new benchmark for sustainable logistics at the asset.

Guided by the ESG Development Brief, we are planning a net zero-enabled logistics scheme that prioritises best-in-class sustainability specifications, including DGNB Platinum, EPC A, and EU Taxonomy conformity. A WLCA will help us minimise embodied carbon and enhance long-term sustainability, and we are embedding waste management and pollutant-free material procurement into the construction plan.

Designed for tenant well-being and environmental efficiency, the development will feature green

leases, pre-installed PVs, and façade greening with automated irrigation to promote biodiversity. High-quality outdoor spaces, employee terraces, and meeting points will create a healthier, more engaging workplace, and additional measures include E-charging stations, bicycle parking, and optimised daylighting through floor-to-ceiling windows.

CERTIFICATIONS

TARGETING



DGNB
Platinum



EPC
A

Thriving Communities

Our firm's long-term commitment to giving back to communities extends to HEREP III. Guided by the ESG Development Brief, we set targets across key social impact areas, including purposeful construction and placemaking, and inclusive economic development. Our development and refurbishment projects prioritise affordability, healthy and prosperous communities, and workforce well-being, helping built environments enhance quality of life.

People-Centric Places

As part of Hines' focus on placemaking, we integrate people-centric design and amenities into our developments and refurbishments, creating spaces that promote health, well-being, productivity, and inclusivity. Our team uses health and connectivity certifications like WELL and WiredScore to drive progress and highlight success.

CERTIFICATIONS

WELL

5

WIREDSCORE

4



Film House, London



Community Engagement

HEREP III is committed to strengthening asset communities by fostering local engagement, social impact, and economic opportunity. We support local charities, fundraising events, and community vitality initiatives, helping our investments create lasting benefits beyond the built environment. We set social impact targets that encourage asset teams to collaborate with Business Improvement Districts, neighbourhood groups, and local authorities to boost community well-being.

We also prioritise community partnerships, integrating local suppliers, contractors, and social enterprises into development projects. Efforts include initiatives such as hosting school groups, offering apprenticeships, and incorporating public enhancements into projects.

Fund Team Volunteering

In 2024, HEREP III team members participated in the Hines Europe Building Better Communities Competition. This initiative strengthens connections between asset managers, tenants, and local communities through social impact projects.



HEREP III team members support the Refugee Network.

At our Oldham logistics asset in the UK, part of Project Eagle, we donated £2,000 for essential food supplies and volunteered at a local food bank to help organise and pack donations.

The team also supported the Refugee Network International Soup Kitchen in London, preparing and serving meals for over 100 individuals experiencing homelessness.



Social Enterprise UK

We actively integrate social enterprise partnerships into our asset operations. Hines UK, an active member of Social Enterprise UK (SEUK), participates in the Buy Social Corporate Challenge, prioritising suppliers that generate positive social or environmental outcomes. At Film House, we continue to engage social enterprises for essential services, ensuring that procurement decisions contribute to local community benefits.



05

Annex

TWENTY

HEREP III Assets as of December 31, 2024

OVERVIEW ↗
See our portfolio overview

PROPERTY DATA

BUILDING CERTIFICATION

Investment Name	Asset Type	Green Building Designation or Certification	Well & Wiredscore Certifications	Applicable Energy Ratings/ Level	On-site Renewable Electricity
91SAX Cologne, Germany	Office	DGNB Platinum	WELL Platinum, WiredScore Platinum	EPC A	Planned
Film House London, United Kingdom	Office	BREEAM Excellent	WELL Core V2 Platinum, WiredScore Platinum	EPC A	Yes
Grimma Industrial Park Leipzig, Germany	Industrial/Logistics	DGNB Platinum		EPC A	Planned
Charenton Liberte Paris, France	Residential/Apartment	BREEAM Excellent	Wired Score Silver, WELL Gold	EPC A	Planned
Project Aurora Various cities, United Kingdom	Industrial/Logistics	BREEAM In-Use (underway)		Mix	
20 Old Bailey London, United Kingdom	Office	BREEAM In-Use		EPC A	
Storage King Portfolio Various cities, United Kingdom	Office	BREEAM In-Use		Mix	Planned on developments
Project Eagle Various cities, United Kingdom	Industrial/Logistics	BREEAM Excellent		Mix	Planned on developments
Porta Diagonal Barcelona, Spain	Residential/Apartment	BREEAM Excellent	WELL Gold, Wiredscore Home	EPC A	Planned
Project Orange Valencia, Spain	Residential/Apartment	BREEAM Excellent	WELL Gold	EPC A	Planned

