



HOTEL  
PROPERTY  
INVESTMENTS

The background of the cover features a photograph of an outdoor balcony. In the foreground, there are several dark-colored metal chairs with a woven backrest, arranged on a light-colored tiled floor. A black metal railing runs across the middle ground. Beyond the railing, a dense, lush green landscape with various trees and plants is visible under a clear sky. The image is partially overlaid by a large blue diagonal shape in the bottom right corner.

# SUSTAINABILITY REPORT FY23

ABOUT THIS REPORT

The information presented in this report reflects Hotel Property Investment Limited’s (HPI) management and performance on key environmental, social and governance (ESG) topics identified as material to the business and our stakeholders. The aim of this report is to communicate our understanding of the ESG risks and impacts associated with our operations and how we are working to manage and mitigate those impacts.

For a more complete understanding of the business context, we recommend that this report is read in conjunction with the HPI’s Annual Report, Corporate Governance Statement, Code of Conduct, Corporate Policies and Charters available on our website, hpitrust.com.au. This report covers the FY23 reporting period (commencing 1 July 2022 to 30 June 2023).

This is the second HPI Sustainability Report and an update will be provided on an annual basis. This Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2021) and recommendations under the Task Force on Climate-related Financial Disclosures (TCFD). We also acknowledge the emergence of the IFRS S1 and S2 standards and will seek to align with the standards in the future. We have not sought third-party assurance for this sustainability report, however we have worked with an external provider to validate our materiality assessment and sustainability approach.

HPI acknowledge that there are limitations on our ability to influence operations in our premises under the terms of our existing long term lease arrangements. If there are any conflicts between our aspirations under this document and our legal obligations and responsibilities as landlord or as directors, then the latter will prevail.

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## ACKNOWLEDGEMENT OF COUNTRY

We respectfully acknowledge the traditional custodians of lands across Australia and pay our respects to their elders past and present. Our head office is located on Wurundjeri Woi-wurrung land. We also pay respect to the traditional custodians of the land our properties are located, their unique cultures and to their elders past and present.

## MESSAGE FROM OUR CEO

Welcome to HPI's second annual Sustainability Report. We continue to prioritise close engagement with our staff, tenants and stakeholders while maintaining the highest levels of corporate governance.

Over the past year, we have made progress in refining our sustainability strategy. We've focused on the areas identified as most material to our business and have worked to identify key ESG risks and opportunities. Our efforts have been guided by our values, legal / contractual arrangements, long-term strategy, and the expectations of our employees and external stakeholders.

We recognise the challenges posed by our long-dated leases and other contractual arrangements our tenants may have and aim to explore more creative solutions and opportunities for improvement within those constraints if an agreeable position can be reached with those tenants. It is our goal to continue to engage with our tenants on key ESG aspects and data collection regarding ESG to form a baseline of our position.

Within this report, you will find an overview of our current initiatives in response to our key ESG issues identified in our materiality assessment. We are also monitoring changes to sustainability and climate reporting regimes, internationally and locally, to ensure that our reporting will remain up to date with the most recent standards to the extent that our legal / contractual arrangements permit.

We will strive to be transparent, adaptive, and responsive to the evolving ESG landscape. I want to express my gratitude to our Board, staff, and advisors for their commitments to our sustainability journey.



**Don Smith**  
CEO & Managing Director

BISTRO BAR  
BISTRO DINING  
MILION DINING  
COURTYARD

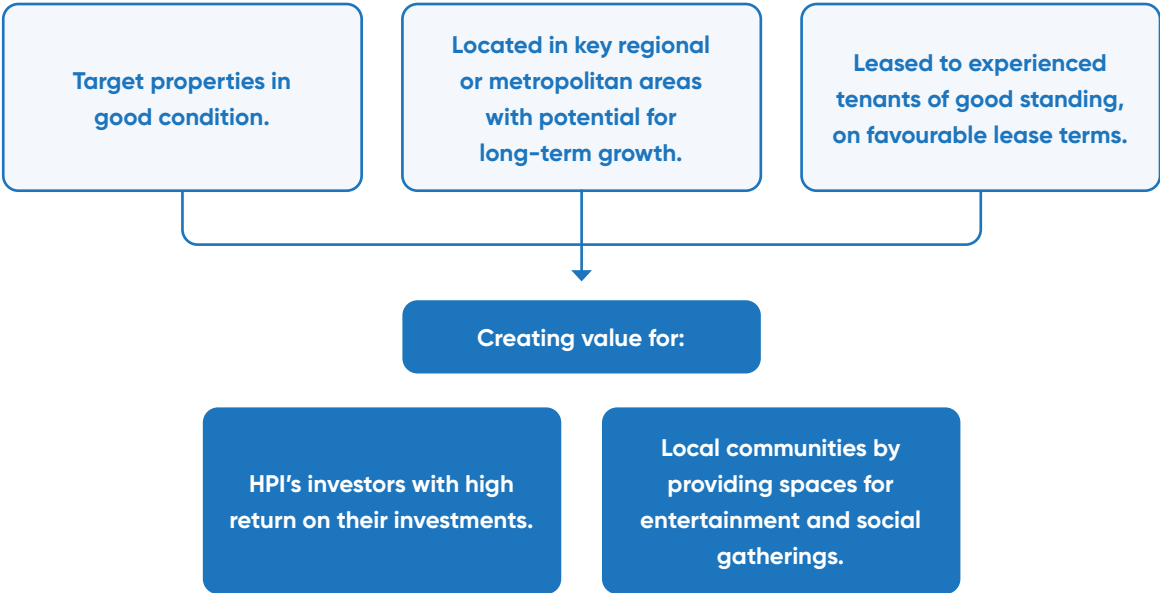






# ABOUT HPI

Headquartered in Melbourne, Australia, HPI’s principal activity is real estate investment, with a large portfolio of freehold properties predominantly in Queensland. The portfolio consists of pubs and associated specialty stores located on pub sites, with most pubs leased to HPI’s main tenant, Queensland Venue Company, a joint venture between the Coles Group and Australian Venue Company. HPI’s operating strategy is to pursue acquisition opportunities which meet our investment criteria:



HPI’s key financial goal is to improve distributions to securityholders whilst maintaining the key attributes of the HPI Group business. HPI is comprised of several sub-trusts and trustee companies, with all entities within the Group being controlled by the designated Responsible Entity of the Group, which is Hotel Property Investments Limited. We note that our assets are operated in a highly regulated industry and most of the laws, such as liquor and gaming regulations, apply to the operator as the holder of the applicable licences during the lease term. It should also be noted that HPI is significantly constrained in its ability to influence those operating activities by the terms of the property leases. HPI Group is an Australian Real Estate Investment Trust (REIT) and was listed on the ASX on 10 December 2013.



