

Pro-invest Group Annual Sustainability Report FYE 2022



Disclosure: The FYE 2022 Annual Sustainability Report was not independently audited due to major sustainability system changes. Pro-invest Group will be progressing down the path of third-party assurance for its next Annual Sustainability Report.

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FOUNDER & CHAIRMAN MESSAGE

Dear Readers,

We are pleased to present to you the Pro-invest Group Annual Sustainability Report for the Financial Year Ending (FYE) 2022 which discloses our efforts, impacts and progress in relation to various areas of sustainability across our fund hotels.

At Pro-invest we believe that an active and laser focused approach to a business's Environmental, Social Governance (ESG) and sustainability impact has direct competitive and financial benefits. Accordingly, we continue to place efforts to embed ESG across all areas of our business - at the corporate, fund and hotel level - and consciously take ESG into consideration through all stages of our investment process.

We believe that the risks and opportunities for investors from ESG and sustainability considerations will only deepen as organisations come under more external and internal pressure to improve their performance and commitment in these areas - and Pro-invest Group is no exception to this.

During this financial year, we have continued to build on the integration of our ESG framework and sustainability initiatives across Pro-invest Group and its hotel portfolio with one of the most significant achievements having been launching our ESG brand, One Earth, Countless Experiences by Pro-invest Group. One Earth, Countless Experiences drives the definition of sustainability across the

entire Pro-invest Group journey. It ensures ESG is refreshed and championed for all stakeholders.

We have seen positive outcomes across our hotel fund portfolio, including having all eligible hotels achieve >5-star NABERS ratings, acquire c. 30% GreenPower across c. 6 operational hotels and seen a refreshed approach across our operating hotels on key guest-facing sustainability initiatives.

The year to June 2022 saw challenges across the portfolio as the Group navigated the post-COVID-19 ramp up which was strongly characterized by limited resources. We navigated through these challenges by focusing on our strategic operating models, and being acutely focused on the initiatives that will deliver the greatest positive impact for the business.

Ultimately, the Pro-invest Group team is proudly driven by our values of Trust, Integrity, Transparency and Commitment, and we are dedicated to continuing our track record in building strong, global relationships as co-investors, trusted advisors, managers and long-term partners.

We hope you enjoy the read,



Mr. Ronald Stephen Barrott FRICS



Founder & Chairman

Pro-invest Group

ABOUT PRO-INVEST GROUP

3+

Decades of Industry Expertise

Global

Reach - Offices in Europe, Middle East & APAC

290+

Years Experience Among Executives

\$2.7bn+

Assets Under Management

c. 30

Assets across Australasia

c. 6000

Rooms ranging from Midscale to Luxury

OVERVIEW

We operate as an asset manager and investment firm specialising in private equity real estate & real estate asset management. We have grown to become one of the largest hotel investment platforms in Australasia, in addition to successfully executing a number of commercial real estate transactions.

Pro-invest operates as an internationally connected & fully integrated business combining active asset management, development & operational capabilities, providing investors with above-industry risk-adjusted returns in the hospitality, commercial & retail space.

VISION

To be one of the **most trusted leaders** in private equity real estate and in environmental & social governance.

MISSION

Generate **sustainable returns** in an effective and responsible way, offering investors **integrated platforms** across real estate investment, development and active asset management – all underpinned by **sector-leading environmental & social governance**.

PURPOSE

Believing that **trust is the ultimate capital**, with our purpose being to **unlock and optimize value** for all our stakeholders.

VALUES

Trust | Transparency | Integrity | Commitment

REPORT BOUNDARIES & INCLUSIONS

REPORT FUND COVERAGE

The following Sustainability Report marks Pro-invest Group's fourth Annual Sustainability Report and covers the FYE 2022 period (being 1 July 2021 to 30 June 2022). The Report covers the Pro-invest Group's three hotel funds' performance and Pro-invest Group company commitments, for the period of FYE 2022. The funds include:

1. Pro-invest Australian Hospitality Fund I (Fund I)
2. Pro-invest Australasian Hospitality Fund II (Fund II)
3. Pro-invest Asia Pacific Hospitality Fund III (Fund III)

Fund I, Fund II and Fund III collectively hold 13 hotels as of FYE 2022 close, 12 which were operational (four of which commenced trading during FYE 2022) and one which was under development.

MATERIAL UPDATES POST FYE 2022 INCLUSIONS

As of January 2023, major announcements are included where appropriate for purpose of updating Pro-invest stakeholders. Any update made outside of the FYE 2022 is disclosed as part of the update.

POINT OF CONTACT

Should there be any queries in relation to this report, please reach out to ESG@proinvestgroup.com.



Please note, that as of January 2023, Pro-invest Group together with Vista Hospitality Group (a third-party management company under Pro-invest Group's management), sees a portfolio count of nearly 30 hotels and almost \$3 billion of assets under management. For the purposes of this report, only the Fund hotels and their performance updates are included. To read more on the growing portfolio, visit: proinvestgroup.com

OUR COMMITMENT

ONE EARTH, COUNTLESS EXPERIENCES BY PRO-INVEST GROUP

Today’s investors and consumers demand sustainable offerings. We do not believe success in business is only measured financially, and neither do our stakeholders. But financial returns and good sustainability and governance are strongly correlated. Not only is an ESG approach the right thing to do, but investors want it because it is future-proof and has cost benefits and offers uplift in value. Consumers are increasingly practicing ethical consumption and hospitality is no exception – they want to enjoy experiences without compromising their own environmental responsibilities. The public, governments, and communities we operate in increasingly expect and deserve this approach.

We have introduced One Earth, Countless Experiences as a core part of our brand. Pro-invest has always been committed to ESG with its hotel portfolio and business operations, as demonstrated by various third-party verification certifications. The launch of One Earth, Countless Experiences means the ESG principles will be applied wholistically across the platform. At Pro-invest Group, we recognize that a true ESG approach is not just a ‘coat of green paint’, and should be embedded across the entire business. It has never been superficial for us, and now we are ensuring that we will continue to advance our strategies and initiatives to ensure it is woven throughout our organization.

We are in harmony with our one and only Earth.

Our footprint is expanding globally, offering many places for you to *Invest, Develop, Live, Work, Play & Stay.*

We welcome you to join us with our dedicated ESG & sustainability brand...



Pro-invest Group Photography, Holiday Inn Express Melbourne Southbank, 2022

[CLICK HERE FOR THE VIDEO](#)

ESG & SUSTAINABILITY HIGHLIGHTS FYE 2022



The Launch of
One Earth, Countless Experiences
as the dedicated ESG brand



Transitioned to
Greenview as
sustainability management
system covers all 12
operational hotels* – &
counting



6th year reporting to
GRESB, obtaining results
in **mid 70's** across
Standing Investments &
Developments



50% of team Learning &
Development Training
sessions surrounded **ESG**
topics of concern,
plus ESG is incorporated into
State of Play sessions



Ave. of
5-star NABERS
Energy & Water
ratings during 2022 across
all 6 fund hotels rated



Holiday Inn Express
Newcastle maintains
carbon neutral
certification status via
NABERS Climate Active
pathway scheme**



3 x additional
Green Loans
by Aareal Bank in
recognition of high asset
energy & water efficiency
in operation



Full-time employee
gender split of
57% Male | 43%
Female



85% waste to landfill
diversion target for all new hotel
repositioning projects, as part of
RRRLR Waste
Conversion Framework
Launch



c. 30%
GreenPower acquired
respectively across
6 x Fund I hotels



Over 5 x
sustainability award
Finalist positions for
Pro-invest hotels and the
launch of One Earth,
Countless Experiences.



All hotels with 12 months
trading **Level 1 IHG**
Green Engage
certification



Annual ESG
Workshop held with
Business Leaders to
educate on Pro-invest
Group's ESG Strategy,
Objectives & Successes

*As of FYE 2022

**See page 25 for more detail on inclusions and offsets



Dr. Sabine Schaffer
CO-FOUNDER & CEO
EUROPE
Pro-invest Group

“

Our mission is to create sustainable returns in an effective and responsible way. As a trusted partner we facilitate Investors accessing outperforming value-add and development real estate opportunities in the Australasian and European markets.

Our integrated platform covers the end-to-end investment process, from structuring and management of funding through to development and operations. Using in-depth market knowledge and extensive experience our in-house specialists rigorously assess opportunities, develop value-add investment strategies and price risk.

This structure allows us to future proof our assets, regardless of whether they are new builds or repositioning/redevelopment assets.

We recognise the value-add strong ESG integration has to our real estate portfolio and business practices, reaping environmental, social and financial benefits. We recognize that it's not just about how much ESG costs us today, but about how much it costs us tomorrow if we do not implement ESG.

We look forward to continuing this ongoing dedication to building on our sustainability strategies and important impacts for our portfolio.

”





Mr. Jan Smits

CEO & DEPUTY CHAIR APAC
Pro-invest Group

“

At Pro-invest Group, we believe that sustainability is a core part of our business strategy, strongly aligned to the Pro-invest Group mission, vision and operating philosophies. A strong ESG approach, for us, is not just a coat of green paint and should run through everything, big and small, seen and unseen.

ESG has never been superficial for us, and now we are ensuring it is in all fibers of our organisation, quite literally from the ground up, from our modular, carbon-neutral, fully recyclable carpeting to giving back to communities.

It is essential in order to create long-term value for our stakeholders. We will continue to invest in and prioritize sustainability initiatives that reduce our environmental impact and create economic and social benefits for our communities and customers.

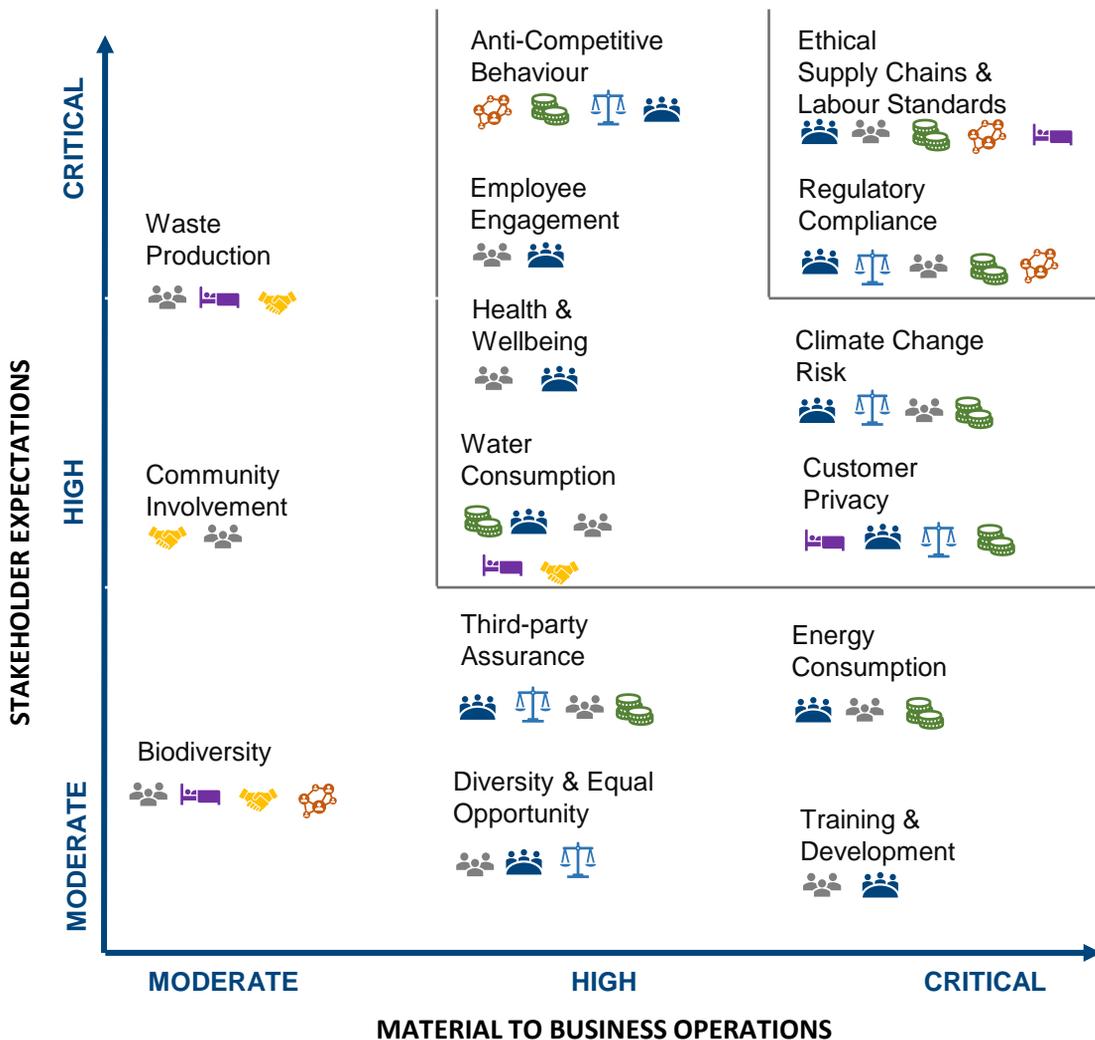
”



FYE 2022 MATTERS OF MATERIALITY

MATERIALITY INDEX

Consistent with prior years, Pro-invest Group proceeded through the exercise of identifying the concerns and areas of importance of its various stakeholders via numerous communication channels best suited to gather such information. The Group continued to monitor matters of importance internally throughout FYE 2022. Mechanisms include a consolidated screening of regulatory announcements, surveys, meeting discussions, strategy outcomes and portfolio direction.



STAKEHOLDER GROUPS

Board of Directors	Guests	Regulatory Bodies
Partners & Suppliers	Employees	Investors & Stakeholders
Community		

GLOBAL REPORTING INITIATIVE (GRI) REPORTING DISCLOSURE

With FYE 2022 marking Pro-invest’s fifth Annual Sustainability Report, we have continued to align to the Global Reporting Initiative (GRI) Standards Framework in an effort to report against an internationally recognised standard.