HEREP III Sustainability Commitments and Targets

OVERVIEW ↗
See our high-level sustainability goals

Environmental Commitments

FOCUS AREA	2024 TARGET AND PROGRESS	2025 OBJECTIVES / TARGETS
Environmental Performance Data	Target: <ul style="list-style-type: none">Collect consumption data during on-boarding where possible. Begin to engage with tenants to prepare for annual data collection.	<ul style="list-style-type: none">Obtain and monitor utility data, including energy, water and waste, on a monthly basis.Continue to roll out automatic data collection across existing assets and new acquisitions to ensure data quality.Establish a process to collect energy data from the UK network operator which will maximise data coverage across all UK assets.
Net Zero Carbon	Target: <ul style="list-style-type: none">For new development projects, seek to achieve operational energy intensity in line with best practice industry benchmark.For major refurbishments target the 2040 CRREM 1.5°C pathway relevant to asset type and location.Explore feasibility of incorporating on-site renewable technologies and all-electric building services to enable net zero carbon in operation. Progress: <ul style="list-style-type: none">91SAX, Porto Diagonal, Film house, Charenton, Grimma, Project Eagle, Storage King, and Project Orange are all following the development brief to achieve these targets.	<ul style="list-style-type: none">For major refurbishments and developments, target the 2040 CRREM 1.5°C pathway relevant to asset type and location.Continue to explore feasibility of all-electric building services to enable net zero carbon in operation on major refurbishments (with consideration to capital expenditure and investor demand).
Building Certifications	Target: <ul style="list-style-type: none">Achieve green building certification (e.g. BREEAM or equivalent) on new development/ refurbishment projects. Target 'Excellent' rating with the aspiration of 'Outstanding', or equivalent.For operational assets, achieve in-use green building certification.Target minimum EPC (Energy Performance Certificate) 'A' rating for new developments and refurbishments. Progress: <ul style="list-style-type: none">In 2024, the Fund kicked off BREEAM In-Use certifications for all operational assets e.g. Project Aurora.See page 19 for all obtained and targeted green building certifications.	<ul style="list-style-type: none">Obtain green building certificates for all assets with the aim of consistent, 100% portfolio coverage.Achieve green building certification (e.g. BREEAM or equivalent) on new development/ refurbishment projects. Target 'Excellent' rating with the aspiration of 'Outstanding', or equivalent.Target minimum EPC (Energy Performance Certificate) 'A' rating for Developments and major refurbishments and seek to gradually improve operational assets to this standard.
Embodied Carbon	Target: <ul style="list-style-type: none">Complete an assessment of total embodied carbon associated with new build/refurbishment projects, using a robust methodology (e.g. RICS Whole Life Carbon Assessment for the Built Environment). Progress: <ul style="list-style-type: none">A Whole Life Carbon Assessment is underway or has been completed for all developments/ major refurbishments.Charenton's initial findings from the report shows the embodied carbon of the overall new materials is estimated at 502 kgCO2/m², in line with RIBA 2030 challenge for Residential assets.	<ul style="list-style-type: none">Continue to complete robust embodied carbon assessments for new build / refurbishment projects and work towards reduction.
Biodiversity	Target: <ul style="list-style-type: none">ESG Development Brief targets a Biodiversity Net Gain of 10% for Major refurbishments and New developments. Progress: <ul style="list-style-type: none">Commissioned a TNFD Gap Analysis for the Fund to focus and improve the consideration of Biodiversity across the Fund.	<ul style="list-style-type: none">Implement findings from the TNFD analysis. Explore opportunities to integrate plants and biophilic design elements.Refurbishment projects will consider ecological enhancement opportunities.Integrate ecological enhancement opportunities where appropriate, targeting a net gain in biodiversity.



