

*Working towards  
reaching mutually  
beneficial &  
sustainable  
outcomes.*



# Sustainability Update 2024

## About This Update

The information presented in this Sustainability Update reflects our understanding of key environmental, social and governance (ESG) topics identified as material to the business and our stakeholders.

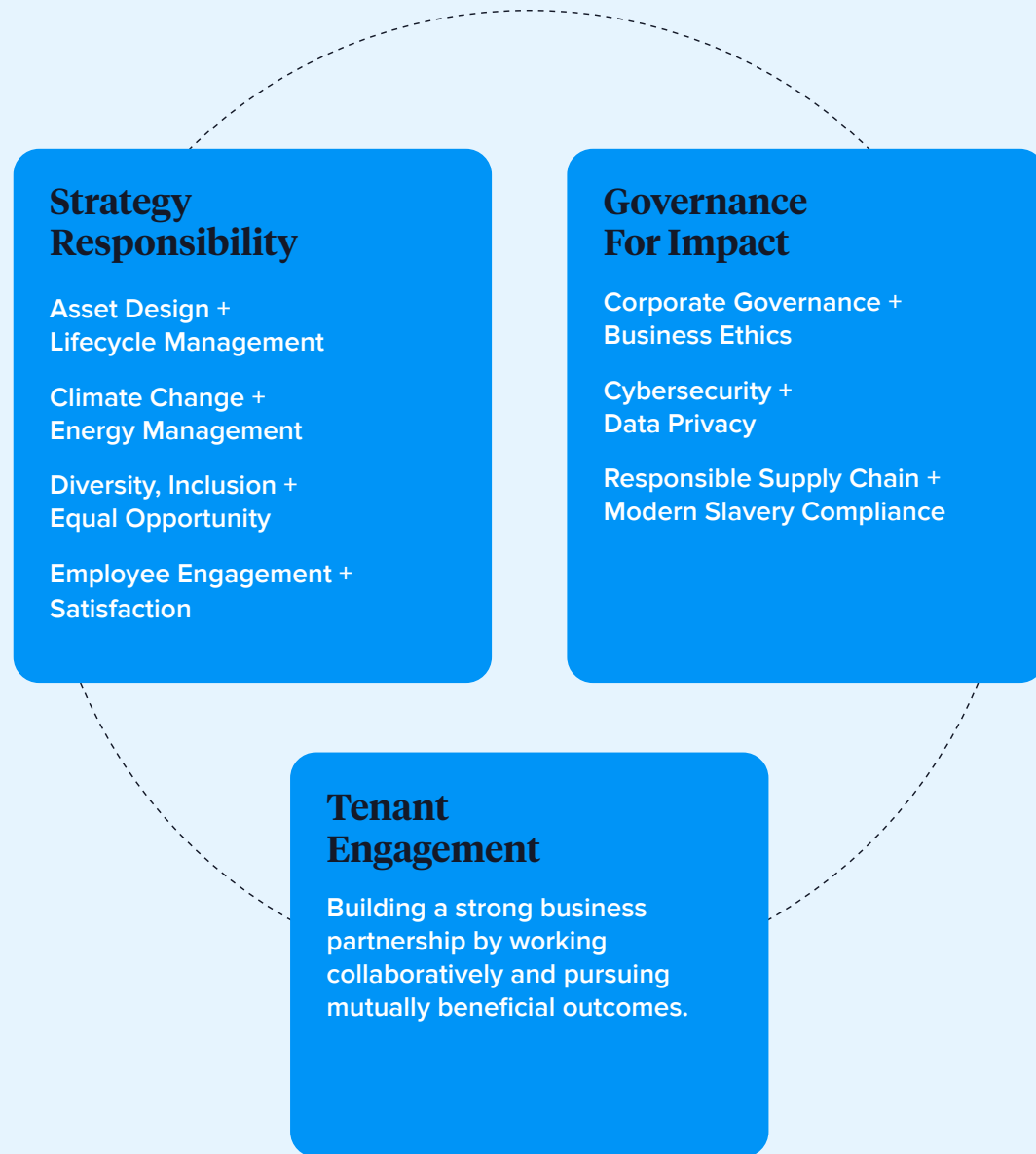
We recommend that the update be read in conjunction with our previous Sustainability Reports, the Corporate Governance Statement, Code of Conduct, Corporate Policies and Charters available on our website at [hpitrust.com.au](http://hpitrust.com.au). This update covers the FY24 reporting period (commencing 1 July 2023 to 30 June 2024).

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 data disclosed in this Sustainability Update.

Beenleigh Tavern  
Eagleby QLD



## Our Approach To Sustainability



### Sustainability Framework

HPI's sustainability framework centres around three pillars that we focus on to create value for our shareholders, employees, tenants, and other stakeholders. These pillars guide our decision making and forms the structure of our approach to sustainability.

