

LRO  
HOSPITALITY



# 2025 Sustainability Report

LRO Hospitality



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## Senior Leadership Statement

2025 has been another successful year for LRO Hospitality, with strong sustainability progress alongside the expansion of our portfolio. The acquisition of Hilton Garden Inn Paris Massy and Marriott Brussels Hotel Grand Place expanded our hotel base to four assets across Western Europe. Across each of them, we have delivered consistent and measurable advances against our sustainability objectives. This is our third annual Sustainability Report, and we are proud of the journey it reflects.

Sustainability is integrated into our investment approach - including how we acquire, operate, and create long-term value through our hotel assets - and in 2025, that commitment translated into tangible results across environmental performance, social impact and our standing against key sustainability frameworks and benchmarks.

On the climate and environmental side, we strengthened our emissions reporting to cover scopes 1, 2, and select scope 3 categories - a meaningful step forward in our ability to understand and manage the carbon footprint of our portfolio. 2025 also saw two hotels achieve sustainability certifications. Marriott Brussels Hotel Grand Place completed its BREEAM In-Use assessment in 2025, with 'Excellent' certification formally awarded in early 2026. Hilton Garden Inn Paris Massy achieved its Green Key certification, assessed across 13 categories including energy, water, and waste management.

Our social impact initiatives also grew in 2025. Holiday Inn Express Dresden Zentrum partnered with Too Good To Go to redistribute food surplus, saving 318 meals since April 2025, and Marriott Brussels Hotel Grand Place continued its community volunteering partnership with Clair Matin, supporting vulnerable young people in the local area. We also launched sustainability training across all hotels, reaching over 100 members of staff.

These ongoing efforts are reflected in our performance against key benchmarks. Our GRESB score reached 64/100 (up 35 points since our base year), and our FuturePlus portfolio score of 324/500 exceeded our 2025 target.

As we move into 2026, we remain focused on driving further improvements across our portfolio and continuing the momentum built this year. We are grateful to our hotel teams, operators, and partners whose dedication makes this possible.



John Ozinga  
*CEO, LRO Investment Advisor*

# 1. Introduction

## 1.1 About this Report

Welcome to LRO Hospitality's third annual Sustainability Report. This report covers data and activities from 1 January – 31 December 2025, unless otherwise specified.

The report covers the Environmental, Social and Governance (ESG) performance data of our portfolio:

- DoubleTree by Hilton Paris Bougival
- Holiday Inn Express Dresden Zentrum
- Hilton Garden Inn Paris Massy (Acquired April 2025)
- Marriott Brussels Hotel Grand Place (Acquired September 2025)

## 1.2 About LRO Hospitality

LRO Hospitality is a Reserved Alternative Investment Fund (RAIF) based in Luxembourg, which integrates real estate and operational management across a range of budgets to upscale properties across Western Europe. The Fund leverages a proactive, operator-driven approach to achieve attractive risk-adjusted returns, focusing on hotels with significant recovery value.

With a commitment to long-term value creation, LRO Hospitality is dedicated to embedding sustainable practices within its investment strategy, recognising the importance of ESG management in the hospitality sector.

## 1.3 Portfolio Overview

DoubleTree by  
Hilton Paris Bougival



Location	Number of bedrooms	Total area	Acquired
Paris, France	219	10,061 sq m	2021



# Holiday Inn Express Dresden Zentrum



Location	Number of bedrooms	Total area	Acquired
Dresden, Germany	306	12,800 sq m	2022



# Hilton Garden Inn Paris Massy



Location	Number of bedrooms	Total area	Acquired
<b>Massy, France</b>	<b>152</b>	<b>6,600 sq m</b>	<b>2024 - 2025</b>



# Marriott Brussels Hotel Grand Place



Location	Number of bedrooms	Total area	Acquired
<b>Brussels, Belgium</b>	<b>222</b>	<b>17,231 sq m</b>	<b>2025</b>



## 2. Our Sustainability Strategy

### 2.1. Responsible Investment Approach

At LRO Hospitality, sustainability is integral to how we invest, operate, and create long-term value. As an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR), we are committed to promoting environmental and social characteristics across our portfolio - embedding these considerations throughout the asset lifecycle, from acquisition and renovation through to operations and disposal.

Our responsible investment approach is built on four pillars:

#### 1. Principles for Responsible Investment (PRI)

We align our investment strategy with the PRI, an international framework for incorporating ESG factors into investment decision-making and asset management. While the Fund is not a formal PRI signatory, we fully endorse and actively implement these principles throughout our portfolio.

Our commitment to the PRI Principles is demonstrated through:

- Integrating ESG goals into our investment analyses and asset selection.
- Actively managing our assets with ESG considerations embedded in operational policies.
- Seeking transparent ESG disclosure from our assets and operational partners.
- Promoting PRI principles within the investment industry.
- Collaborating across our portfolio to enhance ESG performance and implementation.
- Reporting on our ESG activities and progress to stakeholders.

## 2. Sustainability Measurement & Reporting (FuturePlus)

LRO Hospitality uses FuturePlus to manage, disclose, and report sustainability metrics across our asset portfolio. The platform provides industry benchmarking, progress monitoring, and actionable improvement roadmaps aligned with internationally recognised frameworks. Asset-level performance tracking and portfolio-wide dashboards support data-driven decision-making and provide the evidence base for our annual SFDR disclosures, including principal adverse impact (PAI) reporting.



While LRO Hospitality does not directly undertake FuturePlus assessments at the fund-level, we leverage the FuturePlus framework to evaluate and enhance our sustainability efforts.

## 3. Global Real Estate Sustainability Benchmark (GRESB)

We participate in GRESB, which supports our commitment to continually assess and align our investments with global sustainability standards. This ongoing monitoring process is a key part of our strategy to create long-term value and mitigate sustainability-related risks across our portfolio.



## 4. Sustainable Financial Disclosure Regulation (SFDR) Compliance & Disclosure

Our Article 8 classification requires annual disclosure on how environmental and social characteristics are promoted and met across the portfolio. The combination of PRI-aligned investment processes, FuturePlus data infrastructure, and GRESB benchmarking provides a robust framework for meeting these obligations. As regulatory expectations evolve, we will continue to deepen our disclosures and strengthen integration of sustainability across our investment strategy. [See Appendix 1 for details.](#)

## 2.2 ESG Governance Structure

Strong governance is crucial for driving sustainability performance and effectively managing ESG-related risks across our portfolio.