OUR PROPERTY  
PORTFOLIO

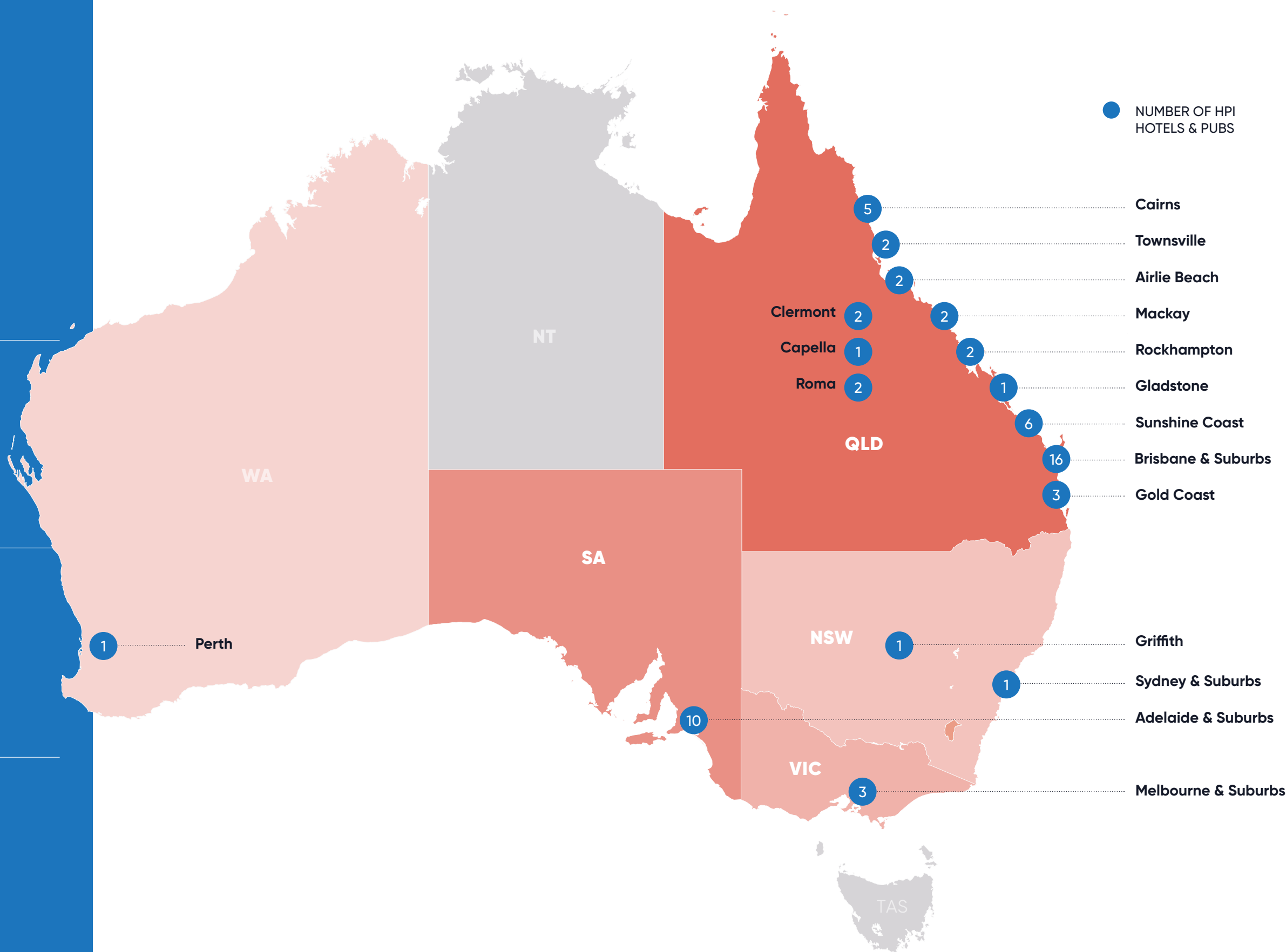
60  
NUMBER OF  
PROPERTIES\*

\$1.25b  
PORTFOLIO  
VALUE\*

10  
WALE\*

2  
KEY TENANTS\*

\* AS AT 30 JUNE 2023



SUSTAINABILITY HIGHLIGHTS



Working towards reaching mutually beneficial & sustainable outcomes.

OUR STAKEHOLDERS



At HPI, effectively engaging with our key stakeholders is an important part of our sustainability journey. We have identified our primary stakeholder groups as employees, tenants, securityholders, and regulators.

Stakeholder Group	Engagement Approach	Relevant Material Topics
Employees	Given our size, with a team of five employees and three non-Executive Directors, we are able to work closely and collaboratively on key matters as we build the business and advance our sustainability journey.	Business Ethics Diversity, Inclusion & Equal Opportunity Employee Engagement & Satisfaction Health & Safety
Tenants	The results of last year's materiality assessment highlighted the importance of enhancing our tenant engagement approach. We will aim to build stronger business partnerships by working collaboratively towards mutually beneficial sustainable outcomes over time. Further details can be found in the 'Tenant Engagement' section of this report.	Asset Design & Life Cycle Management Energy & Emissions Management Health & Safety Tenant Engagement Waste Management
Investors	We strive to provide an elevated level of transparency to our investors. Our engagement activities and communication mediums include half-yearly and annual financial results, annual general meetings, markets updates, presentations, ASX announcements and our sustainability reports.	Business Ethics Corporate Governance Climate Change Diversity, Inclusion & Equal Opportunity Responsible Supply Chain & Modern Slavery Compliance
Regulators	We have always focused on building strong and meaningful relationships with regulators, ensuring compliance and fostering trust.	Business Ethics Corporate Governance Climate Change Cybersecurity & Data Privacy Diversity, Inclusion & Equal Opportunity Responsible Supply Chain & Modern Slavery Compliance Tax Transparency

# OUR MATERIAL ESG TOPICS

In our second annual sustainability report, we continue to focus on ESG topics relevant to our investment business and key stakeholders. We refreshed our approach to better align our business with what we have identified as the most material ESG topics.

Pillar	Material Topic	Definition
<b>Environment</b>    	<b>Climate Change</b>	We recognise that our property portfolio has an impact on climate change as contributors to GHG emissions levels and conversely that these impacts may also have an effect on us as a business.
	<b>Energy &amp; Emissions Management</b>	While our own environmental footprint is limited, we will seek opportunities to influence the environmental performance of the property portfolio under our ownership in matters where our tenants are willing to engage with us.
	<b>Waste Management</b>	With our property tenants engaging in the hospitality industry, we understand there is lot of organic and non-organic waste generated. We are supportive of our tenants' waste initiatives.
<b>Social</b>        	<b>Diversity, Inclusion &amp; Equal Opportunity</b>	HPI has a strong commitment to diversity, and we seek to promote an inclusive culture where people are encouraged to succeed to the best of their ability.
	<b>Employee Engagement &amp; Satisfaction</b>	We have a small team and strive to ensure that we have an inclusive work environment where our people feel safe, recognised, and empowered to deliver their best.
	<b>Health &amp; Safety</b>	Creating a collective safe and healthy work environment is important for us. This includes our employees, visitors, consultants, contractors, employees of contractors, and persons employed through labour hire agencies carrying out work related to our business.
	<b>Responsible Supply Chain &amp; Modern Slavery Compliance</b>	While we fall below the current threshold for requiring a Modern Slavery statement, we will aim to consider ways to minimise the risk of modern slavery in our operations where practical and possible.
	<b>Tenant Engagement</b>	By understanding the issues that are truly material to our business and to our tenants, we see an opportunity to leverage our own sustainability initiatives to create a positive effect on our overall ESG impacts by fostering strong partnerships with our tenants to achieve mutually beneficial goals.