HEREP III Sustainability Commitments and Targets

Social Commitments

FOCUS AREA	2024 TARGET AND PROGRESS	2025 OBJECTIVES / TARGETS
Tenant engagement	<p>Target:</p> <ul style="list-style-type: none">Continue to share Sustainable Fit-Out Guide with tenants in advance of fit-outs.Continue to incorporate green lease clauses into tenancy agreements and engage with tenants on the benefits of reducing consumption of finite resources. <p>Progress:</p> <ul style="list-style-type: none">In 2024, the Sustainability Fit-out Guide was updated to reflect current market best practice.An Occupier ESG Engagement and Value Creation Guide has been developed for HEREP III's asset management teams, which connects sustainability Cap Ex with increasing rental income and consequently, positive asset-level valuation impact.When these roll-over, new green leases are used with all occupiers to further manage and reduce the property's environmental impact.	<ul style="list-style-type: none">Continue to share Sustainable Fit-Out Guide with tenants in advance of fit-outs.Continue to incorporate green lease clauses into tenancy agreements and engage with tenants on the benefits of reducing consumption of finite resources.Promote health, safety, well-being and productivity amongst building users.
Employee engagement	<p>Target:</p> <ul style="list-style-type: none">Continue to embed sustainability objectives into performance reviews.Promote our people practices by adopting workplace policies that achieve greater equity, retention, and representation.Continue to deliver sustainability-focused training.Continue to carry out workstation and / or workplace checks for all employees.Continue to coordinate the European Sustainability League meetings and activities to align best practices across the European platform. <p>Progress:</p> <ul style="list-style-type: none">Specific sustainability trainings were provided to the country asset managers on HEREP III sustainability commitments and goals throughout the year.Employee sustainability objectives were broadened from investment management functions to the European platform as a whole and inclusion of these objectives is now tracked. 310 employees included sustainability objectives in 2023.Several Diversity and Inclusion and Health and Well-being trainings were provided by Human Resources over the course of 2024.Hines employees received multiple internal sustainability training sessions. sustainability training was also delivered by external partners, with sessions covering GRESB, sustainability best practices, sustainability legislation and key emerging topics.	<ul style="list-style-type: none">Continue to embed sustainability objectives into performance reviews.Promote our people practices by adopting workplace policies that achieve greater equity, retention, and representation.Continue to deliver sustainability-focused training.Continue to carry out workstation and / or workplace checks for all employees.Continue to coordinate the European Sustainability League meetings and activities to align best practices across the European platform.Conduct employee engagement surveys.
Community engagement	<p>Target:</p> <ul style="list-style-type: none">Ensure all managed assets continue to complete and track sustainability-related community engagement.Consider opportunities to utilize local suppliers / contractors, employees, and engagement with voluntary, community, or social enterprises. <p>Progress:</p> <ul style="list-style-type: none">HEREP III continued to fulfil numerous sustainability-related community engagement initiatives within the locality of assets to exert wider positive influence.HEREP III assets participated in the Social Impact Competition.	<ul style="list-style-type: none">Seek to partake in and track community engagement initiatives within the locality of all assets, where appropriate.Consider opportunities to utilise local suppliers/ contractors, employees, and engagement with voluntary, community, or social enterprises.Facilitate engagement by arranging community visits to project sites.Continue the HEREP III Social Competition format in 2025.