### LRO Investment Advisor

The CEO of LRO Investment Advisor holds ultimate responsibility for ESG oversight, working closely with Senior Management to address investment, operational, and ESG-related risks. We conduct annual ESG risk assessments to proactively monitor and mitigate potential impacts across our portfolio.

### General Managers

Hotel General Managers report quarterly to the CEO, implementing LRO Hospitality's sustainability policies (where appropriate) and leveraging FuturePlus for performance tracking. Regular meetings between LRO, hotel teams, and FuturePlus advisors facilitate continuous improvement.

### Sustainability Committee

A cross-functional Sustainability Committee provides strategic oversight across the FuturePlus sustainability pillars: Climate, Environment, Social, Diversity & Inclusion, and Economic. The Committee, supported by FuturePlus, ensures structured engagement between hotel management companies, General Managers and the CEO of LRO Investment Advisor. The Committee meets quarterly, with agendas and minutes documented to maintain accountability and track our strategic goals.

#### **Committee Responsibilities:**

- Strategic Oversight
- Risk Management
- Performance Measurement



**Committee Members:**

- Chair: CEO of LRO Investment Advisor
- Hotel Operators
- General Manager, DoubleTree by Hilton Paris Bougival
- General Manager, Holiday Inn Express Dresden Zentrum
- General Manager, Hilton Garden Inn Paris Massy
- General Manager, Marriott Brussels Hotel Grand Place
- Head of Consultancy, FuturePlus Technologies Limited

**Diagram 1: Governance Structure**



## Policies and Procedures

Our governance structure is supported by a range of policies and procedures, including Risk Management, Code of Ethics, Whistleblowing, and Anti-Bribery and Corruption.

## 2.3 Stakeholder Engagement

We maintain transparent, collaborative relationships with key stakeholders to understand their ESG expectations, drive positive impact, and foster long-term value.

**Table 1: Stakeholder Engagement Summary**

Stakeholder Group	Engagement Initiatives
Investors and Shareholders	<p>Provide regular updates to keep investors and shareholders informed about key developments and the ESG performance of the Fund.</p> <p>Publish annual Sustainability Reports to share progress on ESG initiatives and long-term sustainability goals.</p>
Hotel Operators and Employees	<p>Hotels are managed by third-party operators responsible for daily operations.</p> <p>ESG performance is monitored through the Sustainability Committee.</p> <p>Collaboration with FuturePlus enables LRO Hospitality to oversee asset sustainability performance and facilitate regular reporting.</p> <p>Employee sustainability training delivered by FuturePlus as part of the GRESB assessment.</p>
Hotel Guests	<p>Implement guest engagement initiatives and programmes to reduce environmental impact, including digital check-ins, “Greener Stay” initiatives, and EV charging points.</p> <p>Display QR codes for easy access to sustainability information and encourage guest participation.</p> <p>Gather guest satisfaction feedback via surveys.</p>
Communities	<p>Facilitate employee volunteering opportunities.</p> <p>Support employment creation within local communities through our assets.</p>
Suppliers	<p>Ensure ESG standards are maintained through hotel management practices and third-party operator oversight.</p>

### 3. ESG Performance Highlights

Building on the success and progress achieved in previous years, 2025 saw further integration of sustainability into our investment strategy and asset management.

## 3.1 Key Achievements

### GRESB

The 2025 GRESB submission covered the reporting year 1 January – 31 December 2024.

We achieved a notable **15-point increase in our GRESB score** compared to the previous year, reaching 64/100, demonstrating improved ESG performance across the portfolio.

**Table 2: GRESB Scores 2023 -2025**

2023 GRESB score	<b>29</b>
2024 GRESB score	<b>49</b>
2025 GRESB score	<b>64</b>
Increase since base year (2023)	<b>+35</b>

The peer group average for 2025 was 76/100. We outperformed the average peer group score in the following areas:

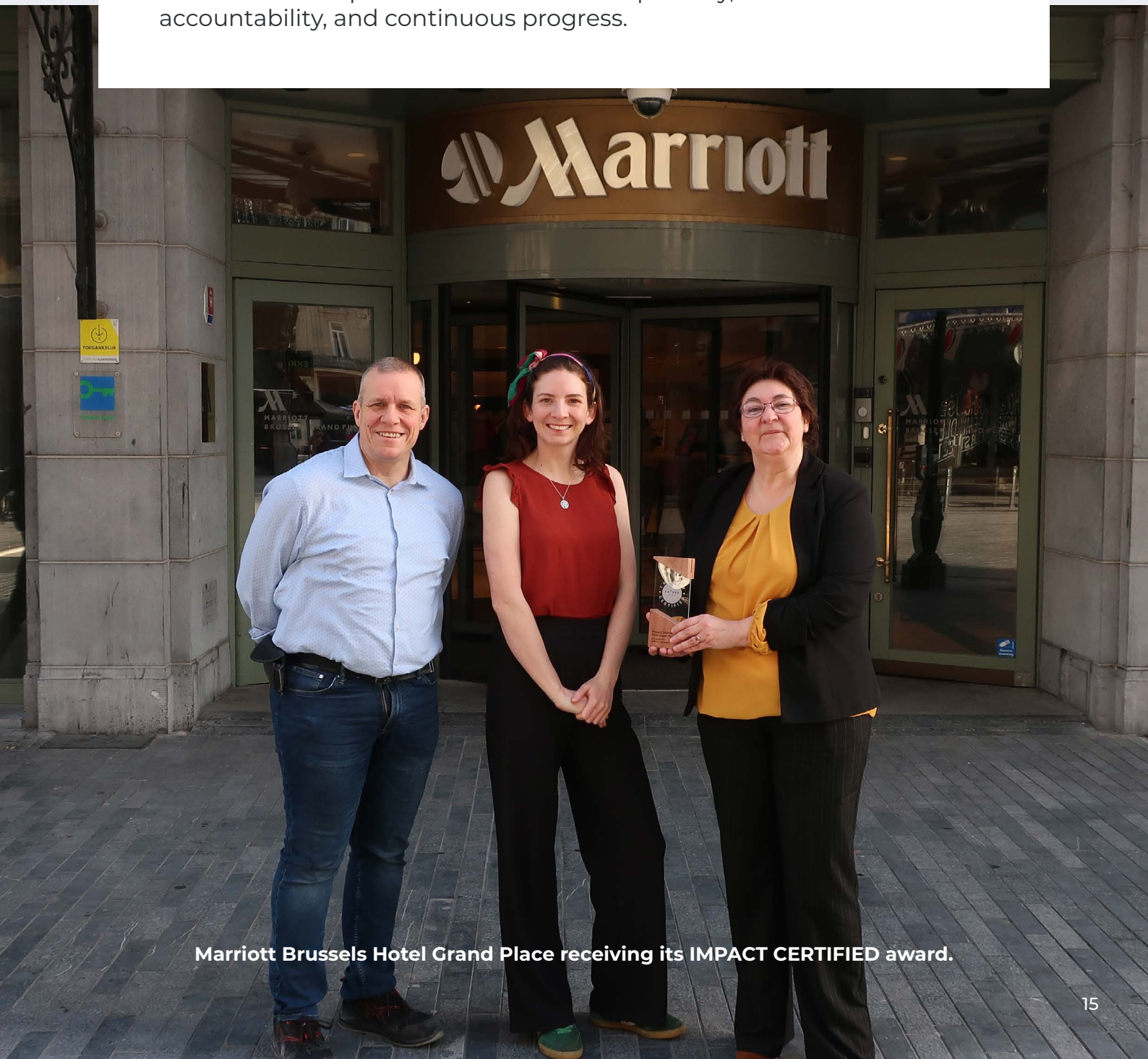
- Reporting
- Risk Management
- Risk Assessment
- Tenants and Community
- Greenhouse Gas Emissions
- Water Consumption