The FYE 2022 Annual Sustainability Report has been partially prepared in accordance with the GRI Standards: Core Option, General Disclosures 2016. Best endeavors are being made to produce a Comprehensive GRI Sustainability Report in FYE 2023. Further, material items which have been aligned to the GRI Standards are acknowledged throughout this report. With a dedication to ESG transparency and a recognition that sustainability is a continuous journey, Pro-invest Group will continue to progressively adopt additional disclosures under the GRI Standards as they become material to the business and its stakeholders, coupled with resource capacities.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) RECOMMENDATION ALIGNMENT

In recent years, climate change has strongly emerged as one of the most pressing issues facing the world. The increasing frequency and intensity of extreme weather events, rising sea levels, and melting glaciers are just some of the visible signs of the impact of global warming. As businesses continue to grapple with the challenges of climate change, they are increasingly turning to the TCFD for guidance. Pro-invest Group is amongst such organisations, with FYE 2022 marking Pro-invest Group’s third year of reporting against the TCFD recommendations. The TCFD recommendations provide a framework for businesses to disclose climate-related risks and opportunities, helping investors and stakeholders make informed decisions. Aligning with these recommendations is not only an essential step towards building a more sustainable future but also critical for managing the financial risks associated with climate change.

This Sustainability Report aims to showcase Pro-invest Group’s commitment to aligning with the TCFD Recommendations, highlighting the steps the Group has taken to address climate risks and opportunities. Pro-invest Group believes that by adopting a transparent and consistent approach to climate-related reporting, we can drive better decision-making and ultimately support in contributing to a more sustainable future for our business, industry, and communities in which we operate.

EFFICIENT & LOW ENVIRONMENTAL IMPACT

DESIGN & CONSTRUCTION

Pro-invest Group develops its assets in accordance to high efficiency standards, as specified under its Pro-invest ESD Policy which targets 5-star NABERS Energy rating, baseline of 4.5-stars and 4.5-stars to 5-stars and above NABERS Water ratings. These targets are coupled with supplementary full asset lifecycle sustainability provisions including targets and strategies set forth for sustainable transportation, guest engagement, Net Zero design and operational principles.

During the development lifecycle of all assets - whether refurbishment/repositioning projects or new builds - efficiency and environmental impact is considered. Key targets include designing the assets to achieve base levels of sustainability, which vary depending on the hotel's brand and geographic location. Key considerations as part of this process include, targeting high NABERS Energy and Water ratings, adhering to IHG's Green Engage sustainability initiatives (depending on brand selected), sustainable transportation, guest engagement, and more.



Pro-invest Group Photography, Holiday Inn Express Melbourne Southbank, 2022

IHG'S GREEN ENGAGE: SUSTAINABILITY DESIGN INITIATIVES

All hotels that have been designed & developed by Pro-invest Group adhere to the Level 1 Green Engage development-related sustainability standards, as per the brand standard requirements under IHG. Two assets exceeding this standard to being designed to achieve Level 4 Green Engage.

Green Engage is an environmental sustainability system that is designed to help IHG-branded hotels reduce their energy, water and waste, and improve their impact on the environment. Green Engage boasts 4 levels of certification across over 200 sustainability initiatives. Level 1 Green Engage comprises of 10 initiatives spanning across development and operational related initiatives.

Eight of the 12 IHG-branded operational hotels under Pro-invest Group's management have completed Level 1 Green Engage initiatives. The remainder of the operational hotels are currently within the process of targeting Green Engage compliance and certification, with for instance the voco and Holiday Inn Express Auckland City Centre hotels targeting Level 4 Green Engage now that the dual branded assets are operational. Efforts are currently also in place to ensure that all initiatives and documentation is in place for when the hotels under development commence operation to allow Level 1 Green Engage to be reached speedily.

MODULAR CARPETS FOR A LOWER ENVIRONMENTAL FOOTPRINT

As a hotel developer, owner and operator, Pro-invest has the ability to challenge conventional thinking, benefitting from the ability to adapt to change, try new things and build its hotels to high sustainability standards.

Subsequently, Pro-invest's hotels' carpets continue to be manufactured by Interface Inc – the world's largest manufacturer of modular carpets. The Interface carpet tile is entirely recyclable, reducing landfill. Furthermore, providing modular carpet over standard broadloom provides several advantages, including less waste during the installation phase as cut tiles can be reused elsewhere, as well as the ability to replace single or multiple carpet tiles in case of damage or staining, rather than replacing a whole room or part of a corridor with broadloom.

The following hotels feature the recyclable carpet along with their respective size quantities. Since this Interface carpet tile was adopted at these hotels, Interface has launched its Carbon Neutral Carpet tile. All greenfield fund hotels developed since the Carbon Neutral Carpet tile by Interface has adopted the product, as is disclosed in the following pages. The environmental impact of the Carbon Neutral Carpet tile is also disclosed.

MODULAR CARPET ENVIRONMENTAL IMPACT

	Recycled Carpet Flooring sqm	% Share of Recycled Yarn Content
Holiday Inn Express Sydney Macquarie Park	1,680	45%
Holiday Inn Express Brisbane Central	2,294	46%
Total Impact	3,974	-



	Carbon Neutral Flooring sqm	Tonnes of Carbon Retired	Car Emissions Equivalent
voco Auckland City Centre	5,728	50	199,760
Holiday Inn Express Sydney Airport	4,498	40	161,747
Holiday Inn Express Newcastle	3,136	34	134,122
Holiday Inn Express Melbourne Southbank	7,256	75	295,276
Holiday Inn Express Melbourne Little Collins	10,892	97	392,236
Holiday Inn Express Auckland City Centre	5,384	48	194,096
Holiday Inn Express Adelaide City Centre	4,411	39	157,703
Holiday Inn Express & Suites Sunshine Coast	3,280	29	115,861
Holiday Inn Express & Suites Queenstown	5,579	52	207,668
Total Impact	50,164	464	1,858,469



DESIGNING TO ACHIEVE HIGH NABERS RATINGS IN OPERATIONS

With an ever-changing investment landscape, we recognise that the expectations of investors for the real asset sector have fundamentally changed and that investors are increasingly placing value on greater levels of transparency regarding the ESG performance of real asset portfolios. With ESG and sustainability engrained throughout the lifecycle of each hotel, Pro-invest Group strives to achieve excellence in sustainable design, with our typical base hotel designed to achieve a baseline of 4.5-star NABERS in design, targeting 5-star NABERS across the hotel portfolio.

NABERS is a tool to aid in accurately measuring, understanding and communicating the environmental performance of a building while identifying areas for cost savings and future improvements. A NABERS rating helps building owners to accurately measure and communicate the environmental performance and progress of buildings. It also identifies areas for savings and improvements. NABERS is a national rating system that calculates and rates the performance of an existing building, or part of one, on a particular environmental indicator at a certain point in time based on retrospective consumption using a 6-star rating scale, with 6-stars demonstrating market leading performance.



Source: NABERS Website, About, 2021.

NABERS Hotel Tool in New Zealand

NABERS for hotels is currently not active in New Zealand, thus Pro-invest will not be able to obtain a NABERS Energy or Water rating for its New Zealand based hotels.

DISCLOSURE: At Pro-invest Group, we are committed to understanding our environmental performance and obtaining independent certification to verify our environmental endeavours across our portfolios. We are proud to have consistently obtained such verifications year on year since 2017 with our cornerstone Fund 1 assets. However, we recognise that 2021 has delivered a trading year that was far from usual, with COVID-19 impacting much of the operational data. As such, these current NABERS results should be viewed in the context of having been achieved during other than “standard/normal” trading conditions and with a revised calculation methodology. Moving forward, having dealt with the challenges of the past year, we remain committed to implementing our ESG strategies, and playing our part in supporting the hotel industry progress towards a more sustainable future through the adoption of external verification mechanisms.



**HIE Sydney
Macquarie Park**

★★★★★
NABERS
ENERGY

★★★★★
NABERS
WATER



**HIE Brisbane
Central**

★★★★★
NABERS
ENERGY

★★★★★
NABERS
WATER



**HIE Adelaide
City Centre**

★★★★★
NABERS
ENERGY

★★★★★
NABERS
WATER



**HIE
Newcastle**

★★★★★
NABERS
ENERGY

★★★★★
NABERS
WATER



**Sebel Canberra
Civic***

★★★★★
NABERS
ENERGY

★★★★★
NABERS
WATER



**HIE Melbourne
Southbank**

★★★★★
NABERS
ENERGY



**HIE Sydney
Airport**

★★★★★
NABERS
ENERGY



FYE 2022
INTRODUCTION

ENVIRONMENTAL
PERFORMANCE

SOCIAL
ENGAGEMENT

GOVERNANCE
PRACTICES

ESG OUTLOOK
2023-2025

GRI
INDEX

*Managed account asset.

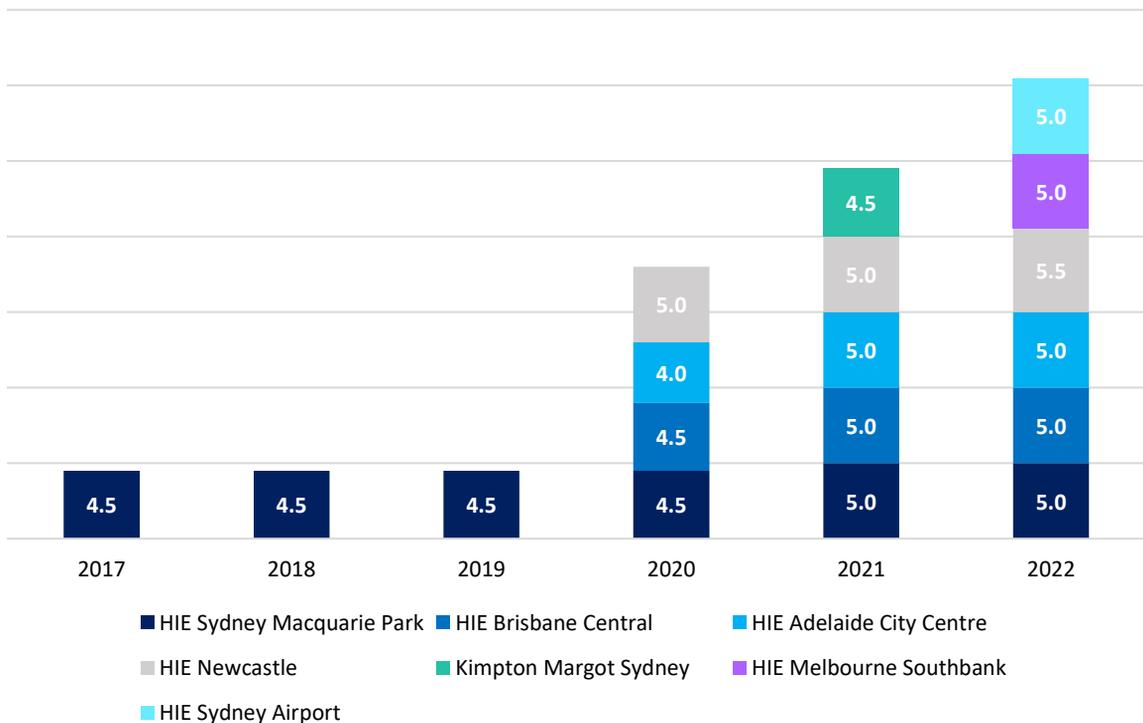
By focusing on new purpose-built hotels, Pro-invest Group has a significant advantage of being able to ‘future proof’ its hotel portfolio, not just from a technical perspective but also with respect to the introduction of environmental standards and initiatives. By having control and oversight of the hotels’ entire lifecycle with sustainability measures implemented throughout the hotels’ lifespan, Pro-invest can derive tangible advantages, for instance, the form of reduced utility bills and operational expenses.

Pro-invest believes that designing and developing its assets in the most environmentally friendly manner feasible will aid in obtaining additional forthcoming rewards, which has benefits spanning beyond the tangible financial savings, expanding to that of improved product offerings, increased guest and employee engagement, and not to mention regulatory compliance in an environment that is evermore tuned in to the risks and opportunities of climate change.

ACHIEVING HIGH NABERS DURING OPERATIONS

Pro-invest Group has established a strong track-record obtaining high NABERS Energy and Water ratings across eligible hotels under its control. To be eligible, several criteria must be met under NABERS rules, including requiring a minimum of 12 months continuous trading.

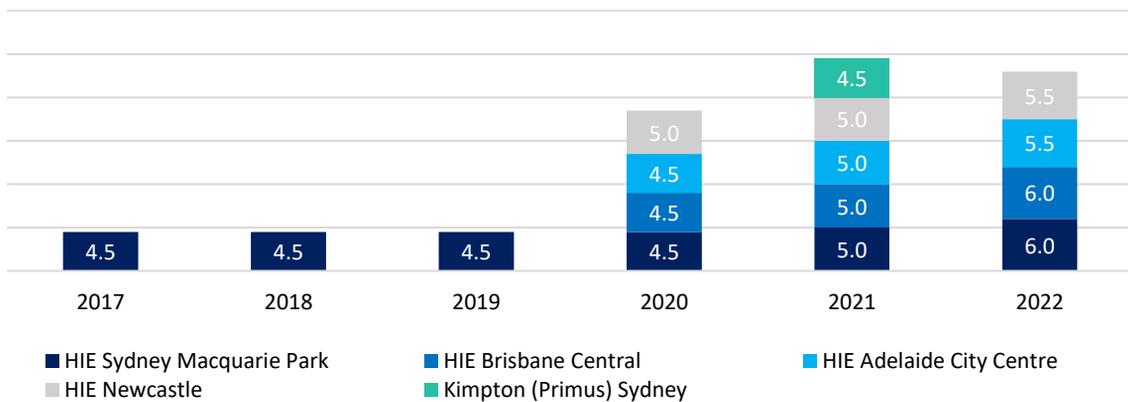
NABERS ENERGY (WITHOUT GREENPOWER) UPTAKE & PERFORMANCE:



HIE = Holiday Inn Express

Holiday Inn Express Hotel	NABERS Energy (without Green Power)	NABERS Energy with Green Power	Green Power %	GHG Emissions with Green Power (kg CO ₂ -e p.a.)	GHG Emissions without Green Power (kg CO ₂ -e p.a.)	Energy Intensity by Room (MJ/room)	Total Energy Use (MJ p.a.)
Sydney Macquarie Park	5-star	5.5-star	18.8%	559,039	683,282	15,615	2,990,291
Brisbane Central	5-star	5.5-star	30.2%	741,295	1,042,178	20,429	4,617,083
Adelaide City Centre	5-star	5.5-star	30.1%	458,476	626,802	20,410	4,955,765
Newcastle	5.5-star	6-star	30.2%	437,711	610,793	16,912	2,875,164
Melbourne Southbank	5-star	5.5-star	28.6%	1,061,816	1,400,704	28,621	7,799,326
Sydney Airport	5-star	5.5-star	27.4%	717,549	963,260	19,058	4,616,022

NABERS Water Uptake & Performance



Please note, Holiday Inn Express Sydney Airport and Holiday Inn Express Melbourne Southbank due to the water provider having estimated too many of the meter readings per NABERS rules.