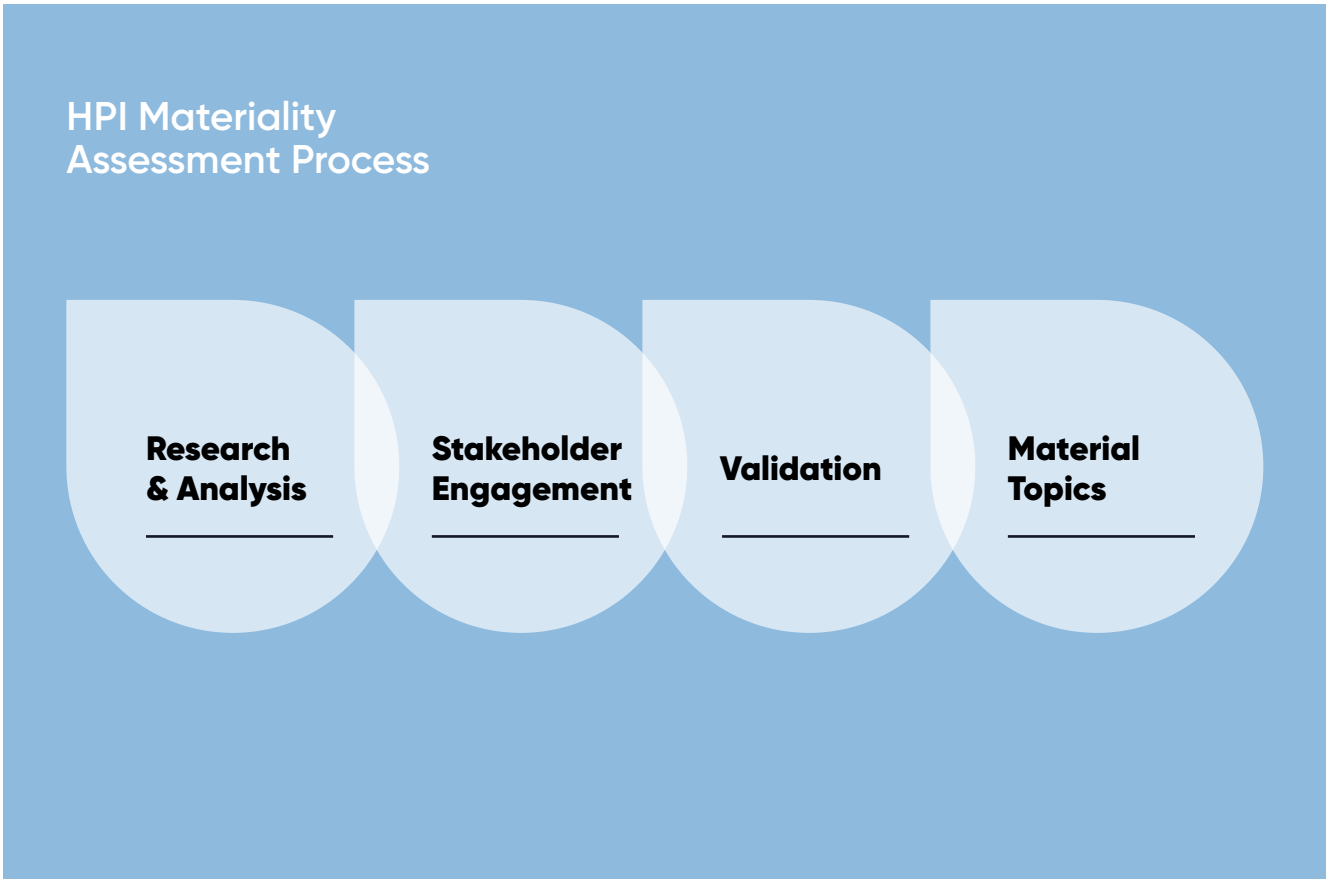
Pillar	Material Topic	Definition
<b>Governance</b>    	<b>Asset Design &amp; Life Cycle Management</b>	We strive to have a property portfolio that is sustainable, both from an environmental perspective and business perspective.
	<b>Business Ethics</b>	As a property company in the hospitality industry, it is our responsibility to ensure that our business practices are of the highest professional standards. Taking measures to ensure professional integrity are important both for strengthening our license to operate as well as for attracting and retaining clients.
	<b>Corporate Governance</b>	We take pride in maintaining the highest levels of corporate governance. Under the legal and regulatory framework within which we operate, which includes the ASX Corporate Governance Principles, ASX Listing Rules and ASIC regulations, we address these requirements and report annually on our progress. Our corporate governance practices also cover compliance training for our employees on important governance policies.
	<b>Cybersecurity &amp; Data Privacy</b>	We are aware that cybersecurity and data privacy is a key issue in the current business environment.
	<b>Tax Transparency</b>	While acknowledging that, as a trust, HPI has limited tax liabilities, we take an approach to tax that is ethical, transparent and sustainable, having regard to our broader business objectives.

Providing strong framework and foundations for sustainability aspects.



**Our materiality assessment process included the following steps:**

- Reviewing the topics identified in the previous year's report and evaluating their continued relevance.
- Analysing new and emerging material ESG topics across peers and more broadly across the industry.
- Considering global ESG frameworks and standards including GRI and the Sustainability Accounting Standards Board (SASB) for the industry and sector in which we operate.
- Evaluating the applicable material topics according to standards and frameworks prescribed by ESG ratings agencies like MSCI and Sustainalytics.
- Engaging with stakeholders both internal and external.



**Using this approach, we were able to focus our efforts on the most material ESG topics for our business and stakeholders.**

We acknowledge that some of the ESG issues identified may not be within our direct control due the nature of our business and the long-term leases in place. However, we are committed to engaging with our tenants and stakeholders to drive positive ESG outcomes wherever possible. We will continue to monitor and manage the ESG issues that are material to our business and stakeholders, with the aim of promoting long-term sustainability and value creation.