## FuturePlus IMPACT CERTIFIED

All hotels in the portfolio have achieved FuturePlus IMPACT CERTIFIED status. This represents their commitment to measuring, managing, and improving their sustainability practices through the FuturePlus framework.



To achieve IMPACT CERTIFIED status, organisations must submit an assessment of their environmental, social, and governance performance, which is verified by FuturePlus. The award demonstrates participation in a structured, evidence-based process focused on transparency, accountability, and continuous progress.



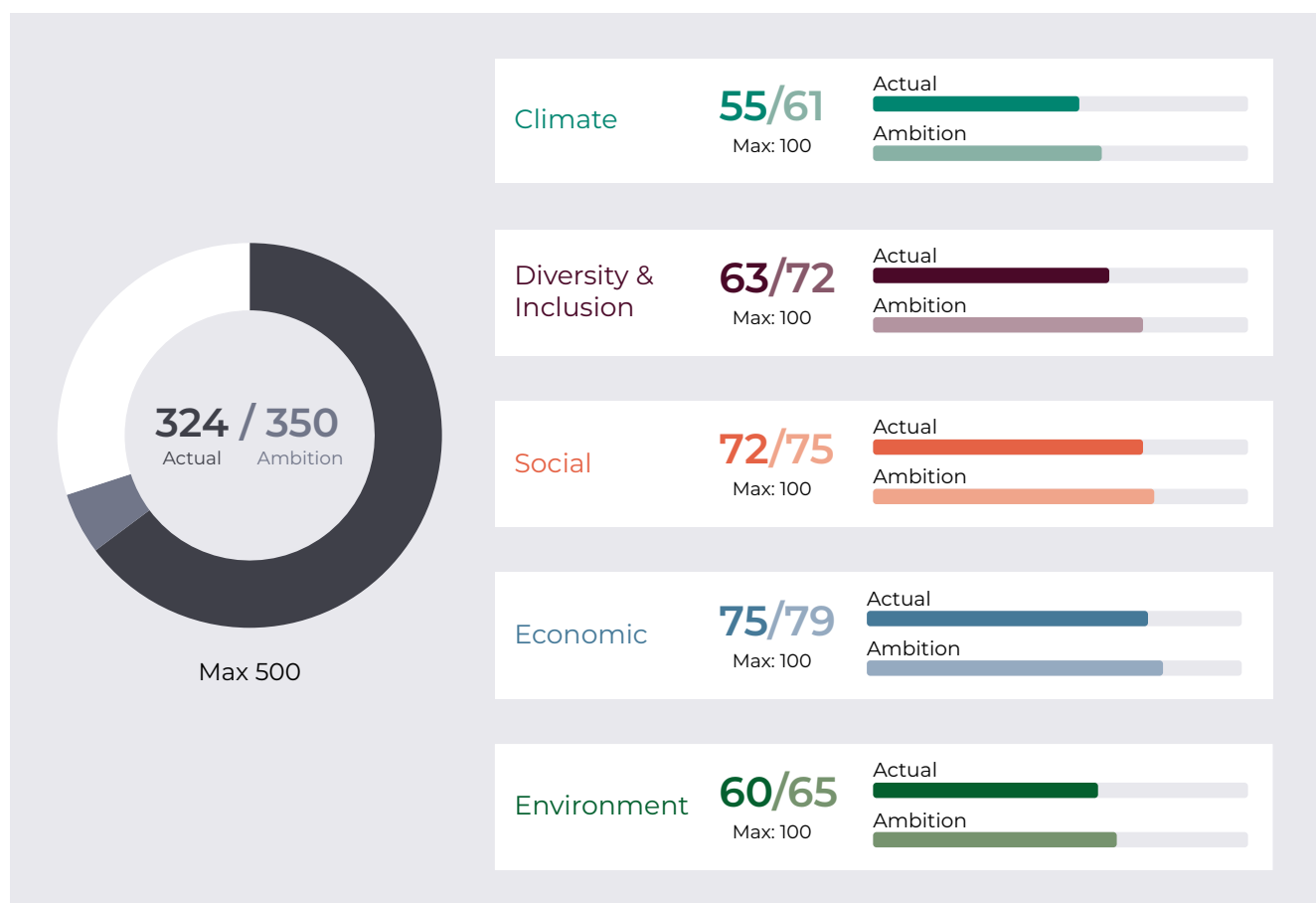
Marriott Brussels Hotel Grand Place receiving its IMPACT CERTIFIED award.