Holiday Inn Express Hotel	NABERS Water	Externally Supplied Water that is Recycled	Total Water Consumption p/room (kL/room p.a.)	Total Water Consumption (kL p.a.)
Sydney Macquarie Park	6-star	0.0%	11.490	2,201
Brisbane Central	6-star	0.0%	16.470	3,722
Adelaide City Centre	5.5-star	0.0%	27.790	6,748
Newcastle	5.5-star	0.0%	23.410	3,979
Melbourne Southbank	Not Applicable			
Sydney Airport	Not Applicable			

MONITORING HOTEL CONSUMPTION

Pro-invest Group in FYE 2022 transitioned to an improved, hotel specific brand agnostic sustainability management system, Greenview, for all hotels under its Fund portfolio. This includes all operational hotels under Fund I, Fund II and Fund III. The system is aligned to the Global Sustainable Tourism Council.



Holiday Inn Express
Sydney Macquarie Park | Opened
Apr 2016



Holiday Inn Express
Brisbane Central | Opened Apr
2017



Holiday Inn Express
Adelaide City Centre | Opened Oct
2017



Holiday Inn Express
Newcastle | Opened Mar 2019



Holiday Inn Express
Melbourne Southbank | Opened
Dec 2019



Holiday Inn Express & Suites
Queenstown | Opened Jul 2020



Holiday Inn Express
Sydney Airport | Oct 2020



Holiday Inn Express
Melbourne Little Collins | Opened
Feb 2022



Holiday Inn Express
Auckland City Centre | May 2022



Kimpton Margot Sydney | Opened
Feb 2022



Holiday Inn Express & Suites
Sunshine Coast | May 2022



voco Auckland City Centre |
Opened May 2022



Sebel Canberra Campbell | Opened
post FYE 2022, in Sep 2022.

Hotel Brands under the Funds Portfolio



MONITORING ENVIRONMENTAL & SOCIAL IMPACT

A NEW SUSTAINABILITY MANGEMENT SYSTEM

Pro-invest Group is pleased to announce that it has transitioned to an improved sustainability management system, Greenview, for all hotels under its Fund portfolio. This includes hotels under Fund I, Fund II and Fund III. The research, selection and transition works to the new SMS has been in preparation for several months, and was largely prompted by Pro-invest Group’s ever-growing brand-diversified portfolio and its need for quality, hotel-specific, brand-agnostic ESG data.

Greenview is an internationally recognised hotel specific SMS which a user base over 20,000 globally. Greenview is aligned to the Global Sustainability Tourism Council (GSTC), and Greenview is the world’s leading provider of sustainability programs and data management for the hotel industry. Greenview support companies to design, implement, and monitor their corporate responsibility and sustainability platforms to drive profitability, streamline data, keep ahead of trends, and provide effective communication for stakeholders. This has mean a change in how the hotels data is being captured and reported on.

With a strong user base, Greenview manages the hotel industry’s largest collaborative sustainability initiatives and leverages the power of its network to synergize value to its clients across three pillars of activity:

1. Corporate consulting and advisory
2. Greenview portal software
3. Industry benchmarking and collaboration



The framework comprises of four key phases and will see the Fund hotels be onboarded to the Greenview system - an online sustainability software to manage and improve ESG performance, as phase one. Phase two will see the continuation of NABERS Energy, Water and – where applicable – Carbon Neutral ratings and certifications used as a third-party efficiency validation. From thereon, phase three (where deemed necessary via set criteria) will see any hotels be audited, monitored and engaged in third-party fine tuning. This phase will only be deployed as and when Pro-invest Group believes the hotel is at risk of falling below the targeted efficiency levels. This is in alignment to Pro-invest Group’s Net Zero Carbon by 2030 commitment.

Further, phase four comprises of third-party environmental sustainability certification. A trial of schemes and rollout will be progressively deployed across the hotel portfolio. This approach will support the hotels’ performance via ESG-related data feeds, monitoring, performance and reporting via the brand-agnostic hotel system, Greenview. All four phases are also set to benefit Pro-invest Group’s membership with GRESB with expectations that the system will see score improvements under the GRESB Real Estate Assessment.

NET ZERO 2030 STRATEGY & TARGETS

FYE 2022 CONSUMPTION PROFILE BRIEF

In 2019, Pro-invest committed to targeting Net Zero by 2030 for its hotels under Pro-invest Australian Hospitality Opportunity Fund II. The Group has stayed true to this commitment and is embedded in its Pro-invest ESD Policy. Pro-invest has sought support to refine its strategy even further. The following provides a snapshot of the operational hotels (those which had 12 months of trading in FYE 2022), extracted from Pro-invest Group's sustainability management system which is in accordance with the Global Sustainable Tourism Council standards.

	4,260 MTCO₂e Total Carbon Emissions Scope 1 & 2 (Facility Only Location-based Method) +2.9% Y-o-Y	0.05 MTCO₂e Per Square Meter Carbon Emissions Scope 1 & 2 (Gross Floor Area) +2.9% Y-o-Y	0.03 MTCO₂e Per Occupied Room Carbon Emissions Scope 1 & 2 (Facility Only Location-based Method) -6.5% Y-o-Y
		10,803,690 kWh Total Energy Consumption (Facility Only) +26.2% Y-o-Y	119 kWh Per Square Meter Energy Consumption (Gross Floor Area) +26.2% Y-o-Y
	33,048 kL Total Water Consumption (Facility Only) -3.6% Y-o-Y	0.36 kL Per Square Meter Water Consumption (Gross Floor Area) -3.6% Y-o-Y	0.22 kL Per Occupied Room Water Consumption (Facility Only) -12.4% Y-o-Y
		265.5 MT Total Waste Generated +0.4% Y-o-Y	2.9 kg Per Square Meter Total Waste Generated +0.4% Y-o-Y
	185 MT Total Non-Diverted Waste +0.3% Y-o-Y		80 MT Total Diverted Waste +0.6% Y-o-Y

FYE 2022 CONSUMPTION NOTES & DISCLOSURE

In our commitment to transparency in the data we report to our stakeholders, please note the following:

- Data excludes any hotels that had under 12 months of continuous trading during FYE 2022. Data only captures the seven (7) hotels that had a full 12 months of trading in FYE 2022. Opening Dates are captured below for comparison purposes.
- Data has full (100%) data completeness (occupancy & environmental), with data extracted from the Greenview sustainability management portal.
- Data captured includes energy, water, waste & recycling, excludes refrigerant data at current. This will be included in FYE 2023.
- Carbon emissions boundary is Scope 1 & 2 emissions, calculated based on the Location-based method.
- A notable variance in FYE 2022 vs FYE 2021 is the reduction in emissions, this can be attributed to operational/asset management initiatives coupled with the acquisition of an average of 30% GreenPower over 12 months of trading across the six (6) hotels in Australia. This is considered to support with emissions reductions.
- Please note, both periods of FYEs have been impacted by COVID-19 trading, particularly that of FYE 2021. Please note this when reviewing consumption trends.

Holiday Inn Express Hotel	Opening Date	Full FYE 2021 Trading	Full FYE 2022 Trading
Sydney Macquarie Park	Apr 2016	✓ Yes	✓ Yes
Brisbane Central	Apr 2017	✓ Yes	✓ Yes
Adelaide City Centre	Oct 2017	✓ Yes	✓ Yes
Newcastle	Mar 2019	✓ Yes	✓ Yes
Melbourne Southbank	Dec 2019	✓ Yes	✓ Yes
Sydney Airport	Oct 2020	✗ No	✓ Yes
Queenstown	Jul 2020	✓ Yes	✓ Yes

NET ZERO CARBON STRATEGY UPDATE & PROGRESS: OPERATIONAL & UNDER DEVELOPMENT HOTELS

Pro-invest is exploring how best refine and strengthen this strategy in light of new technologies, increased standardization of internationally recognized methodologies, coupled with an ever-growing portfolio asset count.

Over the past year, we have seen the portfolio expand significantly. We have added 4 operational hotels between July 2021 to June 2022. This has increased the scale of what we are to reduce from an environmental footprint. While we are proud of the progress we have made so far, we recognize that there is still much work to be done in order to achieve our ambitious Net Zero Carbon target.

We remain committed to achieving our net zero goal, and we will continue to work towards reducing our carbon footprint, sourcing renewable energy, and engaging with our suppliers to reduce emissions.



*Symbolic of commitment to Net Zero, appreciating that carbon offsets are not a pathway to be relied on.

CARBON NEUTRAL HOTEL BUILDING CERTIFICATION

Holiday Inn Express Newcastle in October 2021 officially become the first hotel building in Australia to obtain Carbon Neutral certification under the NABERS Climate Active pathway; a testament to the hotel's efficient design, operations and management, led by Pro-invest Group.

A small portion of carbon offsets were acquired to support this transition. In 2022, Pro-invest Group renewed the hotel's carbon neutral certification under the NABERS Climate Active pathway. The audited components of the hotel's 2022 certification renewal are detailed in the figures below.

Building/Premises Name	Holiday Inn Express Newcastle
DETAILS	
Project Address	514 King Street, Newcastle, NSW, 2302, Australia
Carbon Neutral Certification Achieved (Issued by Climate Active/NABERS)	Yes
Certification Valid between	30/06/2022 to 30/06/2023
Total Emissions Offset	477 tCO ₂ -e
Offsets Bought	100% CERs
Renewable Electricity	48% (30.2% GreenPower)
Emissions Reduction Strategy	Hotel has achieved a NABERS Energy rating of 5.5-stars without GreenPower
Reporting Year <i>The 12 consecutive months of data used to calculate the NABERS star rating</i>	01/04/2021 to 31/03/2022
Emissions Boundary	Whole Building Scope 1: Refrigerants, Gas/Fuels Scope 2: Electricity Scope 3: Gas/Fuels & Electricity, Water, Waste, Wastewater.
Emissions Source Summary	Kg CO ₂ -e
<i>Scope 1: Refrigerants</i>	0
<i>Scope 1: Natural Gas</i>	29,946
<i>Scope 1: Diesel</i>	108
<i>Scope 2: Electricity</i>	316,437
<i>Scope 3: Natural Gas, Diesel & Electricity</i>	40,496
<i>Scope 3: Water & Wastewater</i>	5,253
<i>Scope 3: Waste</i>	84,924
Total Emissions	477 t CO₂-e

Carbon Offset Details	
Project Description	24 MW Bhilangana III Hydro Power Project
Type of Offset Unit	CERs
Registry	United Nations Carbon Offset Platform
Date Retired	01/09/2022
Serial Numbers	Start serial number: IN52027534142 202936 End serial number: IN52027538902 202936
Vintage	2013
Quantity	477
Eligible Quantity (t-CO2-e) (total quantity retired)	477
Eligible Quantity Banked for Future Reporting Periods	0
Eligible Quantity used for this Reporting Period Claim	477
Percentage of Total (%)	100%



Pro-invest Group Photography, Holiday Inn Express Melbourne Southbank, 2022

OPERATIONAL SUSTAINABILITY INITIATIVES ACTIVATING ONE EARTH, COUNTLESS EXPERIENCES

In 2022, as part of the launch of One Earth, Countless Experiences by Pro-invest Group, the team conducted site inspections at a sample of its hotels, testing the guest journey to understand where the ‘sustainable’ touchpoints are and are not. From this exercise, the team created a strategy to progressively improve the guest journey, ensuring that from brand awareness through to hotel arrival, stay and check-out, sustainability initiatives are activated. The following includes but is not limited to initiatives which were audited and re/activated across all Fund hotels:

-  Recycling bins in guest rooms & common areas
-  Bicycles where location permits
-  No plastic straws or drinking water bottles, except for recycled plastic bottles available for sale in 2 x hotel micro-markets
-  Accelerated rollout of bulk bathroom amenities
-  A Greener Stay environmental housekeeping initiative targets increased
-  Real plants instead of plastic plants
-  Reduced in-room printed collateral, with bamboo signage replacements where feasible
-  Single-use coffee cups only available on request during buffet breakfast