# OUR APPROACH TO SUSTAINABILITY

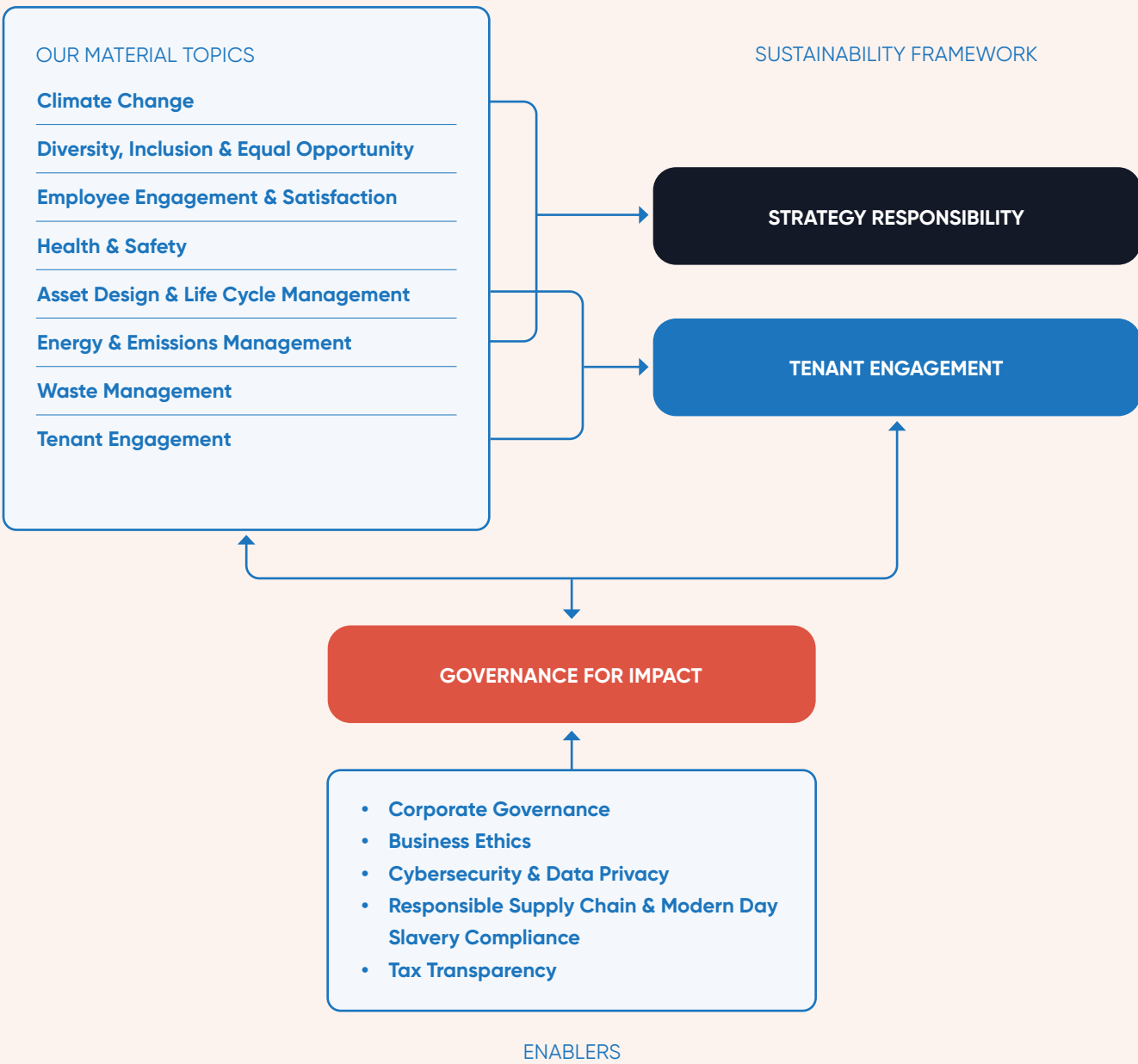
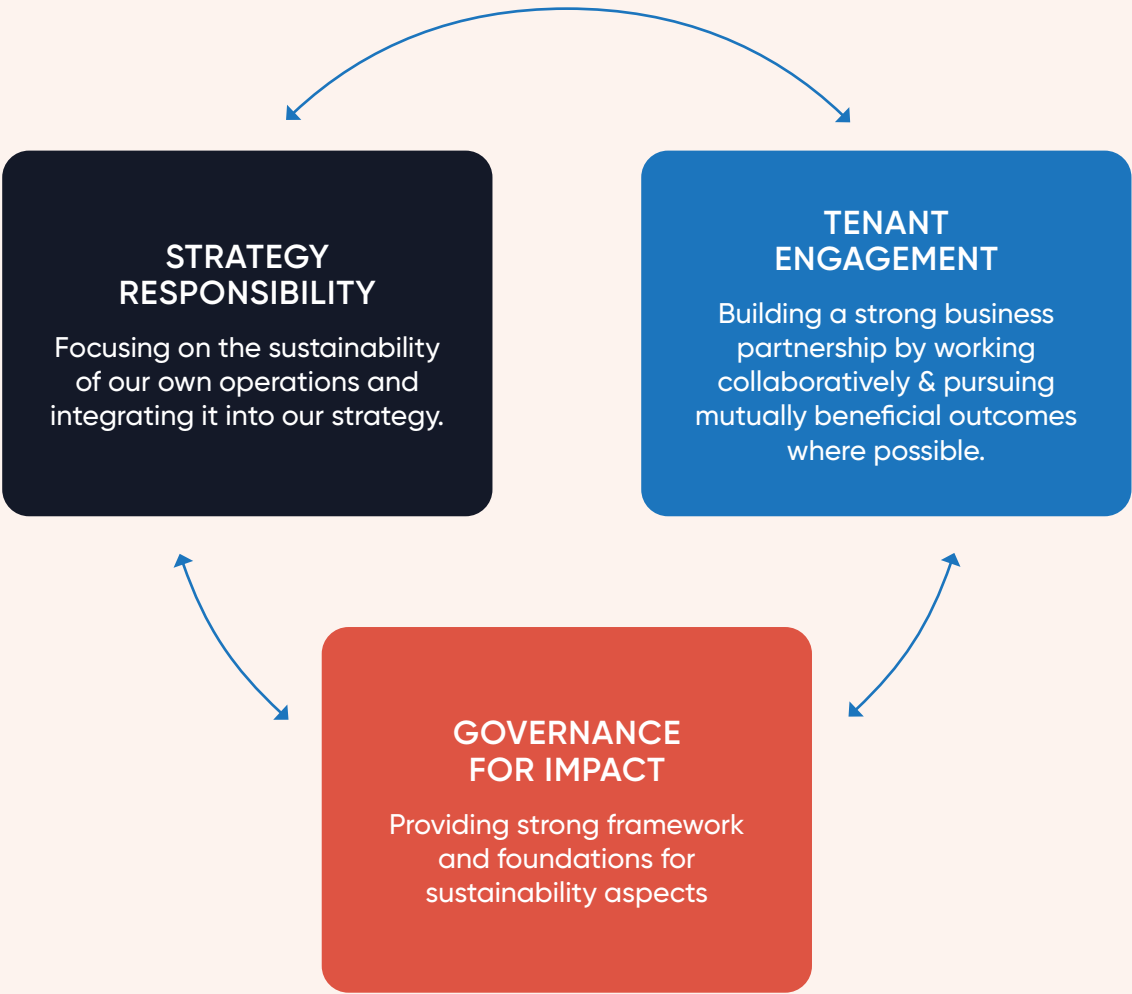
As a property investment entity, we aim to reduce potential negative impacts where possible within our portfolio of properties, while maximising positive contributions where practical.

In addition to reducing our own impact, we will seek to build on our current partnerships with tenants to achieve mutually beneficial goals. While we do not have the ability to require our tenants to act under the lease, we aim to encourage our tenants to join with us our sustainability journey.

Our approach to sustainability considers the material ESG topics defined in our materiality assessment, and it is distilled in our three key pillars:

These three pillars form the foundation of our practices aimed at the effective management of the distinctive risks and opportunities of managing our material ESG issues. Each framework pillar ties in with how our material ESG topics are addressed.

## HPI Sustainability Framework



HPI aims to continuously improve our management practices and will perform materiality assessments on a periodic basis to validate the materiality of existing ESG issues and identify new ESG issues that could impact our business and/or our stakeholders' interests.

# STRATEGY RESPONSIBILITY

HPI acknowledges that from an environmental and social standpoint, our most significant impact stems from our property portfolio, as our own operations are primarily limited to our head office, with a team consisting of five employees and three-non-executive directors. During our ESG materiality assessment, we have identified the main sustainability issues which are material to our operations. These encompass key social aspects such as employee engagement and satisfaction, health and safety, diversity, inclusion and equal opportunity as well as environmental factors including climate change, asset design and life cycle management, energy and emissions management and waste management.

## ASSET DESIGN & LIFE CYCLE MANAGEMENT

HPI has been funding an asset refurbishment program with our main tenant over recent years. During that time HPI entered several rentalised CAPEX agreements to upgrade assets with new fixtures, fittings and equipment.

We have continued our program of installing Thermoshield on roofs with the aim of improving waterproofing, reducing the heat retention and improving energy efficiency. Thermoshield is an Elastomeric Radiation Control Coating and, once applied, forms a heat shield on the property's roof which assists in reducing the temperatures within the building. Thermoshield also prevents surface rust, roof deterioration and early roof replacements. As a result, we have increased the time until repainting and reduced the amount of heat inside the tenancies, lowering air conditioning use and power costs, and extending the asset life and value. We have received positive feedback from our tenants regarding the impact that the Thermoshield coatings have had on their operations and so we will continue to explore opportunities to upgrade more of our eligible assets with Thermoshield in the future.

## CLIMATE CHANGE

We recognise the impact that our property portfolio has on climate change as contributors to GHG emissions levels and conversely the impacts that climate change may have on us as a business. In the last financial year, we adopted the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations as the most appropriate way to assess our climate risks and

opportunities. With the guidance of HPI's TCFD roadmap disclosed last year, we have been focused on discovery to understand the climate-related risks and opportunities applicable to HPI's business.