## FuturePlus - Portfolio-Level (Average)

The FuturePlus Actual score is a score out of 500, which is an aggregate of scores across the five sustainability themes - Climate, Diversity & Inclusion, Social, Economic, and Environment. FuturePlus also provides an Ambition score for the sustainability objectives we have committed to achieving over the next three years. The Ambition score is the combination of the Actual score and a weighted score of all the ambitions we have pledged to achieve.

Our portfolio's Actual score reached 324 out of 500, significantly surpassing our 2025 target of 290-300. The Ambition score also increased to 350 out of 500, indicating our proactive approach to consistently reviewing and setting ambitious sustainability goals.

**Diagram 2: FuturePlus Portfolio Average performance breakdown (as of 31 December 2025)**



Sustainability score powered by

**FUTUREPLUS**

The Actual Scores show continuous improvement from the portfolio average in 2023.

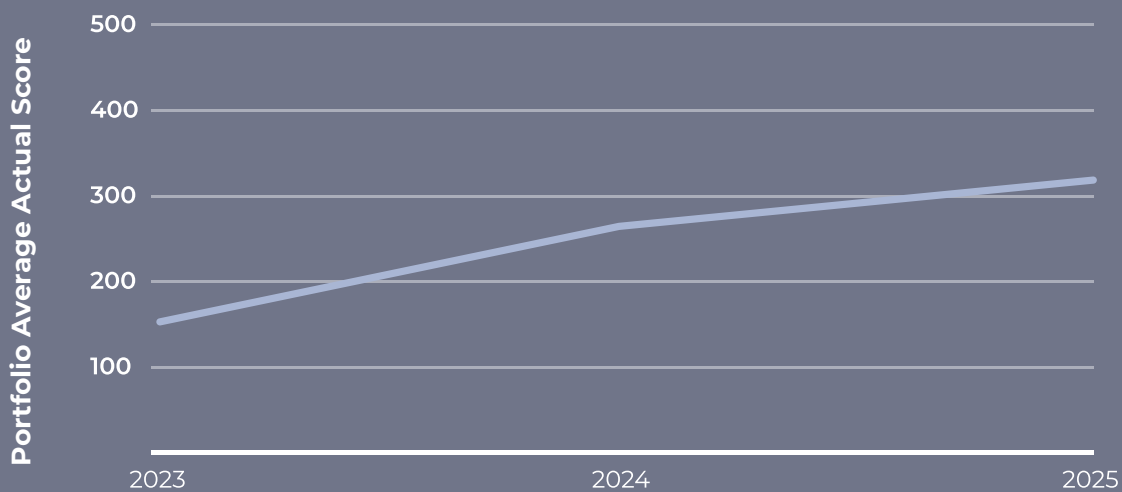
**Table 3: FuturePlus Portfolio Average Actual Scores 2023-2025**

2023	2024	2025	Increase since base year (2023)
<b>159/500</b>	<b>270/500</b>	<b>324/500</b>	<b>+165</b>

Since our first FuturePlus submission in 2023, two hotels have been added to the portfolio. While portfolio average scores naturally fluctuate as new assets are onboarded, reflecting the varying sustainability maturity of each hotel at the point of entry, our overall trajectory has been one of consistent improvement, demonstrating our commitment to investing in assets with strong environmental and social characteristics and continuously improving the performance of existing assets.

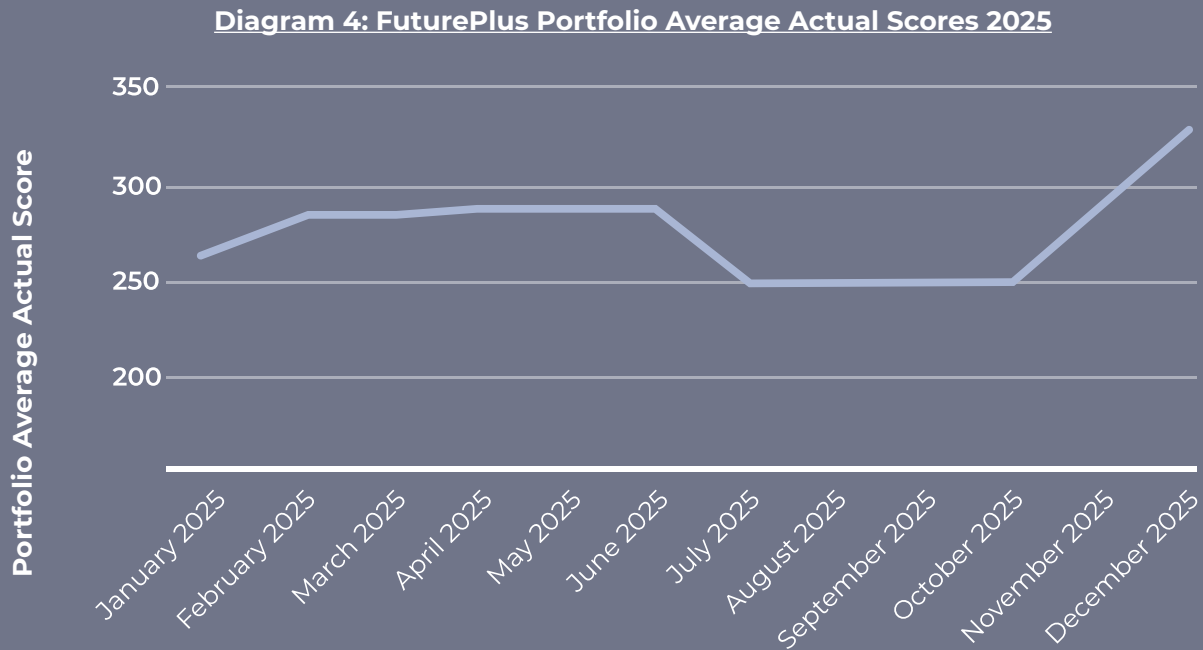
The graph below demonstrates the score trajectory from 2023-2025.

**Diagram 3: FuturePlus Portfolio Average Actual Scores 2023-2025**



Since the beginning of 2025, our portfolio average Actual Score has risen 54 points, from 270 to 324. The addition of Hilton Garden Inn Paris Massy in July 2025 resulted in a temporary dip in the portfolio average, as the hotel was in earlier stages of its sustainability journey relative to other assets. Conversely, the addition of Marriott Brussels Hotel Grand Palace in November 2025 contributed to a rise in the average, reflecting its stronger baseline performance. As each hotel progresses through its improvement roadmap, we expect portfolio-wide scores to continue trending upward.