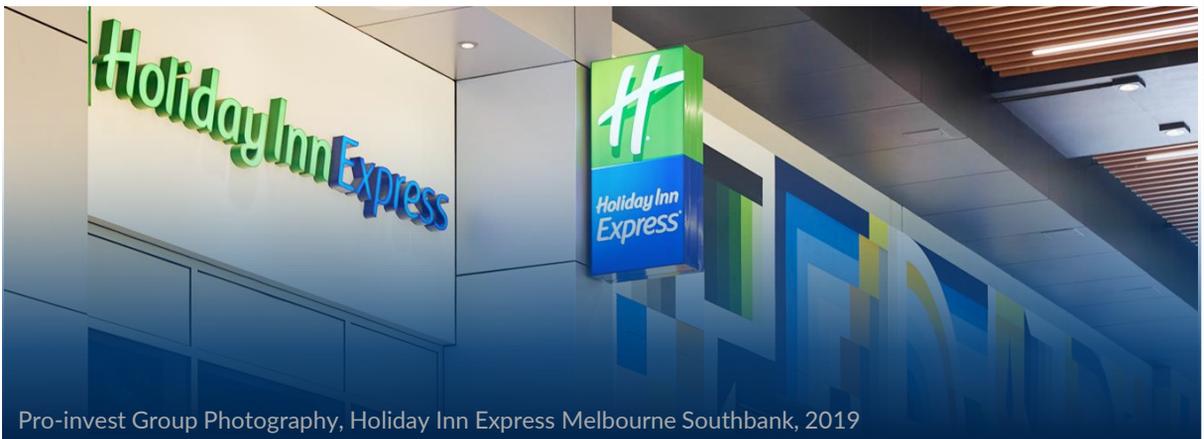
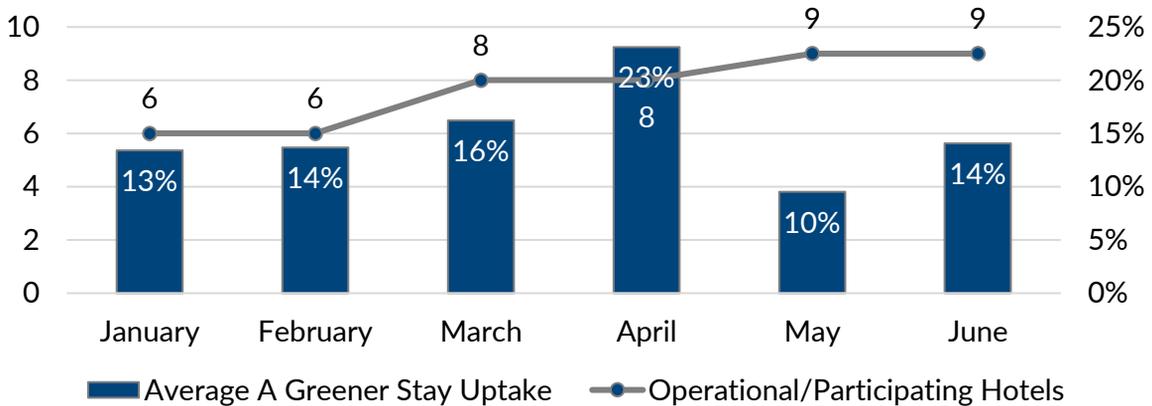
Pro-invest Group Photography, Kimpton Margot Sydney, 2022

GREENER STAY PORTFOLIO ROLLOUT CONTINUES

During late 2017, Pro-invest - in collaboration with IHG - introduced the environmental initiative 'Greener Stay' to the Asia Pacific region. The initiative enables guests staying more than two nights to opt out of housekeeping services and receive 500 IHG Rewards Points in return. The initiative provides Pro-invest's operational hotels with numerous benefits, including promoting an environmental initiative that reduces the cost of laundering bed linen and toweling, the ability to attract and enroll new IHG Reward Members, and savings in room cleaning costs.

Pro-invest Group and its hotels continue to recognize the importance of the A Greener Stay initiative and will sustain efforts to drive forward its uptake as occupancy across the operational portfolio lifts, with the Greener Stay adoption targets having been set across each operational hotel. The chart displays the average uptake of the 'Greener Stay' initiative during the January 2022 to June 2022 period. The reason for this snapshot period only is due to a methodology change in how the initiative is being calculated across the growing portfolio. This new methodology looks at the initiative's opportunity nights coupled with the uptake of the nights to derive an average across the operational/participating hotels.

GREENER STAY UPTAKE PERFORMANCE



GREEN LOANS ON THE RISE

Pro-invest Group is pleased to announce that Aareal Bank's first green loan has been awarded to one of its fund assets. Aareal Bank's green loan is governed by its "Green Finance Framework", with the Bank acting as Arranger and Sole Lender providing a mortgage loan of c. A \$39 million to the Holiday Inn Express Sydney Macquarie Park hotel. The financing agreement according to the Framework established at Aareal Bank in H1 2021 is subject to a host of quantitative and qualitative environmental criteria. The Framework has been reviewed through Sustainalytics verifying that the Framework is credible and impactful, aligning with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2020. The agreement also contains associated covenants to which the borrower has committed, and which are to be reviewed regularly.

Holiday Inn Express Sydney Macquarie Park serves as Pro invest's first operational hotel which commenced trading in April 2016 with the hotel featuring several design, development and operational initiatives focused on sustainability. Environmentally friendly initiatives range from sustainably produced or energy efficient equipment, smart light and air conditioning management, improved housekeeping and laundry routines, and leads up to the systematic recording and auditing of consumption data. The hotel has achieved a post construction >4.5-Star rating for both Energy and Water under NABERS for 5 consecutive years.

Since, the Sydney Macquarie Park hotel's green loan, three other hotels under Pro-invest Group's portfolio have secured green loans, with several more opportunities under consideration by the Group.

1st	A\$39mn	>4.5-star	3
Green Loan Awarded by Aareal Bank (2021)	Mortgage 'Green' Loan (Arranger & Sole Lender)	NABERS Energy & Water for 6 Consecutive Years by Hotel	Other Green Loans secured under Pro-invest Hotel Portfolio

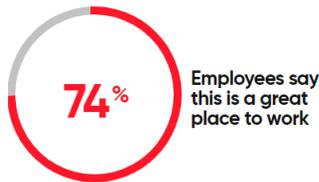
SOCIAL IMPACT AND ENGAGEMENT

PRO-INVEST GROUP AUSTRALIA & NEW ZEALAND RECEIVES GREAT PLACE TO WORK AWARD

As of finalizing this report in January 2023, Pro-invest Group is pleased to announce having been recognized a great place to work by Great Place to Work in Australia and New Zealand, receiving certifications for its business operations in both countries.

Disclosure: Please note that the survey results are a reflection of Pro-invest Group and Vista Hospitality Group employees collectively. Due to the survey having been completed as one application for Australia and New Zealand respectively, the results cannot be extracted for Pro-invest Group or Fund I, II and III hotel employees specifically. Nonetheless, the outcomes are indicative that Pro-invest Group is a great place to work and has built high-trust, and high-performance cultures.

AUSTRALIA



NEW ZEALAND



Pro-invest Group Photography, 2022

EMPLOYEE SURVEYS

Since 2018, Pro-invest has been performing bi-annual Employee Engagement Surveys in a direct response to the ESG gap analysis performed on an annual basis along with the significant growth experienced across. The Surveys serve as a mechanism to assess the perspectives and beliefs of Pro-invest employees in an anonymous manner, encouraging them to share their true thoughts on the state of their working environment, along with the potential future directions of Pro-invest.

Overall, the Surveys cover the topics of Governance, ESG, Relationship Management, Career Development, Environment, Work Engagement Benefits, Work Environment and Health & Well-being, amongst others. The feedback received are subsequently placed into action where feasible, allowing Pro-invest to continue to evolve and improve employee engagement and satisfaction levels.

100%
of employees
received the H1 2022
Employee Engagement
Survey

92%
of employees
Responded to the H1 2021
Employee Engagement
Survey

**Qualitative &
Quantitative**
Measures were incorporated
within the Employee Engagement
Survey's structure

**Post-Survey
Action Plan**
Implementation for employee
satisfaction was executed.



Pro-invest Group Photography, voco Auckland City Centre, 2022

DIVERSITY & INCLUSION

Pro-invest Group consciously supports diversity and inclusion across the organization, with this being backed by Employee Environment Policy. The Employee Environment Policy is a key pillar policy of the Pro-invest Business Code of Conduct, with the Policy detailing Pro-invest’s approach to diversity.

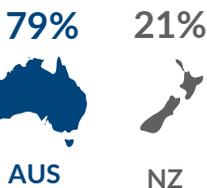
The Group and its hotels are committed to an inclusive workplace that encompasses and promotes diversity and equal opportunity. The Group acknowledges the skills and perspectives that people may bring to the workplace by gender, race, ethnicity, disability, age, sexual orientation, gender identity, intersex status or other differences. Pro-invest is committed to offering opportunities to allow employees to reach their full potential and Pro-invest Group rewards employees based on assessments of individual performance and capability.

Through ongoing revision of our policies and procedures, we ensure there is no discrimination against gender, religion, ethnic background, sexual orientation or the like during the recruitment phase nor throughout the employment of our personnel at Pro-invest. We strive to facilitate an inclusive workplace where employees are free to express their diversity and unique attributes.

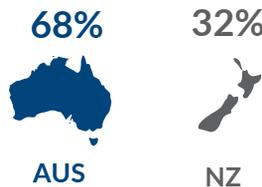
TOTAL PRO-INVEST GROUP APAC EMPLOYEES

C. 600

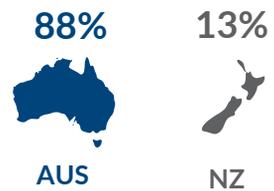
FULL-TIME EMPLOYEES



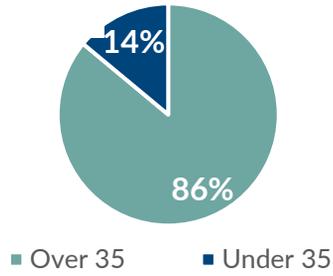
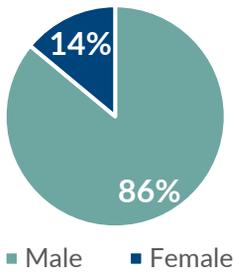
PART-TIME EMPLOYEES BY



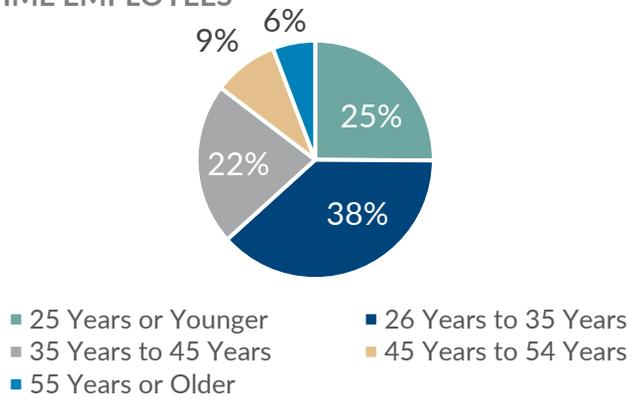
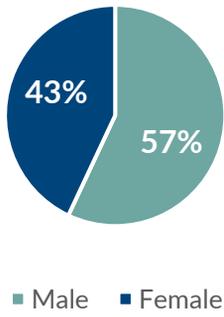
TEMPORARY EMPLOYEES BY



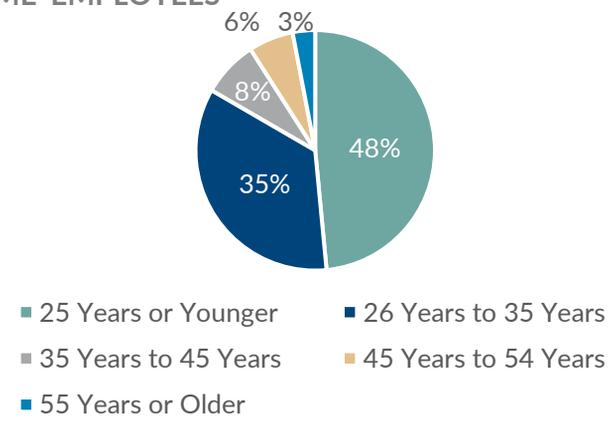
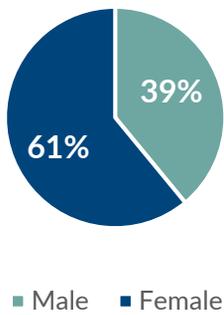
GOVERNANCE BODY MEMBERS



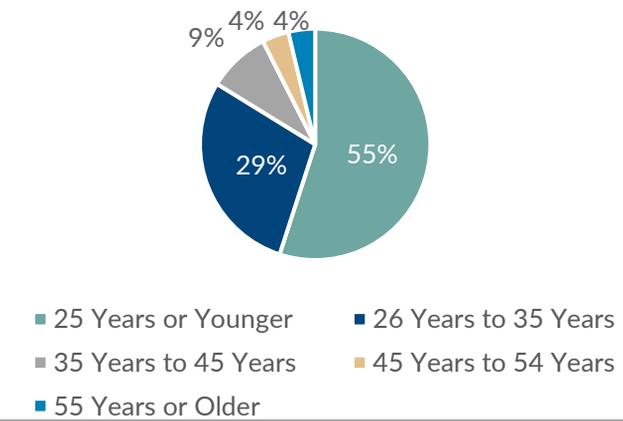
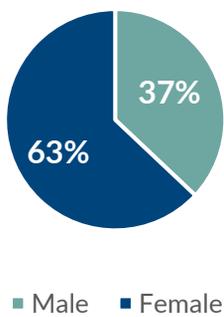
FULL-TIME EMPLOYEES



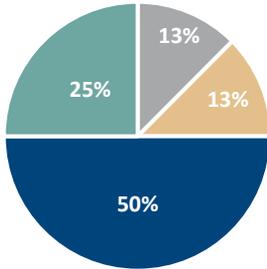
PART-TIME EMPLOYEES



TEMPORARY EMPLOYEES

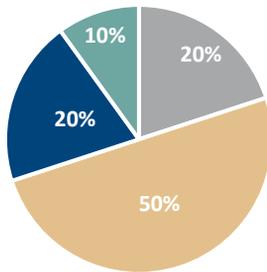


EXECUTIVE LEVEL/C-LEVEL LEADER



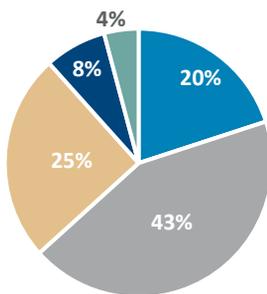
- 25 Years or Younger
- 26 Years to 35 Years
- 35 Years to 45 Years
- 45 Years to 54 Years
- 55 Years or Older

MID-LEVEL MANAGER



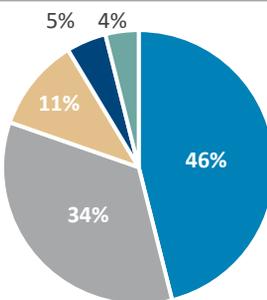
- 25 Years or Younger
- 26 Years to 35 Years
- 35 Years to 45 Years
- 45 Years to 54 Years
- 55 Years or Older

