

2024 Sustainability Report

HINES U.S. PROPERTY
RECOVERY FUND



Hines

From Our Fund Leadership



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On behalf of the Hines U.S. Property Recovery Fund (HUSPRF or the Fund), we are pleased to share our 2024 progress in our third annual sustainability report.

We made several notable advances across the portfolio over the past year, including

- completing construction at 3130 South Fairview,
- opening the new conference center and tenant lounge at 1050 17th Street,
- installing solar panels at Newark Distribution Center,
- finishing asbestos remediation and demolition, and beginning construction for the adaptive reuse of Seraph, and
- starting construction at Edenvale Industrial Park.

We added two new multifamily value-add investments to the HUSPRF portfolio: Pasadena Gateway Villas, a 140-unit, 2002-vintage asset in Pasadena, CA, and 88 Hillside, a 95-unit, 2011-vintage asset in Daly City, CA. The business plans at both assets include unit and common area renovations, creating opportunities to evaluate sustainable measures such as energy-efficient lighting, appliances, windows, HVAC, water heaters, and low-flow faucets.

We continued to screen new investment opportunities using the firm’s sustainability risk assessment review process. This process became especially relevant when, during our diligence period at Pasadena Gateway Villas, several wildfires ignited in the Los Angeles area. We followed the situation

closely and utilized resources obtained from insurance contacts, Hines’ risk management, and state agencies to monitor fire risk at our asset’s location. Based on all the feedback – and due largely to some natural and man-made geographic features that differentiated the asset’s location from surrounding, higher risk areas – we gained confidence in the resilience of the site. This data gathering, along with the eventual containment of the fires, strengthened our conviction in the long-term viability of this asset prior to closing while underscoring the importance of the detailed climate risk assessments we perform.

Additionally, the Fund achieved a Global Real Estate Sustainability Benchmark (GRESB) score of 96/100 – a significant improvement over our 2023 score – achieving a four-star rating and beating the target outlined in our sustainability policy by a year. HUSPRF ranked #1 in the Americas non-listed, closed-end opportunistic category for its overall GRESB score (out of 27 groups) and management score (out of 41 groups).

We remain committed to enhancing asset value for all HUSPRF stakeholders by considering environmental and social factors across our portfolio.

We hope you enjoy reading more about our sustainability initiatives on the pages that follow.



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HUSPRF Overview¹

HUSPRF was formed in 2021 to invest in real estate in major U.S. markets across property sectors, including residential, industrial, and office.

Through its value-add approach—utilizing strategies like renovation, redevelopment, change-of-use, and development—the Fund strategically positions assets to meet shifting occupier and investor expectations. By integrating sustainability considerations tactically, we create properties prepared for future market dynamics, enhancing their resilience and long-term value.

The Fund secured its final investments in the fourth quarter, both multifamily value-add opportunities in high barrier West Coast markets. Business plans for both assets include in-unit and common area upgrades.

Each investment’s business plan continued to progress with focus on capital projects and leasing efforts aimed at creating value at the tenant and investor level.