HEREP III Sustainability Commitments and Targets

OVERVIEW ↗
See our high-level sustainability goals

Governance Commitments

FOCUS AREA	2024 TARGET AND PROGRESS	2025 OBJECTIVES / TARGETS
GRESB and Awards	<p>Target:</p> <ul style="list-style-type: none">Continue to participate in GRESB to support benchmarking and communicate transparent sustainability performance. <p>Progress:</p> <ul style="list-style-type: none">HEREP III achieved GRESB Global Sector Leader in its first year of submission, achieving a score of 100.	<ul style="list-style-type: none">Continue to participate in the GRESB survey to support benchmarking and communicate transparent sustainability performance.
Climate risk and resilience	<p>Target:</p> <ul style="list-style-type: none">Continue to report in line with TCFD recommendations.Continue to perform climate-risk assessments on all future acquisitions. <p>Progress:</p> <ul style="list-style-type: none">Maintained alignment with TCFD recommended disclosures as summarised in this report.A sustainability Risk Report is generated for the Fund annually and provides a holistic perspective on physical and transitional risks that HEREP III assets are exposed to.	<ul style="list-style-type: none">Look to transition to the IFRS S2 (Climate-related Disclosures) for future reports.Continue to perform climate-risk assessments on all existing acquisitions and seek to further embed climate change adaptation and resilience related risks into wider risk-management strategies and acquisition processes.
Acquisition due diligence	<p>Target:</p> <ul style="list-style-type: none">Achieve green building certification (e.g. BREEAM or equivalent) on new development/ refurbishment projects. Target 'Excellent' rating with the aspiration of 'Outstanding', or equivalent.For operational assets, achieve in-use green building certification.Target minimum EPC (Energy Performance Certificate) 'A' rating for new developments and refurbishments. <p>Progress:</p> <ul style="list-style-type: none">In 2024, the Fund kicked off BREEAM In-Use certifications for all operational assets e.g. Project Aurora.See table on p19 for all targeted green building certifications.Sustainability Due Diligence is carried out for every acquisition.	<ul style="list-style-type: none">Continue to complete the Sustainability Acquisitions Due Diligence Checklist for all new acquisitions.Update the checklist to include more detailed ESG considerations, in line with industry best practices.
Green finance	<p>Target:</p> <ul style="list-style-type: none">Continue to seek further opportunities to secure green financing. <p>Progress:</p> <ul style="list-style-type: none">HEREP III's fund subscription facility is tied to performance in sustainability, such as GRESB scoring, embodied carbon assessment and green building certification.	<ul style="list-style-type: none">Continue to seek further opportunities to secure green financing.



Compliance

INREV Alignment

This ESG Review is aligned with the 2016 INREV Sustainability Reporting Guidelines.

Vehicle Long Term ESG Strategy (INREV ref: ESG-LTS 1.1)

The Fund has an ESG Policy and an environmental management system framework that is reviewed annually, and which serves as the foundation for its short and long-term Environmental, Social and Governance (ESG) strategy. Moreover, HEREP III has formally committed to establishing, implementing and maintaining sustainability objectives and targets as part of its strategy in order to drive continual improvement within the portfolio. To support the implementation of the ESG strategy, the Fund maintains and documents the following management procedures:

An ESG policy;

ESG objectives and targets (short and long term);

- An ESG monitoring and measurement approach;
- the identification of key roles and responsibilities of its team members; and,
- clear guidance for communication of ESG performance.

These formal ESG management documents are intended to outline and support achievement of strategic goals for HEREP III.

ESG Regulatory Compliance (INREV ref: ESG LTS 1.2 / ESG-ANN 1.2 / ESG-POR 1.2)

HEREP III ensures compliance with all current and applicable regulation relating to ESG issues by actively monitoring requirements throughout the holding period and responding accordingly. At acquisition, the Sustainability Due Diligence Checklist supports identification of ESG regulatory risks among other items. During construction/ refurbishment works, local asset managers and the appointed contractors are responsible for the identification and management of relevant ESG regulatory risks.

HEREP III will obtain EPCs (energy ratings) for buildings once refurbished/completed to support understanding of energy efficiency performance and the associated legislative risks. Throughout the holding period, the local asset and property

management teams track and report changing regulations to determine compliance implications for each asset. Furthermore, HEREP III seeks to obtain green building certifications for development/major refurbishment projects.

No enforcement notices have been received or applied to HEREP III for ESG related issues. The Fund, to the best of our knowledge, is compliant with legislation. Local development management, asset management and property management teams will continue to monitor regulatory compliance through the 2023 reporting period and identify potential impacts of changing ESG regulations through quarterly reporting.