Governance
The Board and Management understand the importance of climate change and its impact on HPI's business. We will continue to follow the new climate regulations into the next financial year.
Strategy
One strategy which is currently being explored with our key tenants is the possibility of incorporating renewable energy sources into our buildings, mostly through solar energy. We envisage this to be environmentally friendly but we acknowledge that such an initiative is limited by the economic feasibility for our tenants.
Risk Management
As we continue to understand how climate change will affect HPI, we will update our risk management framework to include climate-related risks.
Metrics & Targets
This year we have reported on our scope 2 emissions, which were gathered from the electricity consumption our HPI's own operations. In the following financial year will further explore the most feasible method of calculating our emissions.
Disclosure
This year has largely been a discovery of understanding the TCFD framework and the climate-related impacts on HPI. We hope to have more detailed disclosures in the forthcoming years, as the company further incorporates climate-related risks and opportunities into its business strategy and operations. The recent release of IFRS S1 and IFRS S2 reporting standards will provide HPI with a framework for these disclosures in future and HPI will work with our sustainability advisors to understand our reporting requirements going forward.

## ENERGY & EMISSIONS MANAGEMENT

While our own environmental footprint is limited, we take the opportunity to influence the environmental performance of the building portfolio under our operation. With a staff of 5 people and with our office based in a leased building, we are aware that our own energy consumption is negligible.

We have selected optional green power for our electricity supply in our office which will decrease our carbon footprint. We have purchased 15 MWh of renewable energy to power our office and offset our consumption from non-renewable energy sources. Due to this, our net non-renewable electricity consumption reduced from 14,288 kWh in FY22 to NIL kWh in FY23 (as at 30 June 2023). We also are exploring the feasibility of expanding our use of renewable energy, mostly by installing solar panels in selected properties. Currently 10 properties with the portfolio have solar panels installed.

We have also identified energy efficiencies as a key topic to work in collaboration with our major tenants. This is expanded in the Tenant Engagement section of this report.

## WASTE MANAGEMENT

With our properties engaging in the hospitality industry, we understand there a lot of organic and non-organic waste generated. As our tenants are ultimately accountable for the responsible disposals of waste at the property, our ability to influence their waste management process is limited.

## EMPLOYEE ENGAGEMENT & SATISFACTION

We have a small team and ensure that our employees are equipped with a high performance, diverse, and inclusive work environment where our people feel safe, recognised, and empowered to deliver their best. Our people provide us with a competitive advantage and a high level of sector-specific knowledge which drives our performance. We currently offer our employees flexible work arrangements, parental leave and long service leave as supporting mechanisms for our culture.

## DIVERSITY, INCLUSION & EQUAL OPPORTUNITY

HPI's strong commitment to diversity and inclusion is demonstrated by our inclusive work culture, where people are encouraged to succeed to the best of their ability. We value the competitive advantage that diversity brings, and we endeavour to advance an environment that provides supportive, equal opportunity, equal access to career development, remuneration and benefits. Our Diversity Policy is available on our website, and it has been implemented as a part of our corporate governance framework to support our approach in this area.

Employee Metrics	FY2023
Board Gender Composition by Headcount & (Percentage)	Female: 2 (50%) Male: 2 (50%)
Employee Gender Composition by Headcount & (Percentage)	Female: 1 (20%) Male: 4 (80%)
Employees Age Composition by Headcount	<30: 0 30 – 50: 3 >50: 2



## HEALTH & SAFETY

Creating a collective safe and healthy work environment is important for us. This includes our employees, visitors, consultants, contractors, employees of contractors, and persons that may be employed through labour hire agencies carrying out work related to our business. We're pleased to report that in FY23 we have had zero lost time injuries within our business. HPI has an Occupational Health and Safety (OHS) Policy in place that sets out our approach to managing OHS matters. The OHS Policy outlines our OHS risk management process comprising of OHS hazard and risk identification, assessment and control setting, incident recording, reporting and investigation, workplace inspection program and risk audits and consultation with workers. The policy also sets roles and responsibilities at every level of the company, emphasising the importance of individual roles towards a collective safe and healthy work environment.

All employees and non-Executive Directors have access to our OHS Policy as part of our onboarding process. Our OHS risk management approach aims to manage workplace hazards to reduce or eliminate the OHS risks posed to employees, visitors, consultants, contractors, employees of contractors, persons employed through labour hire agencies and volunteers carrying out work related to our business.

## TENANT ENGAGEMENT

HPI believes that making a positive sustainable impact from its operations, where possible and economically feasible for HPI and our tenants, is an important part of a company's ability to create value for its stakeholders. By understanding the issues that are truly material to our business and to our tenants, we see an opportunity to leverage our own sustainability initiatives to create a multiplier effect on our overall ESG impacts by fostering strong partnerships with our tenants to achieve mutually beneficial goals.

While our own environmental footprint is small (as we do not operate the businesses in our assets), as the owner of a portfolio of buildings with a significant operating footprint we aim to maximise the positive outcomes and mitigate the negative impacts of our business wherever they occur. The key feature of our business model that contributes to our resilience and longevity is the long-term nature of the leases we have with our tenants. By understanding what is most important to our tenants, we can align HPI's strategy with that of our key tenants.

This year we once again engaged with our key tenant through a tenant engagement survey. This provided us with a touch point to understand what our tenant's priorities are for FY23 and the near future

This survey has proven to be an excellent starting point to align our sustainability strategy with our engagement with the tenants. We will continue to have open communications with our tenants and improve our understanding of how we could have more meaningful tenant engagement programs, whether it be to understand their goals or to collaborate in mutually beneficial projects. We believe that this is a key aspect towards improving our reporting and performance as a landlord and as a company.



# GOVERNANCE FOR IMPACT

HPI is committed to best practice governance at an organisational and portfolio level. We continue to uphold our detailed governance and management framework to help us manage our reputational and financial risks. For a more complete description of our governance and risk management frameworks please refer to the Corporate Governance Statement, which is available on our website.

HPI Limited also holds an Australian Financial Services Licence (AFSL) that requires us to implement a Compliance Plan that is audited annually.

## CORPORATE GOVERNANCE

We work continuously to maintain the highest levels of corporate governance. Under the legal and regulatory framework within which we operate, which includes the ASX Corporate Governance Principles, ASX Listing Rules and ASIC regulations, we address these risks and report annually on our progress. Our corporate governance practices also cover compliance training for our employees on important governance policies. HPI has put in place a detailed governance and management framework to help us manage our reputational and

financial risks. This section of the Sustainability Report covers the areas of governance representing the most significant sustainability risks to the Company.

HPI's Board has ultimate responsibility for providing guidance of our ESG and business practices. The Board adopted framework for managing the company includes corporate governance policies designed to promote responsible management and conduct, the implementation of relevant internal controls, a comprehensive risk management and mitigation process covering all major risks, including sustainability risks, and the controls required to manage them. Collectively this framework is designed to ensure that the company functions effectively, ethically, and responsibly. There are three committees that report to the Board on varying material topics and all day-to-day management of the company's strategy is supervised by the executive management team. The Board seeks to ensure that HPI is professionally managed and that our people always operate in an appropriate manner. Our high standards of corporate governance are underpinned by our Code of Conduct and a suite of other corporate policies, as well as the behaviours we display at work.

## HPI Governance Structure

Board		
↑ Human Resources & Nomination Committee	↑ Board Audit & Risk Management Committee	↑ Responsible Entity Compliance Committee
Executive Management Team		
↑ Diversity, Equity & Inclusion	↑ Risk Management	↑ Reporting Integrity
↑ Human Capital Development	↑ Environment	↑ Business Ethics






BUSINESS ETHICS

We aim to ensure that our business practices are of a high standard in order to foster a workplace where all employees feel valued and safe. HPI has a range of established policies and procedures that set out its values and expectations as to how HPI and its employees will work and behave towards each other.