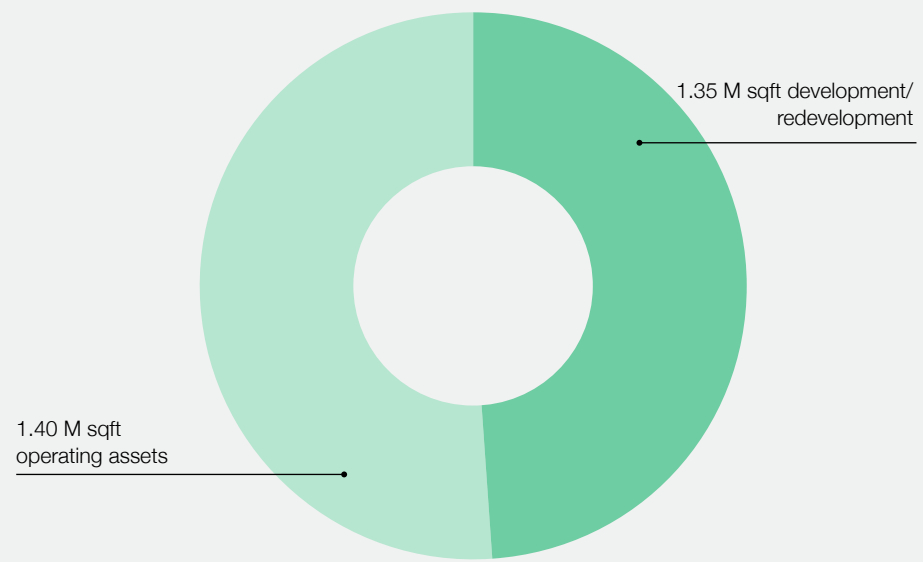
Total Assets Under Management
\$1.3B²

Number of Assets
9

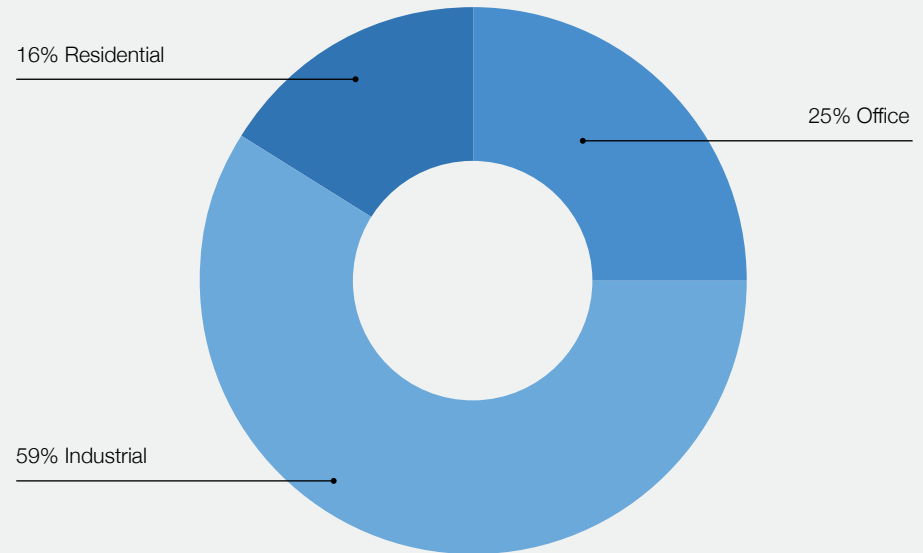
Asset Locations

- Daly City, CA
- Pasadena, CA
- San Jose, CA
- Santa Ana, CA
- South Gate, CA
- Newark, NJ
- Austin, TX
- Salt Lake City, UT
- Washington, D.C.

Allocation by Strategy (NRA)



Allocation by Sector (NRA)



DEEP DIVE ↗
View the full HUSPRF portfolio.



Our Sustainability Focus and Goals

HUSPRF believes investing responsibly can add value to assets for investors, surrounding communities, and the environment. Our sustainability strategy aims to reduce negative environmental impacts and promote stakeholder health and well-being.

HUSPRF is guided by a comprehensive sustainability strategy and priorities grounded in our Fund’s sustainability policy and development standards. We focus on topics that are consistent with our broader strategy and support Fund and investor goals.

We are committed to responsible and transparent investment practices and use governance frameworks and certifications to disclose our objectives, report our progress, and evaluate opportunities for continuous improvement.



The rooftop solar system at Newark Distribution Center was installed in 2024 and operational at year end.



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 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 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 prioritize 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.



