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# THE ROAD TO CARBON NEUTRALITY

## Learnings and inspiration from the Holiday Inn Express Newcastle's certification process

**P**ro-invest Group's Holiday Inn Express® Newcastle became the first hotel building in Australia to achieve carbon neutral certification under the NABERS (National Australian Built Environment Rating System) Climate Active pathway. This achievement reflects Pro-invest Group's longstanding commitment to Environmental Social Governance (ESG); we have reported to GRESB—the global ESG benchmark for financial markets—for over five years and have seen our scores more than double. In 2019, we committed to targeting Net Zero by 2030 for all of our hotels under Pro-invest Australian Hospitality Opportunity Fund II, and we have continuously built on our sustainability commitments and increased ESG best practices across our

entire portfolio of assets. The Holiday Inn Express Newcastle's certification is a vital first step in our Net Zero 2030 program.

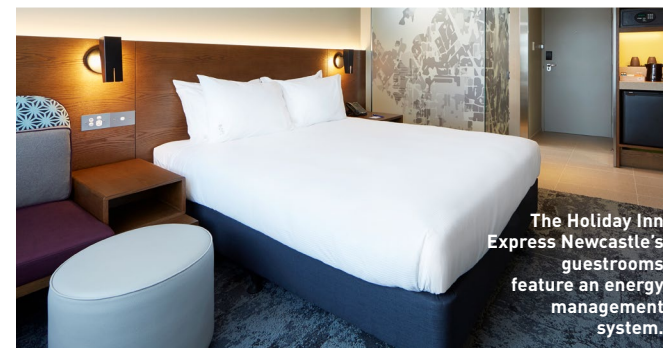
We partnered with 3E Group (formerly Ecosave Australia & NZ), an energy services company that designs and implements decarbonization projects. We worked closely with NABERS and Climate Active, which is a partnership between the Australian government and businesses to drive voluntary climate action. NABERS was chosen among several certification schemes due to its status as a nationally recognized system with a relatively simple and cost-efficient certification process, one that is easily communicable to existing stakeholders, whether employees or investors.

The hotel achieved its certification due to numerous energy-saving and eco-friendly features, including strong LED coverage; a guestroom energy

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Carbon neutral modular carpet reduces installation and refurbishment waste.



The Holiday Inn Express Newcastle's guestrooms feature an energy management system.

management system with occupancy sensors; a light setting program and air conditioning management; and efficient fittings and fixtures for water conservation. In addition, we acquired a small portion of carbon offsets that aligned with Climate Active's standards. The hotel also features carbon neutral modular carpet, which reduces installation and refurbishment waste by approximately 80%.

### KEY LEARNINGS

The hotel's certification, earned last year, afforded insights into the process's practicalities and nuances. These learnings will be applied to our hotel portfolio to pursue certification under the Net Zero 2030 program and aided in informing the Holiday Inn Express Newcastle's recertification this year.

One takeaway from the project was the importance of accurate recordkeeping. For the recertification, we made sure we had waste reports that were tabulated correctly for the 12-month period. Hoteliers pursuing this kind of certification need to be aware that accurate recordkeeping is crucial, and toward that end it is beneficial to foster a good relationship with an ESG consultant.

We also learned a lot more about the power of waste in reducing emissions. Different waste streams have different associated emissions, and it's key to really look at what goes in your bins. Reducing consumption through initiatives such as recycling is fantastic, but it's also important to ensure that

your waste outputs go into the appropriate stream, because that will greatly impact your overall emissions.

Last but not least, we learned to appreciate the value of renewable energy sources, whether onsite or purchased. For hotels that are surrounded by lots of tall buildings that block sunlight, obtaining sufficient energy through rooftop solar panels may not be feasible. But in that kind of scenario, green power or purchase power agreements may be available. Such considerations will carry a lot of weight for our future strategies given the location of many of our hotels.

### INFLUENCING THE INDUSTRY

Travel industry reports show a definite uptick in guests favoring sustainable accommodations. Our team expects that guests will appreciate the Holiday Inn Express Newcastle's achievement—and the forthcoming carbon neutral movements and certifications of other hotels in Pro-invest's portfolio. My hope is that this milestone shows other hoteliers in Australia and beyond that achieving carbon neutrality is definitely within reach.

Looking ahead, we have also started leveraging our sustainability track record in Australia and New Zealand as we expand our portfolio in Europe—ensuring our guests, employees and investors see Pro-invest's One Earth, Countless Experiences' ESG principles run through everything they experience. This is the future of hospitality and the logical next step for Pro-invest as we expand our existing principles into a comprehensive, end-to-end strategy.

Cindy Van Der Wal, ESG Manager for Pro-invest Group, contributed to this article.