 Key Policies	
<b>Code of Conduct</b>	<p>The Code of Conduct sets out the behaviours that HPI expects employees, including Directors, to display while working at the company, and the consequences of breaching the Code. The required behaviours, are defined under the broad headings of:</p> <p><b>Honesty, integrity &amp; fairness,</b> <b>Responsibilities to securityholders &amp; financial markets,</b> <b>Compliance with laws, policies &amp; procedures,</b> <b>Confidential information, privacy &amp; maintaining records,</b> <b>Conflicts of interest,</b> <b>Engaging external personnel,</b> <b>Use of Company resources &amp; information systems,</b> <b>Sustainability; and</b> <b>Relationship with politicians &amp; government officers.</b></p>
<b>Corporate Governance Policies</b>	<p>These enable HPI to comply with its obligations under the ASX Corporate Governance Principles, related to issues such as auditor independence, securities trading, continuous disclosure and documents such as Board and Board committee charters and Delegation of Authority</p>
<b>AFSL-Related Policies</b>	<p>Consist of a range of compliance-focused policies required to ensure we comply with the conditions of our Australian Financial Services Licence (AFSL).</p>
<b>Supporting Policies For Employees</b>	<p>In addition to the Code of Conduct, the key policies for employees include the Diversity Policy, Complaints Handling Policy, Whistleblower Protection Policy, Anti-bullying and Harassment Policy, Equal Opportunity Policy, Privacy Policy, OHS Policy, Related Party and Conflict of Interest Policy and policies related to recruitment, remuneration, performance and development, leave, travel and expenses, plus a few largely administrative policies.</p>
<b>Legal/Regulatory Compliance</b>	<p>Compliance with all laws, regulations, policies and company procedures is a key obligation of all employees, officers and Directors of HPI. This includes all laws related to social and environmental impacts and behaviours. During FY23, HPI did not receive any sanctions or penalties related to any breaches of social or environmental laws.</p>

 Key Policies	
<b>Anti-Competitive Behaviour</b>	<p>Anti-competitive behaviour is covered under our Code of Conduct and HPI has no tolerance for any attempt to subvert our normal processes or any laws to reduce competition or to give HPI an unfair or illegal advantage in transactions.</p>
<b>Bribery &amp; Corruption</b>	<p>The Corruption and Fraud Prevention and Detection Policy outlines the company's resolve to ensure that a robust internal control environment is in place. Wherever it is possible and cost effective to do so, management engineers preventative and detective controls into systems and processes to ensure that the company's assets are safeguarded, and the Company is protected against all forms of avoidable loss.</p> <p>During the FY23 year there were no reported incidents of fraud, corruption or bribery in the Company.</p>
<b>Whistleblower Protection</b>	<p>Our Whistleblower Protection Policy requires that employees witnessing or becoming aware of any misbehaviour report it to the company and, in turn, that all employees reporting such conduct are protected from retribution or harassment. During FY23 there were no incidents reported to HPI under the Whistleblower Protection Policy.</p>
<b>Political Contributions</b>	<p>Under the HPI Code of Conduct, the Company may make donations to political parties where it believes such donations may help the parties perform their functions better and to improve the democratic process. All dealings with politicians and government officers relating to HPI and its activities must be conducted at arm's length, to avoid any perception of attempts to gain advantage. All donations must be authorised by the Board, disclosed as required by law and recorded in the company's and Trust's accounts.</p> <p>During FY23, the Company made no financial or other donations to any political organisation or party.</p>

## CYBERSECURITY & DATA PRIVACY

We are aware that cybersecurity and data privacy is a prevalent issue in the current environment. Therefore, it is important to us that we are aligned to the current standards to ensure that our data is protected. Most of our financial activity happen from business-to-business and there is no material risk of tenant details being affected.

Our privacy policy outlines how personal information is gathered, how it is stored and why it is gathered. We collect current and historical personal information which includes names, contact details, identification, organisation, employment, positions held, forms submitted, payment details and enquiry/complaint details. Applicants who want to work at the company are requested to provide information about qualifications, skills, experience, character, and screening checks. From current staff members we collect information relating to their current or former employment or engagement including information about training, disciplining, resignation, termination, terms and conditions, staff benefits, emergency contact details, performance, conduct, use of our IT resources, payroll matters, professional/trade association membership, leave and taxation, banking, or superannuation affairs. Some of this personal information is collected under laws including the Fair Work Act, Superannuation Guarantee (Administration) Act and Income Tax Assessment Act. We implement a range of measures to protect the security of personal information, including electronic access controls, premises security and network firewalls.

We hold personal information electronically and in hard copy form, both at our own premises and with the assistance of our service providers. In the event a person ceases to be an employee of Hotel Property Investments, any personal information we hold will be maintained on site or in a secure offsite storage facility for several years to comply with legislative and professional requirements. We collect, hold, use and disclose personal information to operate our business. This includes:

- Managing our property investment portfolio,
- Facilitating investments in Hotel Property Investments,
- Maintaining and updating our records,
- Communicating and managing our relationships with stakeholders including our staff and business,
- Contacts representing investors, tenants, property agents and others,
- Recruiting, training, and managing staff,
- Protecting our lawful interests, and
- Facilitating acquisitions and potential acquisitions of our business.

Given our small employee count, all our IT systems are managed by an external provider. They handle our technology requirements and assist with any privacy measures that need to take place. This year we have had zero complaints concerning breaches of privacy and losses of data.

In addition to the above, an external cyber security review of our IT infrastructure was completed in October 2023 and there were no areas of major concern identified.

## RESPONSIBLE SUPPLY CHAIN & MODERN SLAVERY COMPLIANCE

While we fall below the current threshold for triggering the Modern Slavery Act, we aim to minimise the risk of modern slavery in our operations. This includes managing our supply chain to reduce the risk of any suppliers engaging with any modern slavery practices. We aim to develop a Supplier Code of Conduct in future which will create a more formal and stringent evaluation process for the suppliers we engage with.

## TAX TRANSPARENCY

While acknowledging that, as a trust, HPI has limited tax liabilities, we take an approach to tax that is ethical, transparent, and sustainable, having regard to our broader business objectives. The Board endorses the following principles governing our approach:

- Commitment to ensure full compliance with all statutory obligations, and full disclosure to revenue authorities.
- Maintenance of documented policies and procedures in relation to tax risk management and completion of thorough risk assessments, including escalation and reporting to the Board where required.
- Ongoing engagement with revenue authorities and active consideration of the implications of tax planning for our wider reputation.
- Managing tax affairs pro-actively to maximise shareholder value while avoiding aggressive tax minimisation measures and always operating in accordance with the law.

The ultimate responsibility for the establishment of a tax risk management framework sits with our Board, which has delegated to the Audit and Risk Committee the function of developing and maintaining our tax risk management framework. Company directors have a fundamental requirement to be involved in overseeing Management of the company and to take all reasonable steps to guide and monitor on issues such as tax. All our taxes are applicable to Australia, where the business is listed and operates. Our historical distribution tax information is available on our website, in the Investor Centre section.