Hines Sustainability Framework: HUSPRF Goals

THEMES	FOCUS AREAS	2025 SUSTAINABILITY GOALS
Investment Value Creation and Protection <i>Sustainable Development Goals (SDGs): 9, 11, 12, 13, 17</i>	Investment Intelligence	<ul style="list-style-type: none">Utilize the updated Investment Committee (IC) process, sustainable development standards, or annual sustainability questionnaire as part of budgeting activities, as applicable.
	Portfolio Management	<ul style="list-style-type: none">Utilize internal tools and resources from Hines experts to analyze deals including the Hines Carbon Impact Assessment Tool, climate risk reports, data on regulatory requirements, and compliance costs.Strive for GRESB four-star rating annually with a focus on opportunities for on-site renewables; consider implications/actions prompted by any GRESB scoring changes.Continue implementation of performance-based processes and program elements (green leases, data collection, Carbon Impact Assessment Tool).Produce an annual sustainability report.
	Innovation Leadership	<ul style="list-style-type: none">Meet quarterly with Hines sustainability experts to identify potential innovation opportunities.
Environmental Stewardship <i>SDGs: 9, 11, 12, 13, 17</i>	Building Operations and Performance	<ul style="list-style-type: none">Require all developments to meet LEED® silver BD+C certification or better (or equivalent). 100% of developments are registered or on track.Require all operational assets to achieve BREEAM in-use or LEED. Target 2025 completion for Newark Distribution Center and 8685 Bowers.Continue to advocate for green/clean energy procurement where commercially feasible and prioritize decarbonization.
	Sustainable Design and Materials Circularity	<ul style="list-style-type: none">Embodied carbon tracking is in progress for Edenvale. Potential to explore opportunities at Domain office development. No additional development investments anticipated.
	Climate and Nature Risk	<ul style="list-style-type: none">Continue to review climate risk reports to determine additional actions/mitigations, as needed.
Thriving Communities <i>SDGs: 3, 5, 8, 10, 11, 12, 13, 17</i>	People-Centric Places	<ul style="list-style-type: none">Implement social activation plans for the tenant lounge at Seraph, the gym at 88 Hillside, and the new conference center and lounge at 1050 17th Street.Discuss opportunity and assess feasibility of WELL or Fitwel certification for Seraph, 88 Hillside, Pasadena Gateway Villas, and 1050 17th Street.
	Talent and Culture	<ul style="list-style-type: none">Include statement of sustainability principles in vendor contracts negotiated by the portfolio.
	Building Economic Resilience	<ul style="list-style-type: none">Promote Hines' Client Experience and Social Engagement Database.
Foundations <i>SDGs: 12, 13, 17</i>		<ul style="list-style-type: none">Support data collection processes and strive for 100% data collection in ENERGY STAR® and the Carbon Impact Assessment Tool.Portfolio personnel will continue to establish sustainability related goals aligned with firm or Fund objectives.

Investment Value Creation and Protection

As an institutional, commingled vehicle representing a broad set of underlying investors, HUSPRF has a responsibility to seek appropriate risk-adjusted returns on our investments – and to do so in a responsible and transparent manner. We strive to incorporate consideration for people and the environment into our investment management processes to the extent they are aligned with our business plans and obligations to investors.