FRONTLINE MANAGER OR SUPERVISOR



- 25 Years or Younger
- 26 Years to 35 Years
- 35 Years to 45 Years
- 45 Years to 54 Years
- 55 Years or Older

EMPLOYEES



- 25 Years or Younger
- 26 Years to 35 Years
- 35 Years to 45 Years
- 45 Years to 54 Years
- 55 Years or Older

RATIOS OF STANDARD ENTRY LEVEL WAGE RELATIVE TO LOCAL MINIMUM WAGE

	FYE 2021	FYE 2022
Local Minimum Wage per Hour	A\$19.84	A\$20.33
Male Entry Level Wage Ratio	2.72	1.44
Female Entry Level Wage Ration	1.52	1.88

APPROACH TO REMUNERATION

Pro-invest Group’s remuneration framework is aligned to market data, group and individual performance, and stakeholder perspectives. The remuneration mix includes fixed pay, short-term incentives, and long-term incentives where applicable. Fixed pay includes an individual’s cash salary, superannuation contributions, and packaged benefits. It is initially determined via market analysis that is conducted against publicly available data for similar roles in published remuneration guides or other externally provided data. Individual salaries are formally reviewed on an annual basis against market data and individual feedback and development plans, which are discussed below. Short- and long-term incentives are linked to the financial and non-financial results of Pro-invest Group overall, as well as each operating group, and individual performance. This comprises:

Element	Description
Business performance and investor satisfaction	<ul style="list-style-type: none"> • Delivery of strong company performance over the short and long-term • Build trust and loyalty with investors • Deliver excellence that exceeds expectations
Strategy execution and operational excellence	<ul style="list-style-type: none"> • Execution of core activities relating to the business’ strategic direction and operating model • Continuous improvement to, and innovation of the business’ strategy and operating models
People and culture	<ul style="list-style-type: none"> • Foster a positive work environment • Demonstrate commitment to diversity, equity, and inclusion • Assist the business in maintaining appropriate WHS practices
Compliance and risk management	<ul style="list-style-type: none"> • Adherence to legal guidelines, compliance protocols and in-house policies to maintain the Group Businesses’ legality and business ethics • Management of financial and non-financial risks

Individual performance is also assessed against non-financial considerations. This is to ensure employees are accountable for their decisions, actions, and commitment to supporting a high-performing and inclusive work environment. Non-financial considerations, among others, include a commitment to building a diverse and equitable workplace, cross-collaboration across Pro-invest Group, and high levels of employee engagement as measured in our Employee Engagement Surveys. Employees also complete an individual feedback and development plan at the start of each year against which their performance is assessed. The plan includes development objectives for each role which are formally assessed on a bi-annual basis. FYE 2023 will see the incorporation of ESG-related attributes into the non-financial considerations of individual remuneration.

SAFE & INCLUSIVE WORKING ENVIRONMENT

APPROACH

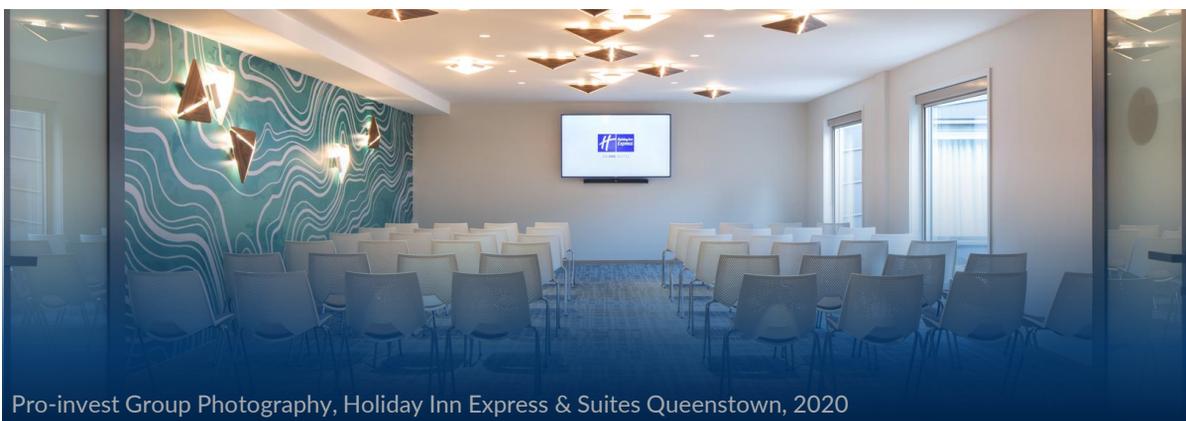
Pro-invest Group is committed to delivering a safe working environment and expects its employees to conduct themselves accordingly. All employees are made aware of Pro-invest Group’s approach to Workplace Health & Safety (WHS) and discrimination and Harassment upon commencement of their employment, with annual training (at minimum) to ensure appropriate exposure of the compliance policies, as part of the Pro-invest Group Code of Business Conduct Framework.

Pro-invest Group does not tolerate any forms of discrimination and harassment and acknowledges that all employees have the right to work in an environment free from such conduct. All employees are expected to work in an environment free from such conduct. In the event of any breach to this stance (supported by Pro-invest Group’s Code of Business Conduct Framework and pillar policies), Pro-invest ensures that employees are equipped with the resources to report any such behavior either to management, People & Culture, the Compliance team, or confidentially via the Raising a Concern tool. Pro-invest Group takes any concerns reported seriously, with a thorough investigative and remedial action process.

OUTCOMES & RECORDS

There were no incidents of discrimination or corrective actions required during FYE 2022. During FYE 2022, no major work-related hazards have posed a risk of high-consequence injury. Further, the rates calculated above are based on 200,000 hours worked. No workers have been excluded from this disclosure. The methodologies used to calculate the above are consistent with the methodologies and formulas required under the GRESB Real Estate report, thus ensuring both reports are consistent with one another.

Incidents of Discrimination & Corrective Actions Taken	Frequency
Total number of incidents of discrimination recorded.	0
Status of the incidents and actions taken.	N/A
Total Incidents Recorded in FYE 2022	0



Pro-invest Group Photography, Holiday Inn Express & Suites Queenstown, 2020

Employee Work Related Injuries at a Corporate & Hotel Level	Rate
Number & rate of fatalities as a result of work-related injury	0, 0%
Number & rate of high-consequence work-related injuries (excl. fatalities)	0, 0%
Number & rate of recordable work-related injuries	0, 0%
Main types of work-related injury	0, 0%
Number of hours worked	N/A
Non-Employee Workers Whose Work &/or Workplace is Controlled by the Organisation	Rate
Number & rate of fatalities as a result of work-related injury	0, 0%
Number & rate of high-consequence work-related injuries (excl. fatalities)	0, 0%
Number & rate of recordable work-related injuries	0, 0%
Main types of work-related injury	0, 0%
Number of hours worked	N/A

During the reporting period of FYE 2022, 100% of employees immediately overseen and employed by Pro-invest Group received regular performance and career development reviews. Pro-invest Group ensures that its personnel at both a corporate and hotel level has access to skills and transition assistance programs. Pro-invest Group does not employ security thus this indicator is only partially applicable to the Group. This is as the Duty Managers of the hotels are trained under the IHG Human Rights Policy and have executed a Policy Declaration which certifies that the Duty Managers have executed such training. These Policy Declaration forms are executed at a hotel level.

There have been no substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE 2022.

Substantiated Complaints Concerning Breached of Customer Privacy & Losses of Customer Data	Frequency
Total number of substantiated complaints received concerning breaches of customer privacy.	0
Total number of identified leaks, thefts, or losses of customer data.	Pro-invest Group has not identified any substantiated complaints.
Total Incidents Recorded in FYE 2022	0

EMPLOYEE TRAINING & DEVELOPMENT

APPROACH

Pro-invest Group takes training, education and development seriously. In FYE 2022, monthly at minimum Learning & Development sessions were established for directly employed Pro-invest Group employees.

The Learning & Development sessions were supplementary to the annual training & education sessions that comprise of Legal & Compliance, and ESG/Sustainability matters, along with any individual employee personal & development training programs established to advance and retain talent.

Specifically, the Learning & Training sessions hosted by Pro-invest Group included the following examples and was established with the purpose of ensuring continued training and development opportunities for all team members, with the intent to also allow the diverse team to gain exposure to other departments for the understanding and success of advancing the business and its talent:



**Business Code of
Conduct**



Sustainability



Revenue & Sales



Gender Equality



Marketing



Regulatory Compliance



Debt Finance



Insurance



Acquisitions



Hotel Brands



& More..

Supplementary to this, all Pro-invest Group employees receive regular performance and career development reviews, supported by the People & Culture team. Each employee in accordance with their performance and career development reviews, are supported with training and development opportunities tailored to their specific personal and professional aspirations.

ETHICAL BUSINESS PRACTICES

Under Pro-invest Group’s Code of Business Conduct Framework, without exception, every Pro-invest Group member is required to comply with all applicable laws and regulations relevant to the country in which Pro-invest operates in, with this including the respect for the Human Rights of Pro-invest Group’s employees and stakeholders (i.e. Suppliers), as set out in the United Nations’ Universal Declaration of Human Rights and the United Nations’ Guiding Principles on Business and Human Rights and International Labour Organisation’s Declaration on Fundamental Principle and Rights at Work. Further, Pro-invest Group has a dedicated Modern Slavery Policy and framework under draft format. It looks forward to its implementation in FYE 2023.

Pro-invest Group has adopted its Responsible Business Practices Framework which has allowed the Group to screen suppliers to ensure that they act in accordance with the Pro-invest Group Code of Business Conduct. This includes coverage across environmental and social criteria important to the business and its supply chain.

Operations & Suppliers at Significant Risk for Incidents of Child Labour	Frequency
a. Operations and suppliers considered to have significant risk for incidents of: i. Child labor; ii. Young workers exposed to hazardous work.	0
b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: i. Type of operation and supplier; ii. Countries or geographic areas with operations and suppliers considered at risk.	N/A
Total Operations & Suppliers Deemed at Significant Risk in FYE 2022*	0

Operations & Suppliers at Significant Risk for Incidents of Forced or Compulsory Labour	Frequency
a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: i. Type of operation (i.e. manufacturing plant) and supplier; ii. Countries or geographic areas with operations and suppliers considered at risk.	0
Total Operations & Suppliers Deemed at Significant Risk in FYE 2022*	0

*Note, to the extent that Pro-invest Group has oversight.

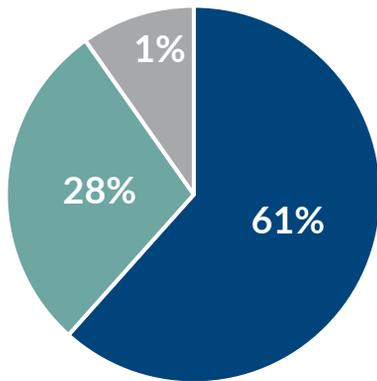
ENGAGEMENT & SUPPORT

During FYE 2022, Pro-invest Group continued to support disadvantage children's learning & development, along with health issues such as cancer and supporting the recovery of animals and wildlife following the flood crisis in Australia, via purposeful purchases. Below is a snapshot of our community engagement efforts.

\$2,450
Total raised/donated in
FYE 2022

→

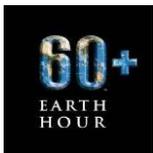
+0.4%
Increase compared to
FYE 2021



- The Smith Family's Christmas Book & Toy Appeal
- Cancer Council's Biggest Morning Tea
- RSPCA Flood Recovery Drive



International Women's Day



Further, Pro-invest Group reactivated its dedication to Learning & Development sessions with the lifting of restrictions in the beginning of 2022. This saw several causes be supported and a broader understanding of the intertwined relationship the Group, its employees and operations have with the environment and society. Examples include supporting Earth Hour and International Women's Day.



KNOWLEDGE SHARING: ESG & SUSTAINABILITY

Having already had a strong consideration and active presence in marketing and knowledge sharing exercises, Pro-invest Group has continued along with its ESG Public Relations Strategy to externally communicate its ESG knowledge and promote its ESG activities to a broader audience during FYE 2022. This forms part of Pro-invest Group's ESG policy, to be active in the marketplace to drive forward industry movement with respect to sustainability. For instance, during the FYE 2022, Pro-invest was involved in the following activities.

CASE STUDIES/REPORTS:

Several pieces were produced during the period, having been published and featured by INSEAD, NABERS, Hotel Management, Institutional Real Estate Inc., Clean Energy Finance Corporation, etc. For more information, [please click here to read.](#)

CONFERENCES & SPEAKING SESSIONS:

Multiple speaking sessions were conducted, supporting Pro-invest Group's efforts to connect and share its acquired knowledge around ESG. Pro-invest Group was fortunate to participate in these speaking opportunities hosted by NABERS, AHICE, INSEAD, SkyNews and the like. For more information, [please click.](#)



AWARDS:

- Finalist for The Urban Developer Australia & New Zealand Awards' Excellence in Industry Leadership: One Earth Countless Experiences by Pro-invest Group 2022
- Finalist for Investor Group for Climate Change (IGCC) Climate Award 2022: Pro-invest Group, 2022
- Finalist for Finder Green Awards for Green Hotel of the Year: Holiday Inn Express Newcastle, 2022
- Finalist for Property Council of Australia/Rider Levett Bucknall Awards for Best Sustainable Development: Holiday Inn Express Newcastle, 2022
- Highly Commended for Environmental Program – Pro-invest Group – HM 2021 Awards
- Finalist for the Lawyers Weekly Corporate Counsel Awards for Wellness Initiative of the Year, 2022

MEMBERSHIPS & ASSOCIATIONS

Pro-invest Group is a proud member of the following:

1. **ANREV** (Asian Association for Investors in Non-Listed Real Estate Vehicles)
2. **INREV** (European Association for Investors in Non-Listed Real Estate)
3. **GRESB** Real Estate Member (previously known as, Global Real Estate Sustainability Benchmark)
4. **Property Council of Australia**
5. **Hotel Owners for Tomorrow Coalition**
6. **Sustainable Destinations Partnership** by the City of Sydney Council
7. **Greenview**
8. **IHG Owners Association**
9. **IPE** (Investments & Pensions Europe)

Further memberships and associations are underway to support the Group's advancement for its ESG strategy. Where possible and as and when the opportunity presents itself, Pro-invest Group actively participates in the membership offerings and opportunities to raise awareness to, and gain learnings from peers with respect to sustainably designed and operated assets.