Sustainable Finance Disclosures Regulation (SFDR)

The Fund's private placement memorandum ('PPM') ensures compliance with article 6 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, (the 'SFDR'), by setting out (1) how sustainability risks are integrated into the investment decision-making in respect of the Fund and (2) the likely impact of sustainability risks on the returns of the Fund. The Fund purports to promote certain environmental and social characteristics pursuant to article 8 of the SFDR by way of the inclusion of a number of ESG targets which are further detailed in the Funds' PPM. There is no suggestion that any of the Fund's investments are 'sustainable investments' pursuant to the SFDR or otherwise 'taxonomy-aligned' investments pursuant to the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

Environmental Data (INREV ref: ESG-ENV 1.1)

All assets in the Fund are either currently undergoing redevelopment/refurbishment or are without operational control, therefore the disclosure of operational environmental performance data is not included.

Disclaimer

For use by professional/institutional investors only.

The statements in this document are based on information which we consider to be reliable. This document does not, however, purport to be comprehensive or free from error, omission or

misstatement. We reserve the right to alter any opinion or evaluation expressed herein without notice. Statements presented concerning investment opportunities may not be applicable to particular investors. Liability for all statements and information contained in this document is, to the extent permissible by law, excluded.

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Any such offer will be made only pursuant to a confidential private placement memorandum and the definitive documents of the Fund (the "Definitive Documents"), which will be furnished to qualified investors at their request in connection with any such offering and should be referred to before making any investment decisions. The information contained in this presentation is qualified by reference to the Definitive Documents, which will entirely supersede this presentation. The information in this document should not be relied on because it is incomplete and remains subject to change.

Preliminary, Selective Information Only

This document summarizes certain

characteristics of a proposed investment program. It is presented solely for purposes providing you with initial and general information at your own responsibility. This document is not suitable to inform you of the legal and factual circumstances necessary to make an informed judgment about any prospective investment. Prospective investors are requested to inform themselves comprehensively and, in particular, to verify the Definitive Documents which is are expected to be provided in the future. Hines reserves the right, in its sole and absolute discretion, without notice, to alter the terms or conditions of the Fund and/or to terminate the potential investment opportunity described herein. Unless otherwise noted, the information contained herein is unaudited and may be preliminary and speaks as of the date of this document or the specific date specified. Hines disclaims any obligation to update this document in any manner, even in the event that the information becomes materially inaccurate.

In no event should this document be viewed as legal, business, tax, accounting, investment or other advice. Any statements of federal tax consequences contained in this presentation were not intended to be used and cannot be used to avoid penalties under the Internal Revenue Code or to promote, market or recommend to another party any tax related matters addressed herein. This document does not constitute any regulated investment (MiFID) advice.

Real Estate Related Risks

Investments in real estate funds such as those described herein, are subject to numerous risks and uncertainties, including risks inherent in private, real estate funds, such as lack of liquidity, lack of diversification and dependence on key personnel of the fund sponsor, as well as risks inherent in the types of investments such funds make, competition for investment opportunities, changes in market conditions, regulatory and environmental risks, entitlement and development risks and risks of tenant, purchaser or seller defaults on contractual obligations. Investors in real estate funds must be able to evaluate and bear the potential consequences of these and other risks, including the potential loss of their entire investment. The characteristics of investments to be made by the Fund may vary from the characteristics of those shown herein and may not have comparable risks and returns. An investment in the Fund is speculative

and involves significant risks, including loss of the entire investment and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Fund. The Fund should be considered illiquid, as there is limited to no secondary market for interests in the Fund and there are restrictions to redemptions and/or transfers of interests in the Fund. A recipient who has preliminary interest in the Fund should understand these risks and have the financial ability and willingness to accept such risks for an extended period of time before considering making an investment in the Fund. Please refer to the Definitive Documents for detailed information on the risks and rewards of the Fund.

Prior or Targeted Performance

Any investment entails a risk of loss, including loss of the entire investment. In considering any performance data contained herein, each recipient should bear in mind that past performance is not indicative of future results, and there can be no assurance that an investment program will achieve comparable results or will achieve any target or estimated results.

The Fund will make investments in different economic conditions than those prevailing in the past. Thus, no guarantee is made that the Fund will have the same types or diversity of investment opportunities as prior vehicles. While Hines believes all performance targets and estimates to be reasonable and sound under the current circumstances, actual returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ materially from the assumptions and circumstances on which the estimated future cash flows and exit values used in the performance estimates and targets contained herein are based. Accordingly, nothing herein should be deemed to be a prediction or projection of future performance of the Fund and actual realized returns on unrealized investments may be materially different from the returns indicated herein. Additional information on the performance and other numbers presented herein is available from Hines upon request. Please refer to the Definitive Documents for detailed information on Fund performance.