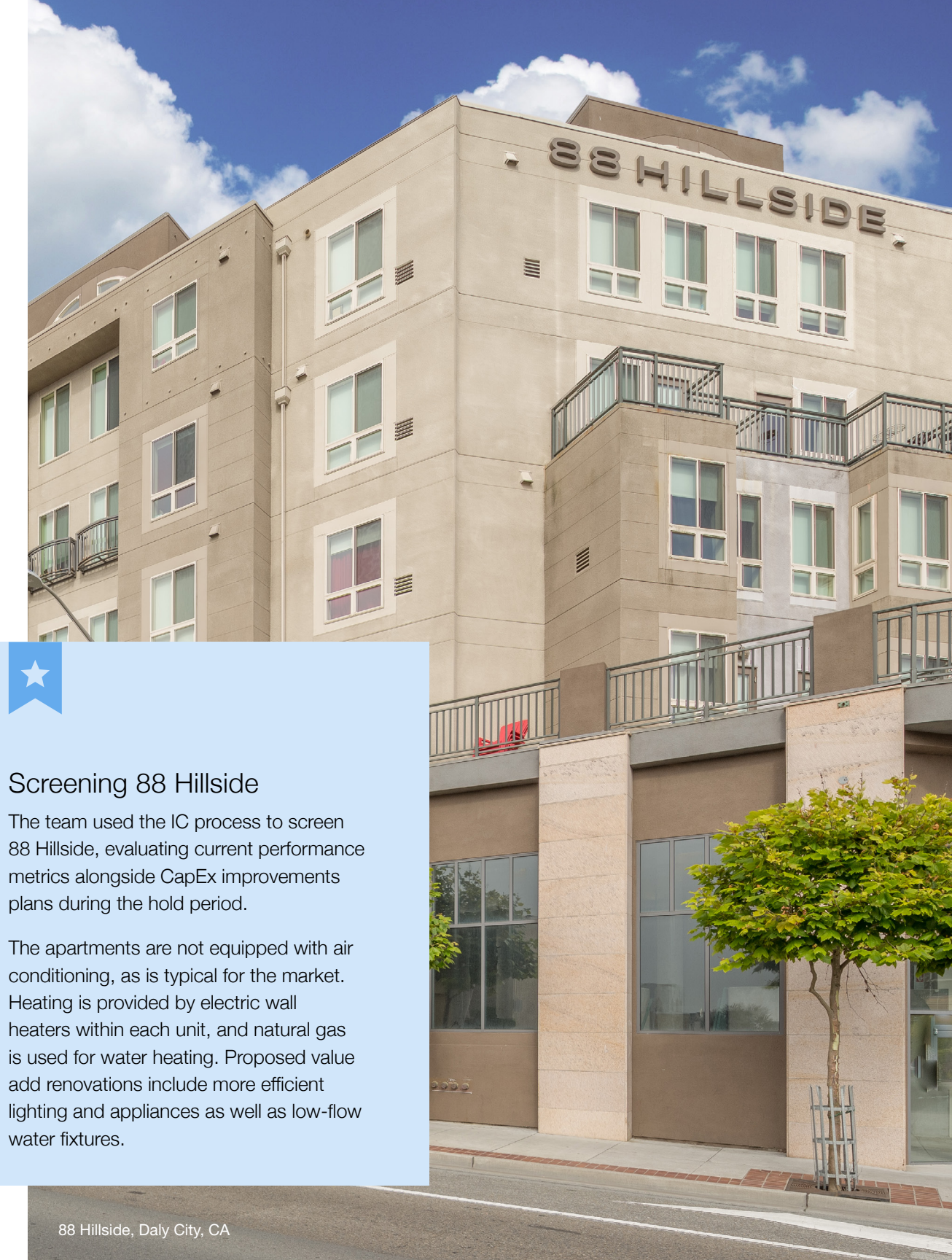
Investment Intelligence

HUSPRF follows Hines' IC process for acquisitions, using sustainability factors to screen deals and as a metric to identify opportunities for value creation and asset resilience.

indicators and insights such as the Carbon Risk Real Estate Monitor (CRREM) stranding year, energy use intensity, and capital expenditure plans for efficiency helping embed sustainability considerations into investment plans and budgets.

Due Diligence

All new acquisitions are assessed for alignment with Fund and Hines' priorities using the Sustainability Acquisitions Due Diligence Checklist. The checklist helps evaluate physical climate risks, data availability, green certifications, efficiency measures in place or needed, and other key factors to assess alignment, understand risks, and identify potential opportunities.



Screening 88 Hillside

The team used the IC process to screen 88 Hillside, evaluating current performance metrics alongside CapEx improvements plans during the hold period.

The apartments are not equipped with air conditioning, as is typical for the market. Heating is provided by electric wall heaters within each unit, and natural gas is used for water heating. Proposed value add renovations include more efficient lighting and appliances as well as low-flow water fixtures.

Green Premium or Brown Discount?

In 2024, Hines commissioned research on tenant preferences for green buildings by market and submarket. This analysis is helping us understand and assess occupier demand for green, low-carbon office and industrial spaces, pinpointing areas where over- or under-supply of sustainable buildings may impact lease velocity and future liquidity. The insights are also supporting informed investment decisions on new and existing assets, highlighting opportunities for green premiums and risks associated with brown discounts.

DEEP DIVE

Learn more about Hines due diligence tools.