The graph below shows the change in score from January to December 2025.



## FuturePlus - Asset-Level

At the hotel level, the two hotels included in our 2024 Sustainability Report, DoubleTree by Hilton Paris Bougival and Holiday Inn Express Dresden Zentrum, have increased their individual Actual scores by 40 and 34, respectively. Their individual Ambition scores have similarly risen by 42 and 19, respectively.

**Table 4: FuturePlus Scores by Hotel**

Hotel	Actual Score December 2024	Ambition Score December 2024	Actual Score December 2025	Ambition Score December 2025
DoubleTree by Hilton Paris Bougival	289	298	329	330
Holiday Inn Express Dresden Zentrum	250	265	284	284
Hilton Garden Inn Paris Massy	-	-	270	323
Marriott Brussels Hotel Grand Place	-	-	413	464

Hilton Garden Inn Paris Massy joined the platform in July 2025, and achieved an Actual score of 161 out of 500 on its first submission, and by year-end, its score had increased to 270.

Marriott Brussels Hotel Grand Place first submitted in November 2025 and achieved an Actual score of 408, which by year-end had reached 413. This is notably higher than the other three hotels in our portfolio, reflecting the property's comparatively mature sustainability performance. This lead is driven by established protocols in emissions and waste management, recent building certifications, and robust governance procedures already in place at the time of acquisition.

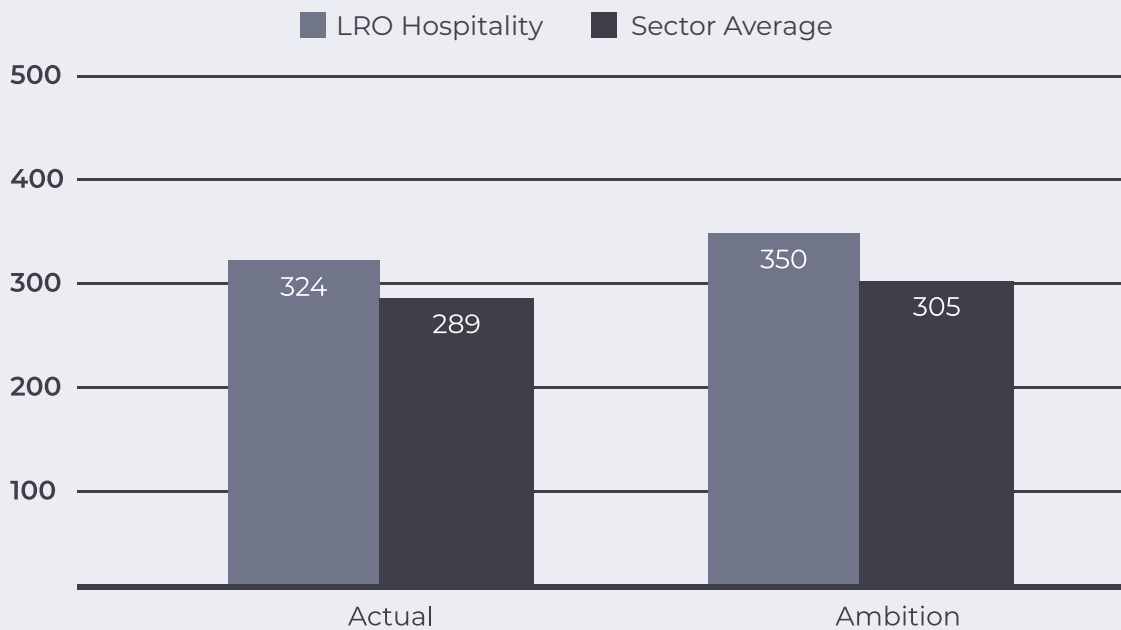
In alignment with the FuturePlus framework, Holiday Inn Express Dresden Zentrum, Hilton Garden Inn Paris Massy and Marriott Brussels Hotel Grand Place are positively contributing to all 17 UN Sustainable Development Goals (SDGs). DoubleTree by Hilton Paris Bougival is meeting 16 of the 17. FuturePlus will work with the hotel throughout 2026 to align with the final goal (SDG 2 - Zero Hunger).



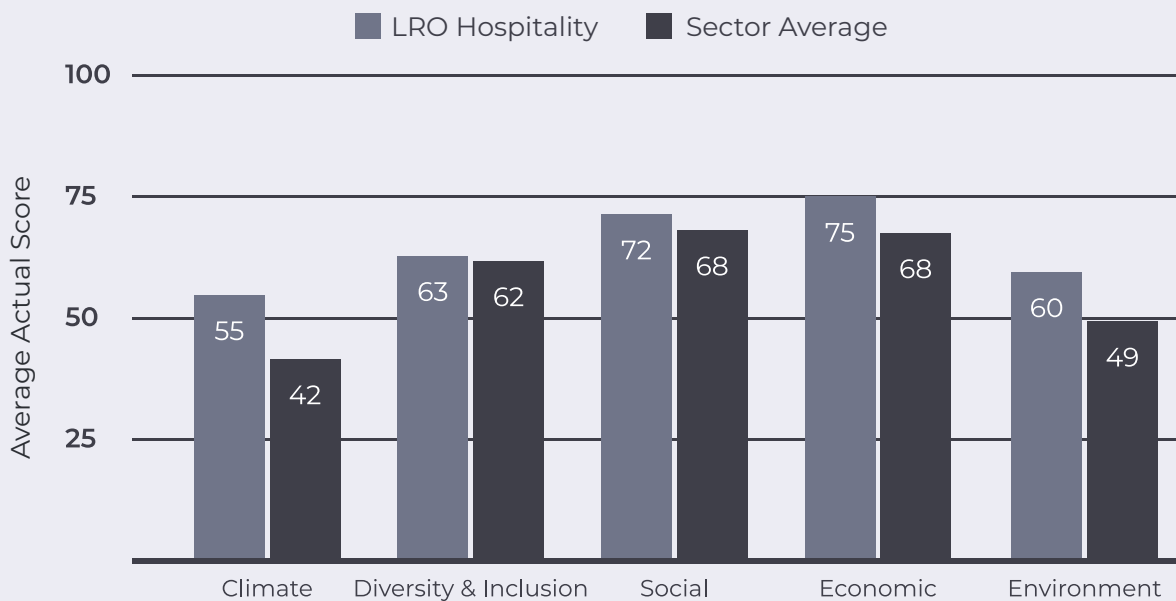
## 3.2 Sector Benchmarking

The graphs below show that our FuturePlus average portfolio scores are consistently above that of the hospitality sector average. Our Actual score exceeds sector benchmarks by 12%, and our Ambition score exceeds by 14%. We outperform sector averages across all five themes by a margin of up to 13 points.<sup>1</sup>