Track Record

The Hines property investments and investment programs referred to herein were made at different times, with materially different terms and in materially different market conditions than those contemplated for the Fund. The results of the investment programs presented illustrate results that could be achieved in certain conditions if the underlying assumptions prove to be correct. In considering all of the track record and performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results, and there can be no assurance that the Fund will achieve comparable results to historical transactions or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective.

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Currency and Taxation

Investments in the Fund will be denominated in Euros and, therefore, will be subject to any fluctuation in the rate of exchange between the Euro and the currency of the investor's home jurisdiction, which may have an adverse effect on the value of, price of or income or gains from an investor's investment in the Fund. Future performance is subject to taxation which depends on the personal situation of the investor, and which may change in the future.

ESG

It should not be assumed that any sustainability initiatives, standards, or metrics described herein will apply to each asset in which the Fund invests or that they have applied to each of Hines' prior investments. Indeed, although the Fund promotes E/S characteristics and therefore falls under the scope of the Article 8 SFDR, it will on the one hand hold assets that align with the promoted characteristics, but, and on the other hand, it will also hold some assets for other purposes which will not be necessarily complying with the binding elements. Please refer to the Fund's SFDR disclosures for more information on the planned asset allocation. Sustainability is only one of many considerations that Hines takes into account when making investment

decisions, and other considerations can, in some cases, be expected in certain circumstances to outweigh sustainability considerations. The information provided herein is intended solely to provide an indication of the sustainability initiatives and standards that Hines applies when seeking to evaluate and/or improve the sustainability characteristics of an asset as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments may exhibit characteristics that are inconsistent with the initiatives, standards, or metrics described herein. The decision to invest should take into account all of the characteristics of the Fund as described in the Definitive Documents and not just ESG characteristics.

There is no suggestion that any of HEREPIII's investments are 'sustainable investments' pursuant to the EU's Sustainable Finance Disclosure Regulation or otherwise 'taxonomy-aligned' investments pursuant to the EU's Taxonomy Regulation.

Forward Looking Statements

This document contains projected results, forecasts, estimates, targets and other "forward-looking statements" concerning proposed and existing investment funds and other vehicles. Due to the numerous risks and uncertainties inherent in real estate investments, actual events or results, or the actual performance of any of the funds or investment vehicles described, may differ materially from those reflected or contemplated in such forward-looking statements. Accordingly, forward-looking statements cannot be viewed as statements of fact. The projections presented are illustrations of the types of results that could be achieved in the given circumstances if the assumptions underlying them are met. Prospective investors should not rely on such forward-looking statements in deciding whether to make an investment.

Definitions:

ASHRAE: American Society of Heating, Refrigerating and Air-Conditioning Engineers
CIBSE: Chartered Institution of Building Services Engineers.

BREEAM is the world's leading science-based suite of validation and certification systems for a sustainable built environment. It provides independent third-party certification of the assessment of the sustainability performance

of individual buildings, communities and infrastructure projects. Participants pay for the certification process. The BREEAM ratings range from Unclassified, Pass, Good, Very Good, Excellent to Outstanding and it is reflected in a series of stars on the BREEAM certificate. The higher the percentage score and higher number of stars reflected on the certificate indicate a higher over-all rating. "Outstanding" -- 85 percent score; "Excellent" -- 70 percent; "Very Good" -- 55 percent score; "Good" -- 40 percent score; "Pass" -- 25 percent score; "Acceptable" -- 10 percent score and "Unclassified" -- < 10 percent score.

CRREM (Carbon Risk Real Estate Monitor) aims to provide the European commercial real estate industry with appropriate science-based carbon reduction pathways at building, portfolio and company level and with financial risk assessment tools to cost-effectively manage carbon mitigation strategies. CRREM resources are free to market participants; though companies are charged to refer to CRREM in reports and register their compliance with CRREM pathways officially.