# ESG CONSOLIDATED DATA TABLE

Operational Data	FY23	FY22
Portfolio value (AUD)	1.25 B	1.3 B
Properties (total number)	60	61
Properties per state (number):		
New South Wales	2	2
Queensland	44	46
Victoria	3	3
Northern Territory	0	0
Western Australia	1	0
South Australia	10	10
Tasmania	0	0
Weighted Average Lease Expiry (WALE) (years)	10.0	10.3
Total key tenants (number)	2	2
Total building area (sqm)	154,298	158,581
Average occupancy rate (percentage)	>90%	>90%
Tenant Engagement	FY23	FY22
Portfolio surveyed on key ESG risks and opportunities (% of portfolio)	>85%	>85%
Portfolio engaged on energy reduction (% of portfolio)	>85%	>85%
Tenant engagement on energy reduction (frequency)	>85%	>85%
Environmental Data Of Our Operations	FY23	FY22
Energy Usage		
Diesel usage (litres)	0	0
Petrol usage (litres)	0	0
Non-renewable electricity usage (kWh)	0	14,288
Renewable electricity usage (kWh)	13,348	0
Total energy consumption (kWh)	13,348	14,288
Emissions		
Scope 1 emissions (tCO <sub>2</sub> e)	0	0
Scope 2 emissions (tCO <sub>2</sub> e)	16.41	13.24
Total Scope 1 and 2 emissions (tCO <sub>2</sub> e)	16.41	13.24
Scope 3 emissions (tCO <sub>2</sub> e)	Not available	Not available
Total emissions (tCO <sub>2</sub> e)	16.41	13.24
Other		
Total number of properties surveyed on reducing energy/electricity usage	10	0
Total portfolio surveyed on reducing water usage (number)	10 (with key tenant)	0
Total properties with Thermoshield added (number)	17	7

Social Data	FY23	FY22
Employee Profile		
Employees (total number)	5	5
Male employees (total number)	4	4
Female employees (total number)	1	1
Male Board members (total number)	2	2
Female Board members (total number)	2	1
Employees aged <30 (total number)	0	1
Employees aged 30-50	3	2
Employees aged >50 (total number)	2	2
Health & Safety		
Lost time injuries (total number)	0	0
Lost time injury frequency rate (LTIFR) (number)	0	0
Discrimination & Harassment		
Incidents of discrimination and harassment (number)	0	0
Governance Data	FY23	FY22
Cybersecurity & Data Privacy		
Complaints concerning breaches of customer privacy and losses of customer data (total number)	0	0
Legal & Regulatory Compliance		
Sanctions or penalties related to any breaches of social or environmental laws (total number)	0	0
Bribery & Corruption		
Reported incidents of fraud, corruption or bribery (number)	0	0
Whistleblowing		
Reported incidents through the Whistleblower Protection Policy (number)	0	0
Political Contributions		
Financial or other donations to any political organisation or party (AUD or number)	0	0

# GRI INDEX

Statement of Use: HPI has reported the information cited in this GRI content index for the period 1 July 2022 to 30 June 2023 with reference to the GRI Standards (2021).

GRI 1: Foundation 2021
This Sustainability Report has been prepared in line with the principles for defining report content and quality, including undertaking a materiality assessment.

GRI 2: General Disclosures 2021		
Number	Disclosure	Location or Comment
2-1	Organisational details	Hotel Property Investments (HPI) is an ASX listed trust with a corporate trustee as a managing entity. The shares of the company and units of the trust are stapled and cannot be traded separately. HPI's registered address is 60 City Rd, Southbank VIC 3006 Australia
2-2	Entities included in the organisation's sustainability reporting	Refer to the Annual Report page 57
2-3	Reporting period, frequency, and contact point	1 July 2022 to 30 June 2023, July - June each year. Contact point: enquiries@hpitrust.com.au
2-4	Restatements of information	No restatements in FY23.
2-5	External assurance /consultation	Prepared with our partners at Morrow Sodali
2-6	Activities, value chain and other business relationships	HPI is an ASX listed real estate investment trust that aims to acquire and hold commercial pubs and hotels throughout Australia with the aim of delivering returns to investors from rental streams with good quality tenants on long term contracts.
2-7	Employees	Number of employees: 5 Full time: 4 (all male, 1 based in QLD, 3 in VIC) Part time: 1 (female based in VIC) All work is performed by the 5 employees, there are no contractors
2-8	Workers who are not employees	HPI does not employ any workers who are not employees.
2-9	Governance structure and composition	The Board of Hotel Property Investments is the ultimate governing body of HPI which is supplemented by the following sub-committees. - The Responsible Entity Compliance Committee (RECC); - The Board, Audit and Risk Committee (BARC); and - Human Resource & Nominations Committee (HR&NC).
2-10	Nomination and selection of the highest governance body	The Board is the highest governing body and members are appointed by Board vote and subject to shareholder re-election at the annual AGM
2-11	Chair of the highest governance body	The Board and all the sub-committees are made up of the following members: - Giselle Collins (Chair of the Board); - Lachlan Edwards (Chair of the RECC, HR&NC and BARC); - Anne Michaels (non-executive Director); and - Donald Smith (Chief Executive Officer & Managing Director)
2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to the 2023 corporate governance statement.
2-13	Delegation of responsibility for managing impacts	HPI has a delegation of authority policy

GRI 2: General Disclosures 2021		
Number	Disclosure	Location or Comment
2-14	Role of the highest governance body in sustainability reporting	The role of the Board in sustainability reporting is to ensure accuracy, completeness, verifiability, balance in the companies sustainability report, as well as review.
2-15	Conflicts of interest	The Board has adopted a Code of Conduct which expects employees to act consistent with fundamental principles of the company set out by the code including avoiding conflicts of interest with the company and advise the company of any conflict or potential conflict of interest
2-16	Communication of critical concerns	Refer to HPI's corporate governance statement
2-17	Evaluation of the performance of the highest governance body	HPI's Board is provided with regular updates on sustainability matters and is involved key decisions
2-18	Collective bargaining agreements	Process of the Evaluation document
2-19	Remuneration policies	See remuneration report (pg. 15 - 23)
2-20	Process to determine remuneration	See remuneration report (pg. 15 - 23)
2-21	Annual total compensation ratio	See remuneration report (pg. 18)
2-22	Statement on sustainable development strategy	See "Our approach to sustainability" section on pg. 13
2-23	Policy commitments	See "Governance for impact" section on pg. 19
2-24	Embedding policy commitments	HPI's Board is working on embedding it's sustainability policy commitments
2-25	Processes to remediate negative impacts	Refer to HPI's Whistleblower Policy
2-26	Mechanisms for seeking advice and raising concerns	Refer to HPI's Whistleblower Policy
2-27	Compliance with laws and regulations	No significant fines or penalties have been imposed on HPI during FY23
2-28	Membership associations	HPI is not a part of any membership associations
2-29	Approach to stakeholder engagement	See "Our stakeholders" section on pg. 8
2-30	Collective bargaining agreements	There were no collective bargaining agreements in FY23.

GRI 3: Material Topics 2021		
Number	Disclosure	Location or Comment
3-1	Process to determine material topics	See "Our material topics" section on pg. 10
3-2	List of material topics	See "Our material topics" section on pg. 10
3-3	Management of material topics	See "Our material topics" section on pg. 10



GRI 201: Economic Performance 2016		
Number	Disclosure	Location or Comment
201-1	Direct economic value generated and distributed	Information unavailable. HPI has not calculated direct economic value generated at this stage.
201-2	Financial implications and other risks and opportunities due to climate change	See "Climate change" section on page 15
201-3	Defined benefit plan obligations and other retirement plans	HPI does not have any defined benefit plans in place
201-4	Financial assistance received from government	No financial assistance received from government in FY23
GRI 202: Market Presence 2016		
Number	Disclosure	Location or Comment
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	HPI does not have entry level roles given the small team of staff.
202-2	Proportion of senior Management hired from the local community	Both executive Management personnel are hired from the local community where HPI is headquartered (Melbourne, VIC, Australia)
GRI 203: Indirect Economic Impacts 2016		
Number	Disclosure	Location or Comment
203-1	Infrastructure investments and services supported	Not applicable to HPI
203-2	Significant indirect economic impacts	Information unavailable. HPI does not assess significant indirect economic impacts at this stage.
GRI 204: Procurement Practices 2016		
Number	Disclosure	Location or Comment
204-1	Proportion of spending on local suppliers	N/A – information is not available as HPI does not receive verifiable data on the domicile of all suppliers used
GRI 205: Anti-corruption 2016		
Number	Disclosure	Location or Comment
205-1	Operations assessed for risks related to corruption	N/A – HPI's operations are not complex and there is minimal risk of corrupt activities during it's day to day operations of managing pub assets.
205-2	Communication and training about anti-corruption policies and procedures	See "Business ethics" section on page 20
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption reported in FY23
GRI 206: Anti-competitive Behaviour 2016		
Number	Disclosure	Location or Comment
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions for anti-competitive behaviour, anti-trust, and monopoly practices were taken in FY23