**Diagram 5: FuturePlus Sector Comparison**



**Diagram 6: FuturePlus Sector Comparison by Theme**



1. Average scores of 40 hotels, restaurants, and spa businesses using FuturePlus as of December 2025.

## 4. Our Impact

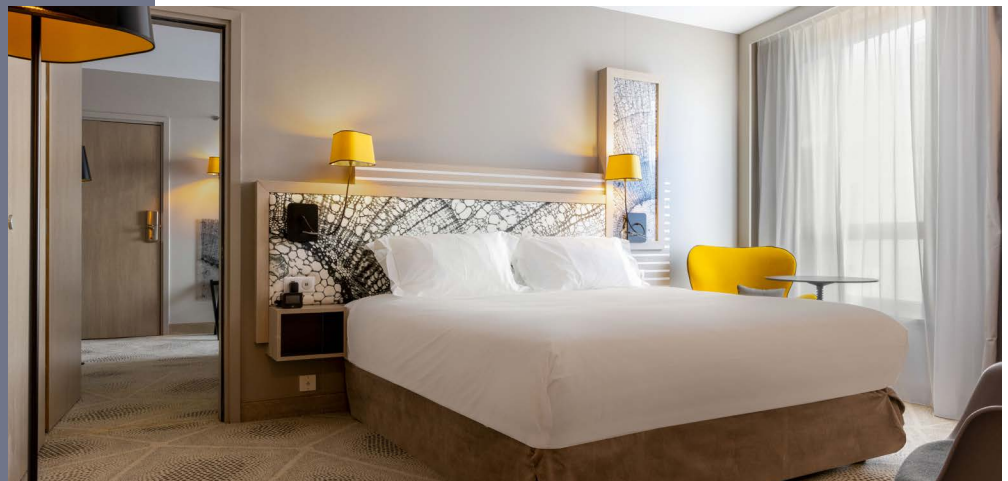
As a RAIF, we own assets but delegate day-to-day operations to third-party operators. This allows us to shape sustainability and governance policies at the fund-level, while working closely with operators to drive meaningful change at the asset-level.

Aligned with the PRI, we are committed to integrating ESG considerations across our investment process. We strive to enhance the sustainability of our assets, mitigate ESG-related risks, promote responsible business practices, and engage with stakeholders to create long-term value for our investors and local communities.

This section explores our sustainability efforts, primarily at the asset-level, while also considering the Fund's role in guiding environmental stewardship and social responsibility.

### 4.1 Environmental Stewardship

At LRO Hospitality, we are committed to advancing environmental sustainability across our portfolio, acknowledging our responsibility to safeguard the natural resources upon which we depend. We further recognise that improving efficiencies and investing in measures to make our assets more resilient is critical to our long-term success.



## Energy and Carbon

Building upon prior environmental reporting efforts, LRO Hospitality advanced its greenhouse gas (GHG) emissions data collection procedures in 2025, enabling more accurate and comprehensive GHG emissions calculations across the portfolio. Emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, using a location-based approach as the primary reporting methodology. Market-based figures have also been calculated and are disclosed in line with GHG Protocol dual reporting requirement (Appendix 2).

Emissions boundaries are set in accordance with the updated GRESB GHG Reporting Standards under an operational control approach, meaning direct and electricity emissions resulting from hotel operations are reported under Scopes 1 and 2. As established in our 2024 Sustainability Report, a key goal for 2025 was to conduct an assessment of asset-level Scope 3 emissions. As part of our 2025 reporting, we have included data from three Scope 3 categories - employee commuting, water, and waste.

## 2025 Data

In 2025, the LRO Hospitality portfolio across four hotels reported 1,419.20 tCO<sub>2</sub>e. Of the emissions categories measured, Scope 2 emissions represent the largest share at 53.80%, followed by Scope 1 at 30.52% and partial Scope 3 at 15.67%. Total reported energy consumption of the portfolio across Scopes 1 and 2 was 8,175,513 kWh.

Across the four-property portfolio, carbon intensity on a Scopes 1 and 2 basis was 5.73 kg CO<sub>2</sub>e per occupied room night, rising to 6.79 kg CO<sub>2</sub>e when partial Scope 3 is included, and energy intensity was 39.14 kWh per occupied room night. Further detail at both portfolio and property level is set out below and in Appendix Two.

**Table 5: Energy and Emissions Summary 2025<sup>2</sup>**

Property	Carbon (tCO <sub>2</sub> e)			Energy (kWh)		Intensity / occupied room night		
	Scope 1	Scope 2	Partial Scope 3	Scope 1	Scope 2	kg CO <sub>2</sub> e (S1+S2)	kg CO <sub>2</sub> e (S1+S2+ partial S3)	kWh
DoubleTree Paris Bougival	61.77	20.24	50.08	331,519	1,119,995	2.79	4.49	49.37
Holiday Inn Express Dresden	2.62	501.22	17.43	-	1,789,329	6.79	7.03	24.12
Hilton Garden Inn Paris Massy	0.63	39.41	48.97	-	991,645	1.15	2.56	28.50
Marriott Brussels Grand Place	368.19	202.69	105.95	2,009,336	1,933,689	8.10	9.59	55.50
<b>LRO Hospitality Portfolio</b>	<b>433.21</b>	<b>763.57</b>	<b>222.43</b>	<b>2,340,855</b>	<b>5,834,658</b>	<b>5.73</b>	<b>6.79</b>	<b>39.14</b>