ANREV

INREV

GRESB
REAL ESTATE
member

PROPERTY COUNCIL
of Australia

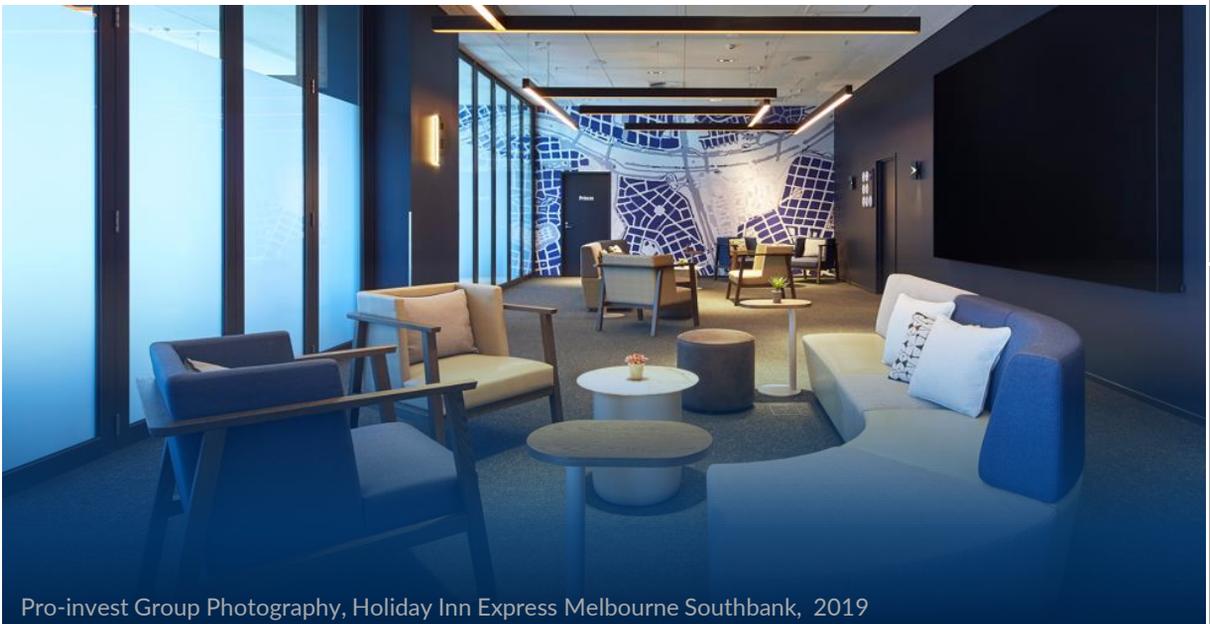
IPE REAL ASSETS

HOTEL OWNERS FOR TOMORROW

SUSTAINABLE DESTINATION PARTNERSHIP

GREENVIEW

IHG OWNERS ASSOCIATION



Pro-invest Group Photography, Holiday Inn Express Melbourne Southbank, 2019

GOVERNANCE PRACTICES

OVERVIEW

At Pro-invest, we continuously strive to maintain best practice governance policies and procedures to ensure ongoing investor confidence. This means that Pro-invest periodically conducts reviews and engages with third-party institutions to ensure we remain up to date and compliant with legislation and governance frameworks within the geographic environments that our operations expand to.

With that in mind, we incorporate a range of ESG and sustainability considerations across our business operations and hotel portfolio's lifecycle. For instance, we have formed alignments with leading institutions such as ANREV and INREV, GRESB and Hotel Owners for Tomorrow and more, to enable us to have the appropriate resources at hand to ensure we are continuously improving our controls and procedures with respect to asset design, utility consumption and a host of other sustainability objectives.



Pro-invest Group Photography, Holiday Inn Express Brisbane Central, 2017

CODE OF BUSINESS CONDUCT

COMPLIANCE APPROACH

Pro-invest Group is proud to be a real estate private equity group that is dedicated to both achieving business success and its social goals. We believe that our Group's responsibility does not just stop with our investors and our assets, but also extends to cover all our stakeholders: employees, suppliers, contractors, customers, collaboration partners and the communities in which we work. Without our stakeholders, our good work would be meaningless.

At the core of Pro-invest Group are the four guiding principles of Trust, Transparency, Integrity and Commitment. Since its inception, these four principles are the basis at which Pro-invest operate and have been entrenched in the way we conduct ourselves with its stakeholders. The Code of Business Conduct sets Pro-invest's commitment to its stakeholders and the standards at which all members of the Pro-invest Group must adhere. All members, whether directors or employees, of Pro-invest Group are expected to follow and comply with the Code of Business Conduct. Pro-invest expects that members of the Group's businesses adhere to these principles as they are fundamental to the way in which we operate. Moreover, Pro-invest encourages our suppliers and external stakeholders with whom Pro-invest has frequent and/or strong relations to align to such principles. They are expected to adhere to the Pro-invest Group Code of Conduct for Business Partners.

TRUST | TRANSPARENCY | INTEGRITY | COMMITMENT

RAISING A CONCERN

Pro-invest Group believes that transparency and communication are essential to its success. As such, the Group wishes to be immediately informed of any potential breach or concern relating to the any of the Group's compliance policies or any behaviours which are unlawful or could potentially pose a threat or danger to the environment, the Group or any individual connected with Pro-invest Group.

Pro-invest Group strongly encourages all members and any of the Group's external stakeholders to directly raise and discuss any concerns related to the Group with their relevant point of contact or their manager. Otherwise, all members and stakeholders should raise their concerns with management or the Compliance team. Access to the 'Raising a Concern' tool is provided to all relevant stakeholders upon engagement with Pro-invest Group. If needed, the tool can also be used anonymously.

COMPLIANCE

During FYE 2022, there were no incidents of legal action taken for anti-competitive, anti-trust or monopoly practices, or corruption, as summarised in the tables below. Pro-invest Group is pleased to convey that there are zero non-compliance incidents for this indicator and that it has not identified any non-compliance with environmental laws and/or regulations.

Legal Actions taken for Anti-Competitive Behaviour, Anti-Trust & Monopoly Practices	Frequency
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which Pro-invest Group has been identified as a participant.	0
Main outcomes of completed legal actions, including any decisions or judgements.	N/A
Total Legal Actions Recorded in FYE 2022	0

Confirmed Incidents of Corruption at Pro-invest Group	Frequency
Total number and nature of confirmed incidents of corruption.	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	0
Public legal cases regarding corruption brought against Pro-invest Group or its employees during the reporting period and the outcomes of such cases.	0
Total Incidents Recorded in FYE 2022	0

Non-compliance with Environmental Laws & Regulations	Frequency
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations, in terms of: <ul style="list-style-type: none"> i. Total monetary value of significant fines; ii. Total number of non-monetary sanctions; iii. Cases brought through dispute resolution mechanisms. 	The organisation has not identified any non-compliance with environmental laws and/or regulations.
Total Non-compliance Incidents Recorded in FYE 2022	0



ANTI-CORRUPTION, COMMUNICATION & TRAINING

During FYE 2022, all internal stakeholder groups (including hotel employees) received communications and training on Pro-invest’s anti-corruption policies and procedures, as disclosed below.

Given the movements across the business at both a corporate and hotel level during the FYE 2022 period, hours of training per employee was not recorded. However, many opportunities for further knowledge and skill development were made available, as referenced in the following subsections.

Stakeholder Group & Requirement		FYE 2022 Coverage
	Governance Body Members that Pro-invest Group’s anti-corruption policies and procedures have been communicated to, broken down by region.	100% - Australia, New Zealand & Cayman
	Employees that Pro-invest Group’s anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	100% - Australia, New Zealand & Cayman (across all categories)
	Business Partners that the Pro-invest Group’s anti-corruption policies and procedures have been communicated to broken down by type of business partner and region.	100% - Australia, New Zealand & Cayman*
	Governance Body members that have received training on anti-corruption, broken down by region.	100% - Australia, New Zealand & Cayman
	Employees that have received training on anti-corruption, broken down by employee category and region.	100% - Australia, New Zealand & Cayman (across all categories)



Pro-invest Group Photography, Kimpton Margot Sydney, 2022

GRESB REAL ESTATE ASSESSMENT

OVERVIEW

GRESB is an investor-driven organisation that has the principal function of assessing the sustainability performance of real asset sector portfolios and assets across the globe. GRESB provides business intelligence and engagement tools for investors and management to utilise through validating, scoring and benchmarking ESG performance data. The assessment covers the seven overarching themes of Stakeholder Engagement, Building Certifications, Performance Indicators, Management, Policy & Disclosure, Risks & Opportunities, Monitoring, and Energy Management Systems.

Acting as a global platform, GRESB was established in 2009 by a group of large pension funds with the intent to have access to comparable and reliable data on the ESG performance of their investments. Since its inception, GRESB has developed to become a leading ESG benchmark platform for real estate and infrastructure investments across the globe.



Marking its sixth year of reporting to the GRESB Real Estate Assessment, Pro-invest Group's GRESB 2022 results were received in Q4 2022. Pro-invest Group performed well compared to its 6-year track record, across Standing Investments (operational hotels) and Developments (under design/construction). For both Standing Investments & Developments, minor score reductions were noted. These were identified to surround three core areas: 1) Like-for-like performance impacted by hotels' positive rising occupancy & correlated consumption levels post 2020/21's COVID-19 implications; 2) Data completeness as a result of prior system syncing issues, which has since been resolved by transitioning to a new and improved system, Greenview; and 3) Third-party certification coverage beyond NABERS efficiency ratings – which is within consideration/implementation phases.

With the above considerations, Pro-invest Group has adopted a gap improvement matrix and has already begun deploying efforts and resources to bridge the aforementioned areas of improvement and maintenance. Further efforts are also underway for performance and score maximisation for the upcoming GRESB 2023 reporting season.

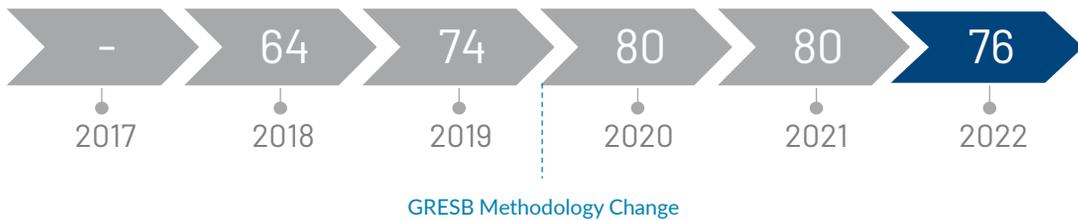
PRO-INVEST GRESB REAL ESTATE PERFORMANCE SNAPSHOT

PRO-INVEST STANDING INVESTMENTS SCORE



Aspect	2022 Pro-invest Score	2021 Pro-invest Score	Pro-invest 2022 Score Change	2022 GRESB Average	2022 Peer Average
Overall Score	70 (out of 100)	76 (out of 100)	-6	73 (out of 100)	71 (out of 100)
Management Score	27 (out of 30)	28 (out of 30)	-1	27 (out of 30)	27 (out of 30)
Performance Score	43 (out of 70)	48 (out of 70)	-5	46 (out of 70)	45 (out of 70)
Environmental	35 (out of 62)	40 (out of 62)	-5	40 (out of 62)	39 (out of 62)
Social	18 (out of 18)	18 (out of 18)	+0	16 (out of 18)	16 (out of 18)
Governance	18 (out of 20)	18 (out of 20)	+0	17 (out of 20)	17 (out of 20)

PRO-INVEST DEVELOPMENTS SCORE



Aspect	2022 Pro-invest Score	2021 Pro-invest Score	Pro-invest 2022 Score Change	2022 GRESB Average	2022 Peer Average
Overall Score	76 (out of 100)	80 (out of 100)	-4	81 (out of 100)	77 (out of 100)
Development Score	49 (out of 70)	52 (out of 70)	-3	54 (out of 70)	52 (out of 70)
Management Score	27 (out of 30)	28 (out of 30)	-1	27 (out of 30)	27 (out of 30)
Environmental	31 (out of 51)	35 (out of 51)	-4	38 (out of 51)	38 (out of 51)
Social	24 (out of 26)	24 (out of 26)	+0	22 (out of 26)	21 (out of 26)
Governance	20 (out of 24)	21 (out of 24)	-1	20 (out of 24)	18 (out of 24)

REPORTING AGAINST THE TCFD DISCLOSURES

INTRODUCTION

At Pro-invest Group, we recognise it is fundamental for every successful business to manage and communicate risks and opportunities to its stakeholders, both internal and external. ESG and climate risks are therefore no exception, with Pro-invest employing every effort and resource feasible to its business’s operations to both have sufficient oversight to the ESG and climate risks of the Group, and to disclose them to our valued stakeholders.

We wish to not only celebrate the growth we continually undergo, but importantly to also provide a transparent reporting landscape so that our stakeholders can make informed decisions. By having oversight across our ESG and climate risks and opportunities, Pro-invest Group is able to push for year-on-year growth, as we recognise factoring in ESG and climate change initiatives and targets is an ongoing process that is fluid and continually growing in magnitude. As part of this strategy, we have committed to reporting against the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

It is a journey and we at Pro-invest Group welcome the challenges and opportunities that ESG and climate risk present to our unique portfolio.