GRI 207: Tax 2019		
Number	Disclosure	Location or Comment
207-1	Approach to tax	See "Tax transparency" section on page 23
207-2	Tax governance, control, and risk management	See "Tax transparency" section on page 23
207-3	Stakeholder engagement and management of concerns related to tax	See "Tax transparency" section on page 23
207-4	Country-by-country reporting	See "Tax transparency" section on page 23
GRI 302: Energy 2016		
Number	Disclosure	Location or Comment
302-1	Energy consumption within the organisation	See "ESG Consolidated Data Table" on page 24
302-2	Energy consumption outside of the organisation	Information unavailable. HPI does not calculate energy consumption outside of the organisation at this stage.
302-3	Energy intensity	Information unavailable. HPI does not calculate energy intensity at this stage.
302-4	Reduction of energy consumption	See "Energy and emissions management" section on page 16
302-5	Reductions in energy requirements of products and services	See "Tenant engagement" section on page 18
GRI 305: Emissions 2016		
Number	Disclosure	Location or Comment
305-1	Direct (Scope 1) GHG emissions	See "ESG Consolidated Data Table" on page 24
305-2	Energy indirect (Scope 2) GHG emissions	See "ESG Consolidated Data Table" on page 24
305-3	Other indirect (Scope 3) GHG emissions	Information unavailable. HPI does not calculate Scope 3 emissions at this stage.
305-4	GHG emissions intensity	Information unavailable. HPI does not calculate GHG emissions intensity at this stage.
305-5	Reduction of GHG emissions	See "ESG Consolidated Data Table" on page 24
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable. HPI does not produce ozone-depleting substances in its operations.
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Information unavailable. HPI does not calculate nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions at this stage.
GRI 306: Waste 2020		
Number	Disclosure	Location or Comment
306-1	Waste generation and significant waste-related impacts	Not applicable. HPI has a negligible footprint due to the low employee count. Therefore, waste is seen as immaterial to HPI.
306-2	Management of significant waste-related impacts	
306-3	Waste generated	
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	

GRI 308: Supplier Environmental Assessment 2016		
Number	Disclosure	Location or Comment
308-1	New suppliers that were screened using environmental criteria	No new suppliers were screened in FY23
308-2	Negative environmental impacts in the supply chain and actions taken	No negative environmental impacts in the supply chain were identified in FY23.
GRI 401: Employment 2016		
Number	Disclosure	Location or Comment
401-1	New employee hires and employee turnover	See "Employee engagement and satisfaction" section on page 16
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	See "Employee engagement and satisfaction" section on page 16
401-3	Parental leave	HPI has a parental leave policy in place
GRI 402: Labour/Management Relations 2016		
Number	Disclosure	Location or Comment
402-1	Minimum notice periods regarding operational changes	N/A – no operational changes have occurred in recent times
GRI 403: Occupational Health and Safety 2018		
Number	Disclosure	Location or Comment
403-1	Occupational health and safety management system	See "Health and safety" section on page 17
403-2	Hazard identification, risk assessment, and incident investigation	HPI's property manager will identify any hazards on site at the time of inspection and notify the relevant tenant accordingly as the tenant is responsible for most maintenance matters. HPI performs risk assessments on an as needed basis as situations arise. No incidents have arisen for the past several years.
403-3	Occupational health services	HPI does not have an in-house occupational health service.
403-4	Worker participation, consultation, and communication on occupational health and safety	See "Health and safety" section on page 17
403-5	Worker training on occupational health and safety	See "Health and safety" section on page 17
403-6	Promotion of worker health	See "Employee engagement and satisfaction" and "Health and safety" sections on pages 16 and 17
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	HPI's property manager has done training for high-risk activities such as roof inspection etc. All other HPI staff do not perform high risk tasks and therefore OH&S risks are minimal.
403-8	Workers covered by an occupational health and safety management system	See "Health and safety" section on page 17
403-9	Work-related injuries	No work-related injuries reported in FY23.
403-10	Work-related ill health	No work-related ill health reported in FY23.

GRI 404: Training and Education 2016		
Number	Disclosure	Location or Comment
404-1	Average hours of training per year per employee	Eligible HPI staff averaged approx. 22 hours of training during the past 12 months.
404-2	Programs for upgrading employee skills and transition assistance programs	Given the small staff size of the team, HPI does not have formal programs for upgrading employee skills or transition assistance programs.
404-3	Percentage of employees receiving regular performance and career development reviews	All employees receive annual performance and career development reviews.
GRI 405: Diversity and Equal Opportunity 2016		
Number	Disclosure	Location or Comment
405-1	Diversity of governance bodies and employees	See "Diversity, inclusion and equal opportunity" section on page 17
405-2	Ratio of basic salary and remuneration of women to men	Given the small size of the HPI team, there are no duplicate roles within the company's staff team that would allow for a comparable ratio of basic salary and remuneration of women and men to be measured.
GRI 406: Non-discrimination 2016		
Number	Disclosure	Location or Comment
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination reported during FY23.
GRI 407: Freedom of Association and Collective Bargaining 2016		
Number	Disclosure	Location or Comment
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	HPI does not have any collective bargaining agreements or associations.
GRI 408: Child Labour 2016		
Number	Disclosure	Location or Comment
408-1	Operations and suppliers at significant risk for incidents of child labour	There were no operations and suppliers at significant risk for incidents of child labour identified.
GRI 409: Forced or Compulsory Labour 2016		
Number	Disclosure	Location or Comment
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	There were no operations and suppliers at significant risk for incidents of forced or compulsory labour identified.
GRI 410: Security Practices 2016		
Number	Disclosure	Location or Comment
410-1	Security personnel trained in human rights policies or procedures	Not applicable. HPI does not employ security personnel for its operations
GRI 411: Rights of Indigenous Peoples 2016		
Number	Disclosure	Location or Comment
411-1	Incidents of violations involving rights of indigenous peoples	There were no incidents of violations involving rights of indigenous peoples identified.



GRI 413: Local Communities 2016		
Number	Disclosure	Location or Comment
413-1	Operations with local community engagement, impact assessments, and development programs	HPI does not have a community engagement, impact assessment or development program.
413-2	Operations with significant actual and potential negative impacts on local communities	There were no operations with significant actual and potential negative impacts on local communities identified.
GRI 414: Supplier Social Assessment 2016		
Number	Disclosure	Location or Comment
414-1	New suppliers that were screened using social criteria	No new suppliers were screened in FY23
414-2	Negative social impacts in the supply chain and actions taken	There were no negative social impacts in the supply chain identified.
GRI 415: Public Policy 2016		
Number	Disclosure	Location or Comment
415-1	Political contributions	There were no political contributions during FY23
GRI 416: Customer Health and Safety 2016		
Number	Disclosure	Location or Comment
416-1	Assessment of the health and safety impacts of product and service categories	N/A – HPI does not provide general products and services to the public and therefore has not performed an assessment
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance concerning the health and safety impacts of products and services
GRI 418: Customer Privacy 2016		
Number	Disclosure	Location or Comment
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

We are committed to improving the sustainability of our own practices, while maximising value for all stakeholders.



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PROPERTY  
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