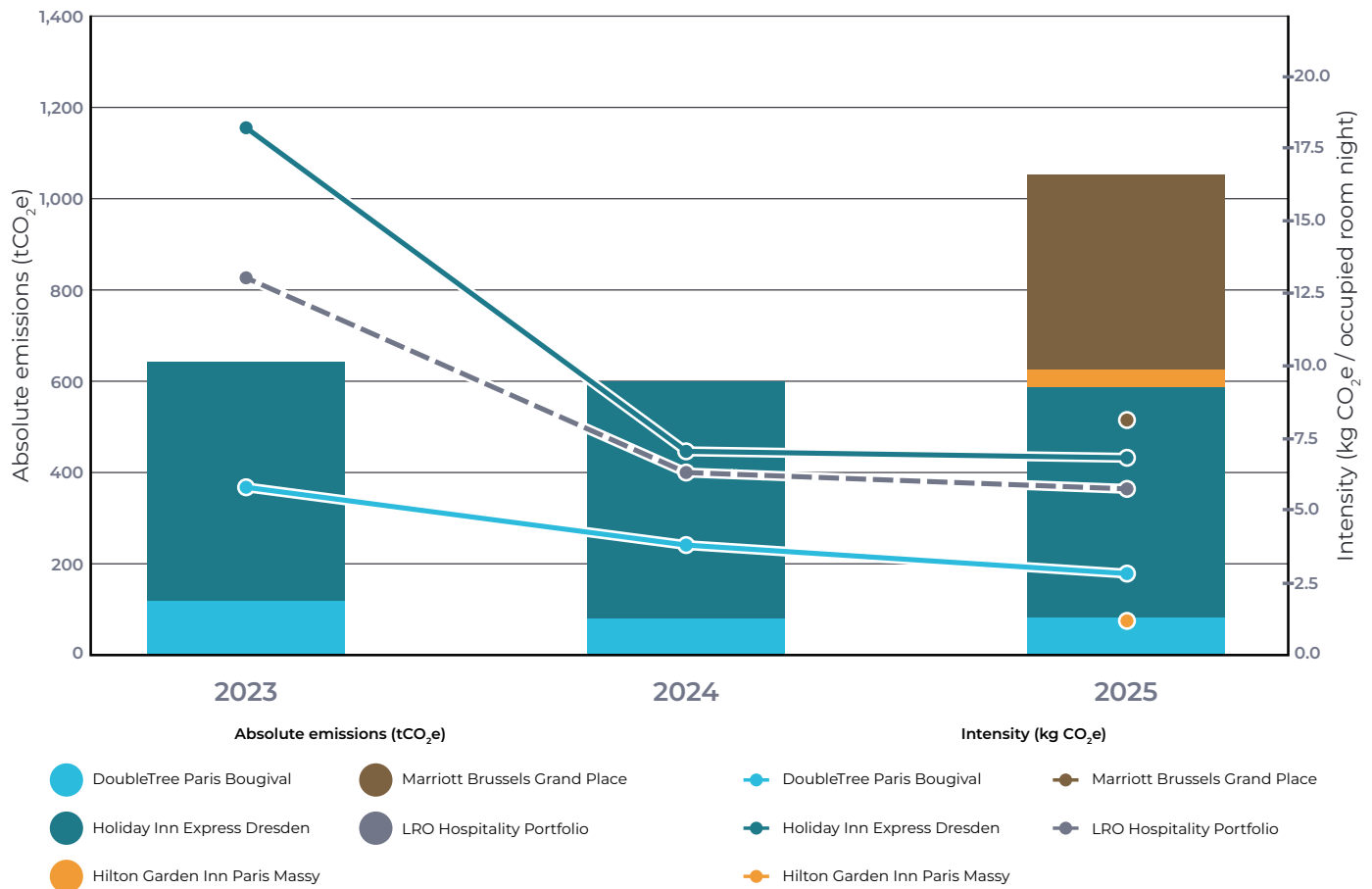
## Comparison Over Time

Absolute emissions across the portfolio decreased from 643.18 tCO<sub>2</sub>e in 2023 to 602.52 tCO<sub>2</sub>e in 2024, before increasing to 1,419.20 tCO<sub>2</sub>e in 2025, reflecting the expansion of the portfolio from two to four properties and the inclusion of partial Scope 3 for the first time. As an actively growing fund, absolute emissions are expected to increase as new assets are acquired - LRO Hospitality therefore also monitors carbon intensity (kg CO<sub>2</sub>e per occupied room night), as this normalises for size and occupancy.

The chart below presents Scopes 1 and 2 location-based emissions across all four properties for 2023-2025, showing both absolute emissions and carbon intensity per occupied room night. Year-on-year performance is tracked for DoubleTree by Hilton Paris Bougival and Holiday Inn Express Dresden Zentrum, which have multi-year data available. Marriott Brussels Hotel Grand Place and Hilton Garden Inn Paris Massy joined the portfolio in 2025 and are included to establish a baseline for future tracking.

2. Carbon figures (tCO<sub>2</sub>e, kgCO<sub>2</sub>e) are rounded to two decimal places, energy figures (kWh) to the nearest whole number. Totals may not sum exactly due to rounding. Scope 2 energy includes purchased electricity, steam, heat and cooling. Energy intensity is calculated on a Scopes 1 and 2 basis only. The Scopes 1 and 2 intensity figure enables comparison with prior years; the Scopes 1, 2 and partial Scope 3 intensity figure reflects the wider emissions boundary applied in 2025. Portfolio carbon and energy intensity figures are calculated as a weighted average across combined occupied room nights.

**Diagram 7: Scopes 1 and 2 Emissions: Absolute and Intensity 2023-2025**



While absolute emissions have increased, carbon intensity on a Scopes 1 and 2 basis across the two properties with multi-year data available fell year-on-year from 12.98 kg CO<sub>2</sub>e per occupied room night in 2023 to 6.29 kg in 2024 and 5.73 kg in 2025.<sup>3</sup> Across the full four-property portfolio, Scopes 1 and 2 carbon intensity in 2025 was 5.73 kg CO<sub>2</sub>e per occupied room night.<sup>4</sup>

DoubleTree by Hilton Paris Bougival delivered strong performance across the reporting period:

- Scopes 1 and 2 absolute emissions reduced by 32.25% between 2023 and 2025.
- Between 2024 and 2025, absolute emissions reduced marginally by 1.05 tCO<sub>2</sub>e while occupied room nights increased by over 35%, meaning significantly more guests were accommodated with no material increase in emissions.
- Carbon intensity (Scopes 1 and 2) improved from 3.83 kg CO<sub>2</sub>e per occupied room night in 2024 to 2.79 kg CO<sub>2</sub>e in 2025, continuing a consistent downward trend since 2023.
- Energy intensity improved from 62.19 kWh per occupied room night in 2024 to 49.37 kWh in 2025, a reduction of 20.60%.