Offered by the German Sustainable Building Council, DGNB is a holistic certification process by the German Green Building Council that measures environmental quality, economic quality, sociocultural and functional quality of new buildings, existing buildings, refurbishments and buildings in use. Hines pays to submit projects for certification.

GRESB is a mission-driven and investor-led organization that provides actionable and transparent Environmental, Social and Governance (ESG) data to financial markets. GRESB collects, validates, scores and benchmarks ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions. Hines pays to participate in GRESB.

LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system in the world. LEED is for all building types and all building phases including new construction, interior fit outs, operations and maintenance and core and shell. To earn LEED certification, a project team must demonstrate compliance with all mandatory prerequisites and select a number of optional credits to pursue. Hines pays registration and certification fees.

The Pension Real Estate Association (PREA) established the annual PREA Real Estate

Investment ESG Awards to recognize PREA members at the forefront of ESG within real estate investing, and to provide the industry with examples of best practices in ESG. To be eligible for PREA's Open-end ESG Award, the fund must be an open-end real estate fund, the firm managing the fund must be a PREA member and the fund must participate in GRESB. Winner is selected based on the fund's GRESB score and an expert panel's subjective rating of the fund's ESG program.

PERE is the leading publication for the world's private real estate markets. For the PERE awards, PERE's editorial team selects a short list of submissions based on their experience with the firm'smaking the submissions. Award nominations are highly subjective and include qualitative and quantitative criteria, looking for evidence of a firm's activity capital raising, deal execution and/or innovation.

SmartScore certification recognizes and promotes technologically advanced smart buildings globally. SmartScore is offered by WiredScore.

Projects pursuing WELL Certification can earn points based on performance outcomes for various policy, design and operational strategies and can achieve one of four certification levels: Bronze, Silver, Gold or Platinum. Hines pays to submit a project for certification.

WiredScore is the global digital connectivity rating system, working with landlords to assess, improve, benchmark and promote their buildings. A WiredScore Certified building proves that it is of satisfactory levels of digital connectivity. To achieve WiredScore Certified status, a building must be digitally capable to meet the majority of tenants' technological demands. SmartScore identifies best in class smart buildings that deliver an exceptional user experience, drive cost efficiency, meet high standards of sustainability and are fully future-proof. Hines pays to undergo the process to achieve the score.

The Royal Institute of British Architects (RIBA) is a global professional membership body founded in 1834. It is dedicated to driving excellence in architecture, serving its members and society to deliver better buildings and places, stronger communities, and a sustainable environment.

ISO 14001 is an internationally recognized standard for environmental management systems (EMS). It provides a framework for organizations to develop, implement, and maintain an EMS to

manage their environmental impact.

Bureau Veritas (BV) is a French company that provides testing, inspection, and certification services globally.

RICS, or The Royal Institution of Chartered Surveyors, is a global professional body that promotes and enforces high standards in the valuation, management, and development of land, real estate, construction, and infrastructure. They regulate and train chartered surveyors, ensuring their members uphold strict ethical and professional conduct.

Published June 2025.

This report is a snapshot of the Hines European Real Estate Partners III as of December 31, 2024. Unless otherwise noted, all data in this report is as of December 31, 2024.

For a comprehensive disclosure of INREV-compliant sustainability data, please email Daniel Chang: daniel.chang@hines.com.

Endnotes

- 1 Data as of December 31, 2024.

About Hines

Hines has been a leader in real estate investment, development, and management for more than six decades. Founded by Gerald D. Hines in 1957, Hines is now one of the largest privately held real estate firms in the world, with a global presence and extensive experience across all property types and investment risk profiles.

Since our beginning, we have focused on creating and preserving value in the built environment through spaces that set industry standards for quality and efficiency, uplift cities and communities, and enable our tenants and other stakeholders to flourish. Sustainability is central to our business strategy, and we believe prioritizing value creation through sustainability leverages our vertical integration and broad expertise – and differentiates us as a company.

We use sustainability as a lens to support decision-making, goal-setting, and continuous improvement across our business lines. Our commitment to environmental and social sustainability inspires us to tackle pressing climate challenges through innovation and supports our company vision: to be the best real estate investor, partner, and manager in the world.

DEEP DIVE ↗

Learn more about our firm-wide focus on sustainability

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