Pro-invest Group Photography, Holiday Inn Express Melbourne Southbank, 2019

GOVERNANCE

PRO-INVEST GROUP'S BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS & OPPORTUNITIES

As a company, Pro-invest Group has a vertical reporting structure permitting all “levels” of the company to be in close and frequent communication. This applies to the Board also. Supplementary to the frequent communications between senior management and key members of the Pro-invest Group team, quarterly reporting is performed. As part of this quarterly reporting – both the quarterly investor report which the Board members receive and the quarterly Board Pack – members of the Board are presented with the portfolio’s ESG initiatives.

On an annual basis, Pro-invest Group submits to the GRESB Real Estate Assessment, which encompasses a series of questions across the full suite of Implementation & Measurement and Management & Policy fundamentals that the company adheres to. The results are used to devise a gap analysis. Pro-invest Group utilises the GRESB Assessment as a form of benchmarking to encourage improvements not only against its year-on-year performance, but also against its hotel industry peers and the overall GRESB Real Estate member average.

To date, Pro-invest has demonstrated substantial improvements across all ESG and climate-related categories under the GRESB Assessment and its optional modules (i.e., Resilience) and continues to use the Assessment as a key model to map out its strengths, weaknesses, risks and opportunities. These items are communicated to the Board via its Annual Sustainability Report. At the same time, the Board also has oversight to the ESG and climate-related policies that aid in guiding the company to a greener and more sustainable future. Prior to implementing such a policy for Pro-invest Group improvement, the board reviews the policy and grants approval.

MANAGEMENT'S ROLE IN ASSESSING & MANAGING CLIMATE-RELATED RISKS & OPPORTUNITIES

Management at Pro-invest Group has an active role in taking part in assessing and managing the Group’s climate-related risks and opportunities. Across Pro-invest Group’s assets’ lifecycle, Pro-invest Group implements its three core teams of Pro-invest Developments, Pro-invest Hotels Group and Pro-invest Asset Management. Each of these teams’ Directors play a prominent and active role in both assessing and mitigating the assets’ risk coupled with the identification of opportunities.

As a unit function, Pro-invest Asset Management has a critical role in this process due to its key team members which play an active role in coordinating, assessing and implementing ESG and climate-related objectives and initiatives. The chart demonstrates the active role in which each of the core three divisions’ managers play part in executing Pro-invest Group’s ESG and climate-related objectives, ensuring each Director has clear oversight and input.

STRATEGY

THE CLIMATE-RELATED RISKS & OPPORTUNITIES OVER THE SHORT, MEDIUM & LONG-TERM

	Risks	Opportunities
Short - Term 2022-2023	<ul style="list-style-type: none"> Increased utility costs due to electricity market and growing asset portfolio. Stakeholder pressures for ESG and climate transparency in reporting. Allocation of capital increasingly being allocated to “green” portfolios. 	<ul style="list-style-type: none"> Leveraging competitive utility supply market for low-rate quality utility contracts via portfolio of scale. Continued alignment with GRESB, striving for score uplift. Engagement with third-party providers for physical climate risk portfolio insights. Heighten ESG communications agendas. Developing assets to achieve high NABERS Energy ratings.
Medium - Term 2024 to 2026	<ul style="list-style-type: none"> Increasing cost of grid electricity and macro pressures to adopt renewable energy. Insufficient data on ESG and climate-related issues for stakeholders to make informed decisions. Consumers increasingly making purchasing decisions based on sustainability criteria. 	<ul style="list-style-type: none"> Leveraging rising prevalence of renewable energy suppliers and connected grids, resulting in lower cost of renewable energy. Allocation of sufficient resources to establish clear ESG and climate gap analysis. Developing low emissions transportation pathways for hotel assets, plus development of increased guest communications.
Long - Term 2027 to 2030	<ul style="list-style-type: none"> Regulation and policy requirements to transition to a carbon neutral economy. 	<ul style="list-style-type: none"> Have Net Zero 2030 Strategy well executed, having adopted key learnings along the way for industry sharing.

NOTES:

Please note, that it is considered that some of these risks and opportunities at each of the three grouped timelines present overlapping fundamentals and consequently may be present numerous times. Further, the above listed risks and opportunities pose as a summary and Pro-invest is mindful that the above considerations are ever evolving.

The chart provides oversight to Pro-invest Group’s key ESG and climate related risks and opportunities identified on a Group level. With Pro-invest Group striving for best practice, the learnings obtained from the operation of one fund is and will continue to be adopted to the Group’s other funds, ensuring that the successful initiatives and strategies are implemented across the estate. Please note that due to the ever-evolving nature of Pro-invest Group, its portfolio, stakeholders and naturally, the macro environment, the ESG and climate-related risks and opportunities summarised in the table continue to develop and be addressed by the Pro-invest team.

THE IMPACT OF CLIMATE-RELATED RISKS & OPPORTUNITIES ON BUSINESS, STRATEGY & FINANCIAL PLANNING

Pro-invest Group operates within the realm of real estate assets within the geographic locations of Australia and New Zealand. In Australia, for instance, buildings account for c. 25% of greenhouse gas emissions. Pro-invest recognises that its portfolio plays a contributing role to these emissions and understands that implementing strategies to monitor, manage and verify the consumption of its hotel assets is crucial to:

1. Satisfying external stakeholders' investment criteria,
2. Ensuring continued engagement of employees in driving forward the business's ESG and climate-related objectives,
3. Establishing robust industry relationships which aid in making the portfolio more dynamic in its approach to sustainability and resilience, and
4. Having insight into the costs and benefits of ESG and climate-related risks and opportunities as the portfolio evolves.

Pro-invest acknowledges that although it has progressed to be a hospitality industry leader with respect to sustainability, the Group has the responsibility to continue implementing strategies and initiatives to gain clearer oversight into the risks and opportunities present on a company and asset-by-asset basis.

To date, Pro-invest Group has strategies implemented at each stage of the hotels' lifecycle via its vertically integrated services across in-house developments, operations, asset/fund management and support services, which leverages its third party relations with leading institutions such as InterContinental Hotels Group (IHG), Clean Energy Finance Corporation (CEFC), National Australian Built Environmental Rating System (NABERS), Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV) and the GRESB. Further, the Group is undertaking research in collating its risk profile and the allocation of potential costs to this in an improved format that would span portfolio wide.

THE RESILIENCE OF THE ORGANISATION'S STRATEGY

Considering Pro-invest Group factors in ESG and climate-related risks and opportunities across the company, along with at the acquisition/development, operation and asset management phases of the hotels - overall, the strategy is deemed quite resilient. Further improvements to the strategy to address climate change have been implemented and executed in policy form.

All team members at Pro-invest have been made aware of the policy, with an Environmentally Sustainable Design (ESD) Committee (comprising both internal and external parties) being devised to execute the respective ESG and climate-related criteria set out the policy.

Under the policy, there is the requirement to devise a Net Zero Carbon 2030 Strategy for Pro-invest Group’s Fund II hotel portfolio. However, given that Fund II is currently within the development stages, and Fund I is executed, best endeavors will be made to adopt the strategy across the estate.

RISK MANAGEMENT

IDENTIFYING & ASSESSING CLIMATE-RELATED RISKS

Due to the nature of the Group, Pro-invest Group looks to cover risks from a company level (i.e., enforcing the Business Continuity Plan following assessments and regular updates) along with implementing assessments and risk mitigation actions on an asset level across the entire lifecycle of the hotels.

For instance, at the site acquisition phase, Pro-invest Group follows the Due Diligence Checklist which has a technical section dedicated to obtaining a host of reports on the environmental aspects of the site, such as risks to flooding, soil contamination and structural integrity, with the results then presented to the Investment Committee. Following the site being acquired, Pro-invest engages external consultants to assist in identifying design and construction risks that fall under the domain of climate change. Assessments are then done annually once the hotel is operational to report on its performance against energy and water efficiency to reduce its risk to weathering changes in the environment from a consumption perspective.

Supplementary to this, Pro-invest Group uses the GRESB Real Estate Assessment as an Annual ESG gap analysis which factors in aspects and processes from a host of areas across the company and its assets. This informs the next steps of the business. Policies and monitoring registers also assist in these processes, such as the ESD Design & Development Guidelines template that is updated quarterly to assist these processes and that is in line with its governing and overarching policy.



PRO-INVEST GROUP'S PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

Other than the strategies disclosed earlier in this report, strong partnerships have been formed with a host of industry-leading sustainability consultants which support Pro-invest Group in implementing strategies and monitoring mechanisms to combat climate-related risks across the hotels' lifecycles. These include but are not limited to the below:



Robust internal controls.



Clear **governance & compliance** strategy per the Code of Business Conduct.



Ongoing **stakeholder engagement**.



Transparent reporting and communication streams.



Strong **organisational culture** focused on trust, integrity and commitment.



Health & well-being controls and provisions.



Community & guest engagement via environmental programs and charity outreach initiatives.



Ongoing **employee engagement** for continuous improvement.



Clear **sustainability strategy** across the hotel estate.



Design assets to achieve >4.5-star **NABERS Energy & Water** for consumption reduction.



Operate with **utility consumption reduction** in mind.



Verify efficiencies of assets and employ ESD consultants to aid in lifting efficiencies further.



Continued management & introduction of **sustainability initiatives** at corporate and hotel level.



Introduce **GreenPower & sustainable transportation** where feasible.



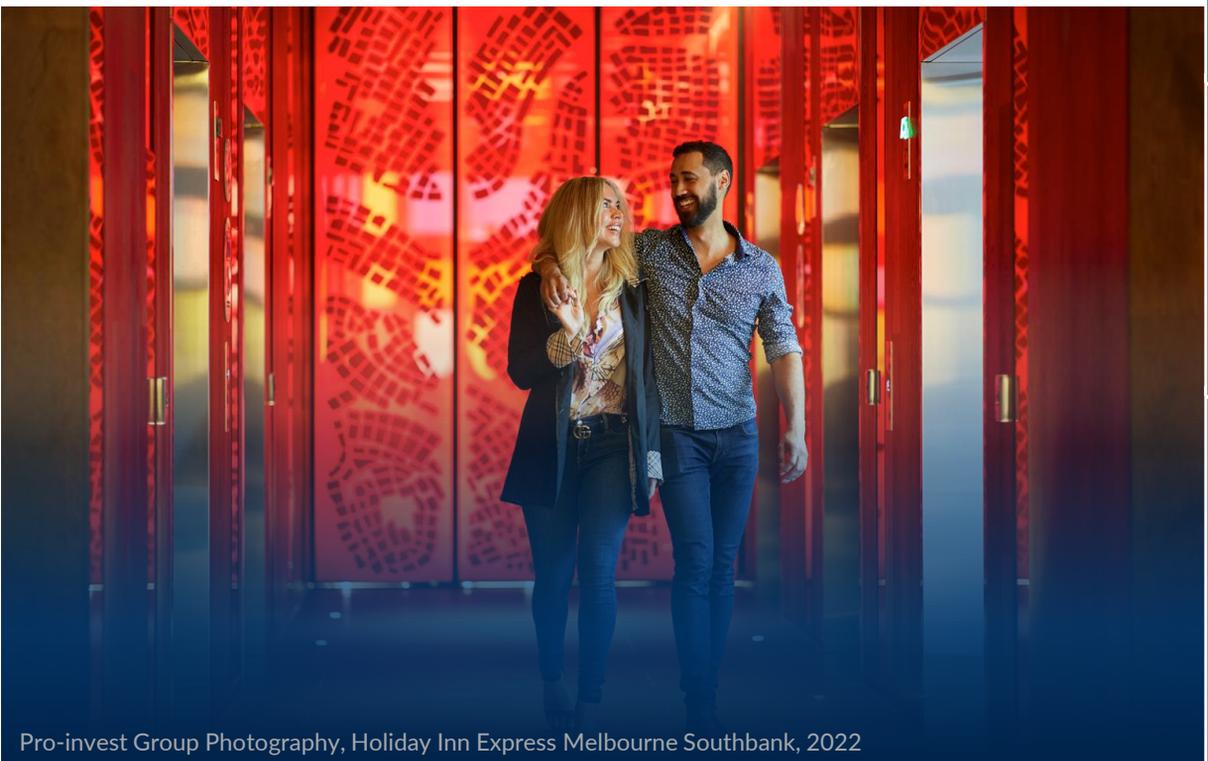
Establish a **Carbon Net Zero 2030** Strategy.

PROCESSES FOR IDENTIFYING, ASSESSING, & MANAGING CLIMATE-RELATED RISKS

The below table provides a summarised snapshot of the key processes in place to ensure Pro-invest builds a portfolio that is considerate of its stakeholders and the environment.

One Earth, Countless Experiences by Pro-invest Group			
	Developments	Operations	Fund/Asset Management
 Identifying	<ul style="list-style-type: none"> Due Diligence Checklist Investment Committee Reports 	<ul style="list-style-type: none"> Certification Lodgment for Operational Gap Assessment 	<ul style="list-style-type: none"> ESG Gap Analysis ESG Disclosure Reporting Certifications
 Assessing	<ul style="list-style-type: none"> Environmental Reports ESD Modelling Reports 	<ul style="list-style-type: none"> Monthly Consumption Reports against Targets 	<ul style="list-style-type: none"> ESD Consultancy In-house Monitoring Strategies
 Managing	<ul style="list-style-type: none"> Insurance Asset Design & Construction 	<ul style="list-style-type: none"> Operational Initiatives – Back-of-House Operational Initiatives – Front-of-House 	<ul style="list-style-type: none"> ESD Consultancy & In-house Engagements Knowledge Sharing

Furthermore, as mentioned in this report, Pro-invest Group and the Clean Energy Finance Corporation (CEFC) established an ESD Committee in October 2019 to review the development of Fund II assets, along with collective ESG initiatives and (where applicable) processes across Pro-invest Group and its Fund I and Fund III assets.