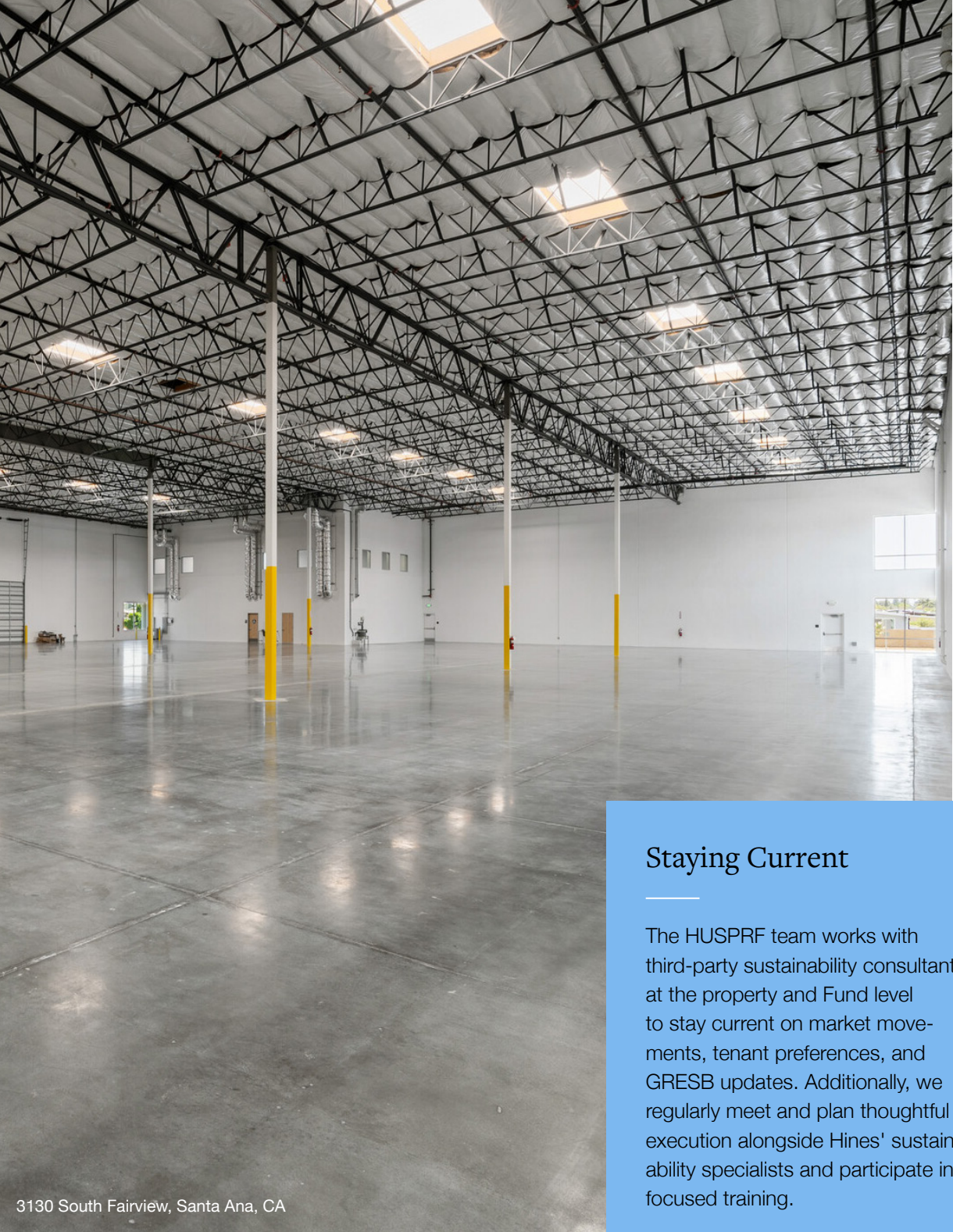
Portfolio Management

We implement best practices in development, repositioning, and management across our portfolio aiming to achieve sustainable outcomes and positive investment returns.

Our Fund is guided by a comprehensive sustainability strategy and priorities grounded in our sustainability policy and development standards, with leverage from the broader firm’s expertise and experiences.

Sustainability Governance

HUSPRF leverages internationally recognized governance frameworks to ensure we are able to adapt to broader market movements. We communicate our sustainability targets and achievements to HUSPRF stakeholders through regular reporting as well as client and investor meetings, direct outreach, and events.

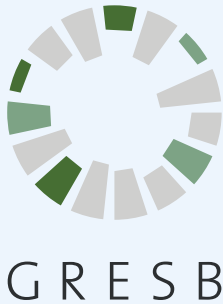


3130 South Fairview, Santa Ana, CA

Staying Current

The HUSPRF team works with third-party sustainability consultants at the property and Fund level to stay current on market movements, tenant preferences, and GRESB updates. Additionally, we regularly meet and plan thoughtful execution alongside Hines' sustainability specialists and participate in focused training.

Leading with GRESB



1st

in our peer group: Americas, Non-listed, Opportunistic, Closed ended (out of 27)

19

point increase year over year



Four out of five stars

96/100 points

(industry average: 74)

Environmental Stewardship

HUSPRF considers opportunities to leverage environmental strategies on a case-by-case basis to meet stakeholders' needs, reduce costs, and create and protect asset value.

Building Operations and Performance

We actively seek sustainability initiatives that enhance building performance while decreasing environmental impact. To the extent commercially reasonable, we seek to exceed minimum energy and water efficiency requirements, consider on-site renewable energy or renewables procurement in line with best practices, and track and manage operational and construction waste at our assets.

Our annual budget process includes a sustainability questionnaire to guide operational considerations that may be relevant to specific assets or markets. We also promote data collection to support performance monitoring and benchmarking.