## Our Stakeholders

Stakeholder Group	Engagement Approach	Relevant Material Topics
<b>Employees</b>	With a small team of less than 10 employees and four non-Executive Directors, we work closely and collaborate on key matters. Periodic monthly meetings and informal communications ensure that employees, management, and the Board are continuously engaged.	<ul style="list-style-type: none"> <li>Corporate Governance + Business Ethics</li> <li>Diversity, Inclusion + Equal Opportunity</li> <li>Employee Engagement + Satisfaction</li> </ul>
<b>Tenants</b>	We will continue to build strong business partnerships by working collaboratively towards mutually beneficial sustainable outcomes.	<ul style="list-style-type: none"> <li>Asset Design + Life Cycle Management</li> <li>Climate Change + Energy Management</li> <li>Tenant Engagement</li> </ul>
<b>Investors</b>	Our engagement activities and communication mediums include half-yearly and annual financial results, annual general meetings, markets updates, presentations and ASX announcements.	<ul style="list-style-type: none"> <li>Corporate Governance + Business Ethics</li> <li>Climate Change + Energy Management</li> <li>Diversity, Inclusion + Equal Opportunity</li> <li>Responsible Supply Chain + Modern Slavery Compliance</li> </ul>
<b>Regulators</b>	We maintain compliance with all regulatory requirements and will engage with regulators as required.	<ul style="list-style-type: none"> <li>Corporate Governance + Business Ethics</li> <li>Climate Change + Energy Management</li> <li>Diversity, Inclusion + Equal Opportunity</li> <li>Cybersecurity + Data Privacy</li> <li>Responsible Supply Chain + Modern Slavery Compliance</li> </ul>

### Our Material Topics

To inform our approach to sustainability, we completed a desktop materiality assessment in FY23 to identify HPI's material sustainability topics. In FY24, these topics have been internally validated for their continued relevance considering new and emerging ESG risks across the REIT sector.

## Our Strategy & Responsibility

### Asset Design & Life Cycle Management

Together with our Tenants, we have invested in renovating a substantial proportion of the portfolio via several asset refurbishment programs. The nature of these upgrades has historically been determined by our tenants, however, they have typically included cosmetic improvements and the installation of energy efficient technologies (i.e., LED lighting).

In FY24, we:

- negotiated and finalised a rentalised CAPEX agreement with our major, long-term tenant – Australian Venue Co. This agreement included the sale of four properties in Queensland and Victoria, with the proceeds of approx. \$50 million redeployed as part of a capital investment program across other HPI properties. Refurbishment programs also commenced at seven properties in Queensland and two properties in South Australia, both of which will continue in the coming year. Other properties have been chosen for refurbishment as part of this agreement and will commence in FY25. There are requirements in this agreement for the tenant to provide Sustainability Management and Waste Management Plans;
- have signed licence agreements to trial Electric Vehicle charging stations at two of our assets. We will assess the suitability and performance of these arrangements when considering installations at other assets; and
- continue to utilise Thermoshield on roofs

### Climate Change & Energy Management

We continue to recognise that our property portfolio is a source of greenhouse gas emissions, and that climate change may have an impact on our business activities.

During the year, HPI purchased 15MWh of green power for our corporate offices in Southbank.

We are aware that mandatory climate reporting will soon be legislated in Australia. We will engage with our tenants in FY25 to understand the availability of emissions data to meet HPI's future climate reporting obligations.

### Diversity, Inclusion & Equal Opportunity

HPI is committed to diversity and seeks to promote an inclusive culture where people are encouraged to succeed to the best of their ability.

As our team is small, the Board has chosen not to set targets for gender diversity.

### Employee Engagement & Satisfaction

The flat nature of HPI's organisational structure and small size of our team provides a workplace where all employees are encouraged to raise concerns or grievances with the CEO or Board, at any time.

To support the ongoing professional development of our team, all employees participate in annual performance reviews in June each year. These reviews are undertaken as an open, two-way dialogue between the employee and the CEO/Acting CEO. The annual performance review of the CEO/Acting CEO involved being evaluated by the Chair, with oversight by the Board.

HPI has historically had a very low turnover of employees, and we are pleased to report that no employee resigned from the Company in FY24. During the year, we continued to offer our employees flexible work arrangements, statutory parental leave, and long service leave as supporting mechanisms for our strong culture.

## Our Governance For Impact

HPI is committed to meeting the highest standards of corporate governance. Our latest Corporate Governance Statement is publicly available on our website, which contains a comprehensive description of our Board structure and functions, corporate governance policies and our risk management framework.

### Corporate Governance & Business Ethics

To ensure that our business activities are undertaken with the utmost integrity, the Trust has developed a range of policies and procedures that set out the expectations as to how HPI, its Directors and employees will work and behave towards each other. A copy of these policies is available on the Governance page on our website. The significant policies were reviewed by our legal advisor during the year to ensure best practice.

We are pleased to report that there were no breaches of these policies in FY24, and no communication was received from relevant regulatory bodies for possible misconduct by HPI.

### Cybersecurity & Data Privacy

The Trust handles personal information relating to tenants, employees, and potential employees.

We are pleased to report that there were no reportable data breaches in FY24 involving theft of personally identifiable information.

In 2023, we employed a professional services firm to complete a comprehensive review of HPI's existing information technology infrastructure to identify cybersecurity vulnerabilities and other areas for improvement. The review highlighted some areas for improvement and the recommendations have been implemented, resulting in improved HPI's Microsoft Secure Score and overall cybersecurity.