Pro-invest Group Photography, Holiday Inn Express Melbourne Southbank, 2022

Since launching, the ESD Committee meets on a quarterly basis to discuss Pro-invest Group’s efforts, initiatives and strategies surrounding ESG both at an asset level and collective group level. With Fund I already being established, the ESD Committee has the boundaries of looking purely at Fund II’s assets design aspects and then the company’s ESG efforts. The Committee is guided by a policy, with the Committee dedicated to covering the below topics along with additional matters as and when they arise:



The policy aids in conflicts of interests to be addressed and resolved, ensuring there is a clear set of requirements, commitments and pathways for initiative resolution from an ESD perspective, with quarterly reporting meetings for appropriate execution. From a company wide perspective, the Group holds a conflicts of interest approach under its Code of Business Conduct which acts as the overriding approach. Supplementary to this is Pro-invest having a full-time ESG Manager, who works closely with the Development, Hotel Operations and Asset/Fund Management teams to ensure ESG initiatives and programs are executed in accordance with the Group’s policies and objectives. In 2022, this was further advanced via the launch of Pro-invest Group’s ESG brand, ‘One Earth, Countless Experiences by Pro-invest Group’.

Further, as an example of regular communication and “health checks” at a Group and asset level, fortnightly meetings are held with the CEO APAC, CEO Europe & Co-Founder, Head of Debt Finance & Risk Management, Chief Financial Officer APAC, Director of Investments & Asset Management, General Counsel, Senior Portfolio Manager and ESG Manager. Part of this meeting is the discussion of Pro-invest’s portfolios risks, successes and initiatives/aspects to monitor. Key subject matters under the ESG communications, strategy and updates include but are not limited to:

✓ Net Zero Strategy	✓ Assessments & Reporting Schemes
✓ Efficiency Optimization Works	✓ Memberships, External Communications & Knowledge Sharing
✓ Third Party Verification Schemes	✓ Regulatory Compliance
✓ ESG Gap Analysis & Strategy Progress	✓ Initiative Tracking & Technology

METRICS & TARGETS

METRICS UTILISED TO ASSESS CLIMATE-RELATED RISKS & OPPORTUNITIES

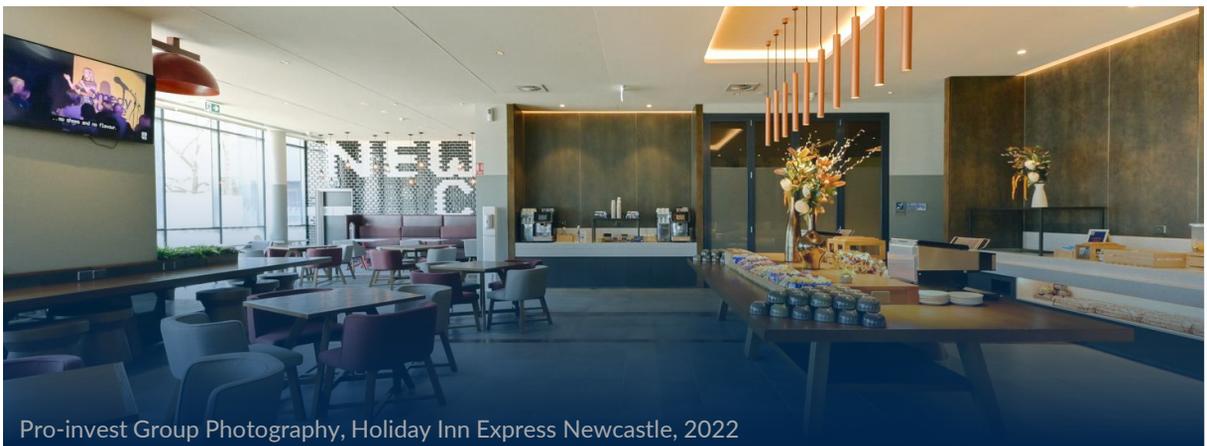
Please see the above Environmental and Governance sections of this report for a complete coverage of the metrics used by Pro-invest Group to identify, assess and manage its assets with a core focus on climate resiliency and asset efficiency.

TCFD ALIGNMENT REPORT 2022

GRESB TCFD ALIGNMENT REPORT 2022 HEALTH CHECK

During 2022, Pro-invest Group obtained the GRESB designed TCFD Alignment Report to assess its efforts in addressing climate-related risks in line with the processes outlined by the TCFD. The report's outcomes are a high-level reference to Pro-invest Group's positioning with respect to our TCFD journey. Post review of the Group's Governance, Strategy, Risk Management, and Metrics & Targets strategies and efforts, Pro-invest Group was awarded an average TCFD Alignment Level ranking of 'B'. The ranking spectrum ranged from A to E, with A being the highest average alignment level and E being the lowest.

Pro-invest Group's funds' Strategy and Risk Management were deemed to have the highest level of alignment to the TCFD standards, followed by Metrics & Targets, then Governance. In response to the areas of Metrics & Targets, Pro-invest Group has firstly transitioned to Greenview as its new sustainability management system to support the portfolio with improved oversight and insight to environmental and social metrics, which in turn supports addressing the area of targets. Secondly, ESG considerations and decision making has been enhanced across the Pro-invest Group lifecycle to improve its response to governance alignment to the TCFD standards during the second half of 2022. Further efforts for TCFD alignment improvement will continue and be progressively expanded across the entire lifecycle of Pro-invest Group as part of the ongoing activation of One Earth, Countless Experiences by Pro-invest Group.



THE ESG 2023-25 STRATEGY: AREAS OF FOCUS

As Pro-invest Group continues uplifting its overall ESG performance through advancing One Earth, Countless Experiences, the following key focus areas will form much of the Group's core strategy for 2023-25. The One Earth, Countless Experiences brand pillars will support in driving further positive impact across the entire Pro-invest Group lifecycle and help facilitate alignment to the United Nations Sustainable Development Goals (SDG). Pro-invest Group looks forward to the strategy's evolution and associated impacts.

<p>Develop assets with responsible principles (wholistic sustainability) [SDG 10; 12; 15].</p> <p>Develop & maintain efficient assets as part of Net Zero 2030 [SDG 7; 12].</p> <p>Advance sustainable transportation in design & operation [SDG 9; 11].</p> <p>Advance renewables to reduce stranded asset risk & embodied carbon [SDG 7; 9; 13].</p>	<p>Increase operational sustainability activation with experiential lens [SDG 8; 12].</p> <p>Advance ESG/Sustainability education & empowerment across all team divisions [SDG 8; 12].</p> <p>Champion Diversity & Inclusion practices internally to support team [SDG 5; 10].</p>
<p>BUILD CREATIVELY</p>	<p>EXPERIENCE EXTENSIVELY</p>
 <p>by PRO-INVEST GROUP</p>	
<p>ENJOY MINDFULLY</p>	<p>CONNECT CONTINUOUSLY</p>
<p>Adopt responsible purchasing & engagement principles within operations [SDG 10; 12].</p> <p>Understand & reduce operational hotel food waste [SDG 2; 12].</p> <p>3rd party sustainability accreditation for (operational) hotels assets [SDG 13].</p>	<p>Employee engagement as a high priority for continuation [SDG 8].</p> <p>Advance local (hotel-specific) community engagement activations [SDG 11; 12].</p> <p>Establish industry partnerships to advance external engagement [SDG 17].</p> <p>Advance master community program [SDG 3; 10; 11].</p>



A FINAL WORD – CONTINUING PRO-INVEST GROUP’S SUSTAINABLE FUTURE

Pro-invest Group looks forward to another busy financial year as the team continues to align to its sustainability strategy, and ensuring key areas are being executed. In the previous pages we highlight the initiatives currently underway for FYE 2022 along with a few more which were introduced in the months post FYE 2022. These initiatives, efforts and the agendas are in play to support Pro-invest to produce an increasingly more sustainable hotel portfolio and an overarching business culture encouraging a journey characterized by sustainability efforts. Looking ahead to the coming months, further resources are being allocated towards renewable resources, third party certification and assurance, further sustainability-related employee education and engagement, community support, and more. This is all part of the ongoing rollout of the principles and purpose of One Earth, Countless Experiences by Pro-invest Group.

As a business, we recognise that in today’s constantly evolving world, ESG is not simply a box ticking exercise that is achieved as a one off. But rather, is an ongoing journey requiring continuous stakeholder engagement and collaboration, which serves as an integral component to a business’s daily operations which is to be monitored, managed and expanded upon.

CLOSING STATEMENT

On behalf of Pro-invest Group, we hope our FYE 2022 Annual Sustainability Report has proved informative.

At Pro-invest Group, we are proud of the progress we have made towards our sustainability goals with the launch of One Earth, Countless Experiences, but we know that there is still much more to do. We remain committed to driving positive change and we look forward to continuing to report on our progress in the years to come.



Cindy Van Der Wal



**ESG Manager,
Pro-invest Group**

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE #	OMISSION EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	pg 5	N/A
	2-2 Entities included in the organization's sustainability reporting	pg 6	
	2-3 Reporting period, frequency and contact point	pg 6	
	2-4 Restatements of information	pg 25	
	2-5 External assurance	pg 2	
	2-6 Activities, value chain and other business relationships	pg 5 - 6	
	2-7 Employees	pg 30 - 34	
	2-8 Workers who are not employees	N/A	Not yet appropriately captured across the growing hotel portfolio. Will be considered for future reporting.
	2-9 Governance structure and composition	pg 43, 47	N/A
	2-10 Nomination and selection of the highest governance body	pg 49-50	
	2-11 Chair of the highest governance body	pg 49-50	
	2-12 Role of the highest governance body in overseeing the management of impacts	pg 49-50	
	2-13 Delegation of responsibility for managing impacts	pg 49-50	
	2-14 Role of the highest governance body in sustainability reporting	pg 49-50	
	2-15 Conflicts of interest	reference made in pg 53	
	2-16 Communication of critical concerns	pg 47 & 53	
	2-17 Collective knowledge of the highest governance body	Reference made on pg 5	
	2-18 Evaluation of the performance of the highest governance body	N/A	
	2-19 Remuneration policies	pg 35	N/A
	2-20 Process to determine remuneration	pg 35	
	2-21 Annual total compensation ratio	N/A	
	2-22 Statement on sustainable development strategy	pg 13-16	
	2-23 Policy commitments	pg 13, 20, 44	
	2-24 Embedding policy commitments	pg 13, 20, 44	
	2-25 Processes to remediate negative impacts	pg 50-54	
	2-26 Mechanisms for seeking advice and raising concerns	pg 36 & 44	
	2-27 Compliance with laws and regulations	pg 44-46	
	2-28 Membership associations	pg 42-43	
	2-29 Approach to stakeholder engagement	pg 30-31, pg 38-40	N/A
	2-30 Collective bargaining agreements	N/A	
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Reference on pg 11	N/A
	3-2 List of material topics	Reference on pg 11	

GRI STANDARD	DISCLOSURE	PAGE #	EXPLANATION FOR ANY OMISSIONS
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 47	N/A
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	N/A	Confidential at current.
	201-2 Financial implications and other risks and opportunities due to climate change	pg 49-50	N/A
	201-3 Defined benefit plan obligations and other retirement plans	N/A	Confidential at current.
	201-4 Financial assistance received from government	N/A	No financial assistance from government for sustainability-related projects were received during the period.
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 5, 32	N/A
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	pg 34	
	202-2 Proportion of senior management hired from the local community	N/A	Information unavailable this FYE 2022 with hesitation to make estimations surrounding information.
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 44-46	N/A
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	pg 45	
	205-2 Communication and training about anti-corruption policies and procedures	pg 46	
	205-3 Confirmed incidents of corruption and actions taken	pg 45	
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 45	N/A
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	pg 45	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 16	N/A
GRI 302: Energy 2016	302-1 Energy consumption within the organization	pg 19-24	
	302-2 Energy consumption outside of the organization	N/A	Incomplete data at current.
	302-3 Energy intensity	pg 22	N/A
	302-4 Reduction of energy consumption	pg 19-20	
	302-5 Reductions in energy requirements of products and services	pg 19-20	

GRI STANDARD	DISCLOSURE	PAGE #	OMISSION EXPLANATION
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 16-22	N/A
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	N/A	Not currently consistently captured across newly onboarded sustainability management system. Data to be included in FYE 2023 report.
	303-2 Management of water discharge-related impacts	N/A	
	303-3 Water withdrawal	N/A	
	303-4 Water discharge	N/A	
	303-5 Water consumption	pg 16-22	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 16, pg 20-24	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pg 19-24	
	305-2 Energy indirect (Scope 2) GHG emissions	pg 19-24	
	305-3 Other indirect (Scope 3) GHG emissions	Reference on pg 22	
	305-4 GHG emissions intensity	pg 22	
	305-5 Reduction of GHG emissions	pg 19-20	
	305-6 Emissions of ozone-depleting substances (ODS)	N/A	
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A		
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 14-24	N/A
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	pg 14-24	
	306-2 Management of significant waste-related impacts	pg 14-24	
	306-3 Waste generated	pg 22-24	
	306-4 Waste diverted from disposal	pg 22-23	
	306-5 Waste directed to disposal	pg 22-23	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reference on pg 39	Information partially not available. Information shared which currently have accessible.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Reference on pg 39	
	308-2 Negative environmental impacts in the supply chain and actions taken	Reference on pg 39 & pg 45	N/A
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 36-37	N/A
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	References on pg 36-37	
	403-2 Hazard identification, risk assessment, and incident investigation	pg 36-37	
	403-4 Worker participation, consultation, and communication on occupational health and safety	pg 36-37	

GRI STANDARD	DISCLOSURE	PAGE #	OMISSION EXPLANATION
GRI 403: Occupational Health and Safety 2018 Continued	403-5 Worker training on occupational health and safety	pg 36-37	N/A
	403-9 Work-related injuries	pg 36-37	
	403-10 Work-related ill health	pg 36-37	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 38 & pg 46	N/A
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	N/A	Information currently not readily unavailable.
	404-2 Programs for upgrading employee skills and transition assistance programs	pg 38	N/A
	404-3 Percentage of employees receiving regular performance and career development reviews	pg 38	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 32-35	N/A
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	pg 32-35	
	405-2 Ratio of basic salary and remuneration of women to men	pg 34	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 36	N/A
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	pg 36	
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 39	N/A
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	pg 39	
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 39	N/A
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	pg 39	
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 37	N/A
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	pg 37	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 39	N/A
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	References on pg 39	
	414-2 Negative social impacts in the supply chain and actions taken	References on pg 39	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	pg 37	N/A
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pg 37	