Tracking Carbon at Edenvale

Construction began at Edenvale Industrial Park (formerly Piercy Portfolio) in June 2024. The Fund included embodied carbon tracking requirements and procedures in supplier contracts for the project, and the concrete used on site saved an average 15% embodied carbon compared to benchmark average. The three-building portfolio is on track for completion in the third quarter of 2025.

Decarbonization

Our team views decarbonization opportunities through the lens of risk and value creation or protection. While the Fund does not have a specific operational carbon target, we evaluate market and stakeholder demands, cost, and benefits of decarbonization initiatives for each asset.

Additionally, we monitor alignment with CRREM efficiency levels, and we use the Hines Carbon Impact Assessment Tool (based upon CRREM methodology) to understand carbon impact at our assets and opportunities for improvement.

Energy Optimization

HUSPRF is committed to energy efficiency and reduction efforts when feasible. As standard practice, our development teams design buildings and select supporting systems to be efficient and meet tenant expectations.

The Fund has commissioned energy models for all development or redevelopment assets to understand future energy demands as designed.



Edenvale Industrial Park, San Jose, CA

Green Building Certification

HUSPRF’s green building certification strategy focuses on advancing sustainability credentials across developments and operational assets to align with market expectations and investor priorities.

Multiple projects progressed toward LEED or BREEAM recognition, including:

- 3130 South Fairview, Edenvale Industrial Park, and Seraph are on track for LEED Silver.
- Newark Distribution Center and 8685 Bowers completed feasibility studies for BREEAM In-use certifications in 2024 and intend to pursue them in 2025.
- 1050 17th Street is expected to undergo a BREEAM operating certification assessment in 2026.

Developments
pre-certified

4/4³

Acquisitions
planned for
in-use cert

5/5



88 Hillside, Daly City, CA

Tenant Engagement

Because tenant emissions make up a large portion of our total emissions, tenant collaboration is key to advancing sustainability and decarbonization goals. Our team strives to work with HUSPRF tenants to implement energy efficiency measures, track resource use, and coordinate on best practices that support shared objectives.

Green Leases

For HUSPRF, green lease language helps ownership to maintain building efficiency, mitigate climate-related effects, and reduce operating costs for tenants and the Fund.

Our green lease standards set common expectations for environmental data management, building maintenance, and efficiency.

In 2024, we successfully included green lease provisions in two new tenant leases and one extension.

HUSPRF has achieved green lease provisions in

71%

of new and renewal leases during our ownership.

Sustainable Design and Materials Circularity

We strive to reduce embodied carbon at our development and refurbishment projects whenever possible. Our Fund’s Development Standards help us consider environmental sustainability during construction and demolition phases, and we track and manage construction waste.



Above and left: Seraph, Salt Lake City, UT



Circularity at Seraph

Seraph (formerly South Temple Tower) is an office-to-residential conversion in Salt Lake City. Our adaptive reuse strategy is reducing a significant volume of CO₂ compared to new construction by diverting waste from landfills. The first model unit was completed in early 2025, and units are expected to be available September 2025. The renovation received certification as asbestos-free after a lengthy remediation process. The project also diverted a significant amount of waste from landfills.

CERTIFICATIONS TARGETING



LEED
SILVER

DEEP DIVE ↗

See the full case study on Seraph.

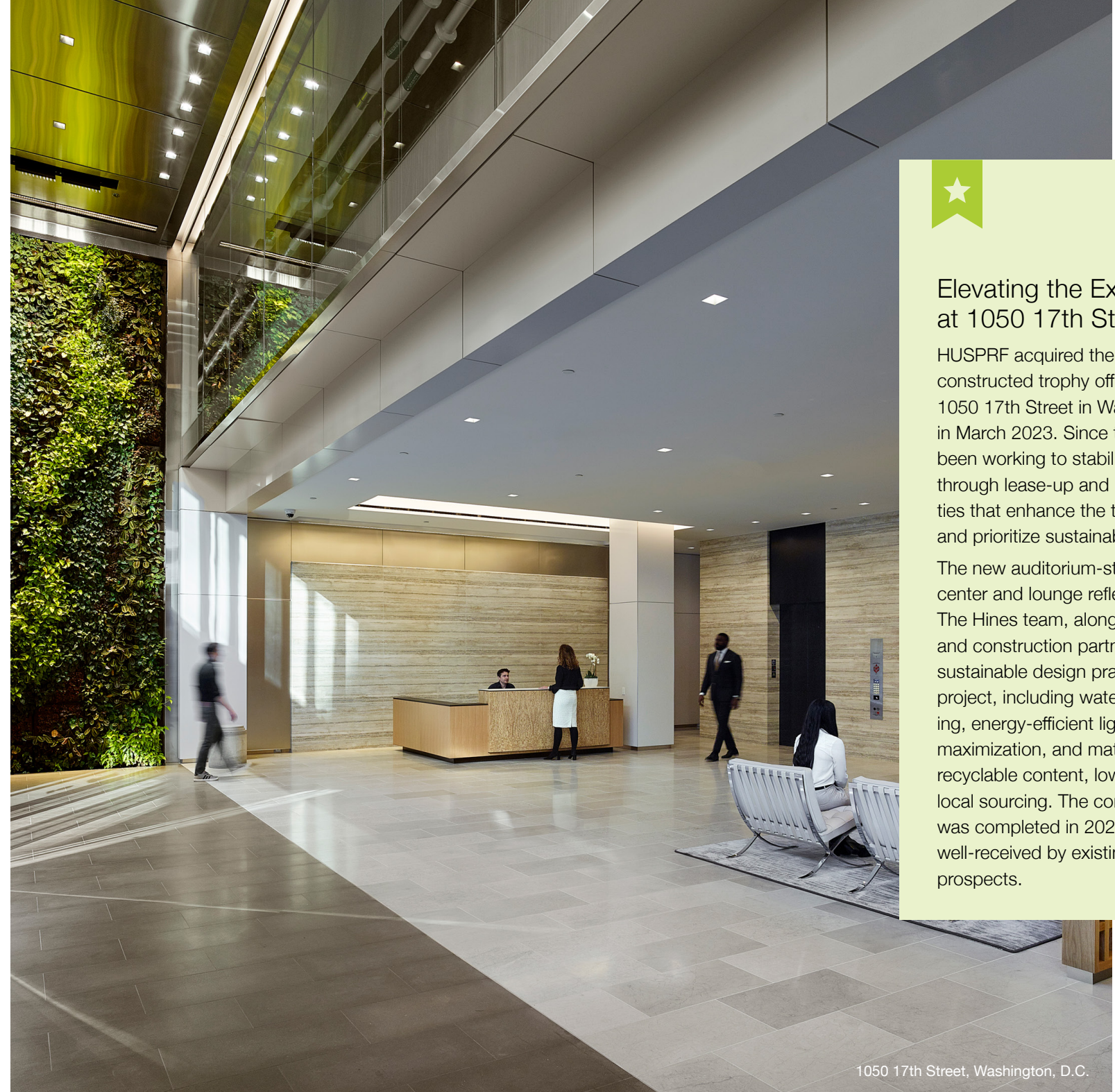
Thriving Communities



HUSPRF shares our firm's commitment to focusing on people and places through our development and refurbishment projects. We strive to contribute to economic resilience and strengthen the fabric of the communities around our assets.

People-Centric Places

As a Fund focused on value-add strategies, we develop and refurbish assets to align with market needs and preferences. By prioritizing human and community health, well-being, productivity, and comfort, we are able to create spaces and places that appeal to occupiers, tenants, residents, and visitors.



Elevating the Experience at 1050 17th Street

HUSPRF acquired the newly constructed trophy office building at 1050 17th Street in Washington, D.C. in March 2023. Since then, we have been working to stabilize the asset through lease-up and by adding amenities that enhance the tenant experience and prioritize sustainability.

The new auditorium-style conference center and lounge reflects this goal. The Hines team, along with our design and construction partners, integrated sustainable design practices across the project, including water-efficient plumbing, energy-efficient lighting, daylight maximization, and materials with high recyclable content, low emissions, and local sourcing. The conference center was completed in 2024 and has been well-received by existing tenants and prospects.

1050 17th Street, Washington, D.C.

Economic Resilience and Opportunity

We strive to integrate opportunities for the local workforce and community surrounding HUSPRF assets. Through Hines’ strategic sourcing program, we procure local supplies, and we also include sustainability principles in vendor contracts.



Creating Value at 88 Hillside

Our new 88 Hillside multifamily investment serves as workforce housing for the community, and we are adding value for our tenants through in-unit renovations and by providing a new gym amenity to promote resident wellness and retention.

88 Hillside, Daly City, CA



Edenvale Industrial Park, San Jose, CA



Investing in Community at Edenvale

At Edenvale Industrial Park, the HUSPRF team worked with archaeological consultants and representatives of the Tamien Nation, who helped us to develop an artifact monitoring plan at the site.

We also formed agreements with labor unions to hire local carpenters and mechanical, electrical, plumbing, and metal workers throughout the construction phase of the project.

To combat construction dust, we implemented an above-standard watering schedule that reduces particulate matter and its impacts on surrounding residents—including 24/7 air quality monitoring.

DEEP DIVE ↗

Learn more about Edenvale Industrial Park.

05

Annex

HUSPRF Property Certifications and Plans as of December 31, 2024

OVERVIEW ↗
See our portfolio overview.

PROPERTY DATA

BUILDING CERTIFICATION

Investment Name	Asset Type	Certification 1	Certification 2
88 Hillside Daly City, CA	Multifamily	BREEAM In-use (under review)	
3130 South Fairview Santa Ana, CA	Industrial	LEED Silver (expected 2025)	
8685 Bowers South Gate, CA	Industrial	BREEAM In-use (targeting 2025-2026)	
Edenvale Industrial Park (three buildings) San Jose, CA	Industrial	LEED Silver (expected 2025-2026)	
Domain Northside Austin, TX	Office	LEED Gold (targeting 2029)	WELL Platinum (targeting 2029) Wired Score Platinum (targeting 2029)
Newark Distribution Center (three buildings) Newark, NJ	Industrial	BREEAM In-use (targeting 2025-2026)	
Seraph Salt Lake City, UT	Multifamily	LEED Silver (expected 2025-2026)	
1050 17th Street Washington, D.C.	Office	LEED Gold (BD+C)	Fitwel UL Certified Healthy Building
Pasadena Gateway Villas Pasadena, CA	Multifamily	BREEAM In-use (under review, in diligence at year end)	

Compliance

Sustainable Finance Disclosures Regulation (SFDR)

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities in the year covered by this report.

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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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ESG

There can be no assurance that Hines' ESG policies and procedures as described in this report will continue. 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 Hines' prior investments. 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. Any ESG-related statements, initiatives and goals with respect to the Fund's investment strategy, portfolio and investments are aspirational and not guarantees or promises that all or any such initiatives and goals will be achieved, other than as set out in any applicable regulatory disclosures, including those made pursuant to Regulation (EU) 2019/2088. Any ESG measures, targets, programs, commitments, incentives, initiatives, or benefits referenced are not promoted to investors and do not bind

any investment decisions or the management or stewardship of the Fund for the purpose of Regulation (EU) 2019/2088 unless otherwise specified in the relevant fund documentation or regulatory disclosures.

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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.

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Definitions

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.

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management — and the only organization serving both the multifamily and commercial sectors.

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.

ENERGY STAR®, a joint program of the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy, recognizes excellence in energy performance, reduced operating costs and environmental leadership. Organizations who have consistently earned Partner of the Year for several years in a row may be awarded Sustained Excellence. Annual achievements must continue to surpass those in previous years. Sustained Excellence is presented to a partner at EPA's discretion. Hines does not pay to participate in ENERGY STAR.

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.

Fitwel, developed by public health professionals, evaluates a project's certification documentation using a double-blind process. Two independent reviewers assess each project and confirm a numerical score. Hines pays to submit a project for certification.

WELL, sponsored by the International Well Building Institute, is a global building standard aimed at enhancing occupant health and wellness. Projects pursuing WELL certification can earn points based on performance outcomes for various policy, design, and operational strategies and can achieve Bronze, Silver, Gold, or Platinum levels. Hines pays to submit a project for certification. A program of WELL, the **WELL Health-Safety Rating** is an annual rating that can be applied across sectors, building types, and spaces, and indicates that evidence-based measures have been adopted and third-party verified.

Endnotes

- 1 All data in this report is as of December 31, 2024, unless otherwise noted.
- 2 Includes Pasadena Gateway Villas which was in diligence at year end and closed in March 2025.
- 3 Edenvale Industrial Park includes three buildings but is presented herein as a single investment.

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This report is a snapshot of the Hines U.S. Property Recovery Fund as of December 31, 2024 unless otherwise noted.

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.

Hines U.S. Property Recovery Fund

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