3. The reductions between 2023 and 2024 reflect a combination of factors: the normalisation of European energy markets following the disruption of 2022-2023, updated reporting methodology, and the stabilisation of occupancy levels following renovation works.

4. All intensity figures are calculated as a weighted average across combined occupied room nights.

Holiday Inn Express Dresden Zentrum demonstrated consistent operational performance across the period:

- Scopes 1 and 2 absolute emissions reduced by 3.51% between 2023 and 2025.
- Between 2024 and 2025, absolute emissions reduced by 15.62 tCO<sub>2</sub>e (3.01%).
- Carbon intensity (Scopes 1 and 2) decreased from 7.02 kg CO<sub>2</sub>e per occupied room night in 2024 to 6.79 kg CO<sub>2</sub>e in 2025, also continuing a consistent downtrend since 2023.
- Energy intensity decreased marginally from 24.22 kWh per occupied room night in 2024 to 24.12 kWh in 2025, a reduction of 0.41%, consistent with stable occupied room nights across both years.

## Benchmarking

In our 2024 Sustainability Report, we noted our intention to assess relevant carbon emissions benchmarks to measure hotel performance on an ongoing basis.

According to the Cornell Hotel Sustainability Benchmarking (CHSB) Index 2026, the mean carbon intensity for European hotels is 16.5 kg CO<sub>2</sub>e per occupied room night for full service properties and 8.3 kg CO<sub>2</sub>e for limited service properties.<sup>5,6</sup> Against these benchmarks, LRO Hospitality's 2025 performance is as follows:

- On a Scopes 1, 2 and partial Scope 3 basis, portfolio intensity is 6.79 kg CO<sub>2</sub>e per occupied room night - below the limited service benchmark of 8.3 kg CO<sub>2</sub>e - with three of four properties performing favourably against both benchmarks.
- Marriott Brussels Hotel Grand Place reports carbon intensity of 9.59 kg CO<sub>2</sub>e on this basis, above the 8.3 kg limited service mean but well below the 16.5 kg full service benchmark.

This represents a strong result across the portfolio relative to European sector peers. We will continue to monitor performance against the CHSB benchmark in 2026.

5. The CHSB benchmark incorporates outsourced laundry as a Scope 3 emission source, which is not directly captured in LRO Hospitality's reporting boundary. LRO Hospitality instead reports partial Scope 3 across employee commuting, water and waste, which are excluded from the CHSB methodology. Whilst the Scope 3 categories reported are not identical, partial Scope 3 emissions represent 15.67% of LRO Hospitality's total 2025 emissions, broadly consistent with the limited available research indicating that laundry-related energy consumption can account for 15-18% of a hotel's annual energy use. On this basis, the figures are considered broadly comparable for benchmarking purposes, though not directly like-for-like. LRO Hospitality will assess the feasibility of capturing laundry-related emissions within its reporting boundary in 2026.

6. Full service hotels are defined as those offering a broad range of guest amenities including food and beverage, meeting facilities and health/wellbeing services. Limited service hotels offer a more focused range of guest amenities.

## Reduction

In 2025, LRO Hospitality formalised its approach to emissions reduction through the adoption of a Greenhouse Gas Emissions Management and Net Zero Policy. The policy reflects our commitment to measuring and reporting emissions transparently, and to working progressively toward a net-zero aligned pathway.

In support of this commitment, LRO Hospitality monitors both absolute emissions and carbon intensity across the portfolio, recognising that while absolute figures remain an important measure of overall impact, carbon intensity provides a more meaningful basis for performance comparison as new assets are acquired. In 2026, we intend to assess intensity-based reduction pathways, alongside a framework for incorporating new acquisitions into our reduction approach over time.

## Water Conservation and Management

Recognising the resource-intensive nature of hotel operations, LRO Hospitality understands the importance of responsible water management across our portfolio. At the fund-level, we set clear goals for water conservation and management, with each asset responsible for implementing these strategies.

We strive to include water-saving features where possible across our hotel portfolio. Such features include low-flow taps, dual-flush toilets, water-saving showerheads, and leak-detection systems.

We also recognise the need to support technological implementations with staff and guest engagement. Staff receive regular training on responsible water management and conservation - for example, at the Marriott Brussels Hotel Grand Place, staff receive training through the Serve 360 programme on responsible water use and waste reduction. Across our hotels, we also actively engage guests in water conservation programmes, such as “Greener Stay” at Holiday Inn Express Dresden Zentrum, which encourages guests to reduce water consumption by opting out of daily housekeeping services. In return, guests can earn IHG Rewards Club points or beverage vouchers as incentives.

**Table 6: Water Consumption 2025**

	DoubleTree by Hilton Paris Bougival	Holiday Inn Express Dresden Zentrum	Hilton Garden Inn Paris Massy	Marriott Brussels Hotel Grand Place	Total LRO Hospitality Portfolio
Water Consumption 2025 (m <sup>3</sup> )	11,443.00	14,046.00	17,035.00	31,841.00	74,365.00
Water Consumption per Occupied Room Night (m <sup>3</sup> )	<b>0.39</b>	<b>0.19</b>	<b>0.49</b>	<b>0.45</b>	<b>0.36</b>

## Waste Management

As part of our ongoing commitment to reducing the environmental impact of hotel operations, we are also focusing on improving waste management. In 2026, we plan to enhance waste data collection and establish baseline measurements across various waste streams at our assets. These improvements will ensure more accurate reporting and better tracking of reduction efforts, including enhanced recycling procedures.

**Table 7: Waste Production 2025<sup>7</sup>**

	DoubleTree by Hilton Paris Bouival	Holiday Inn Express Dresden Zentrum	Hilton Garden Inn Paris Massy	Marriott Brussels Hotel Grand Place	Total LRO Hospitality Portfolio
Waste Production 2025 (kg)	<b>17,994.00</b>	<b>107,894.76</b>	<b>35,392.00</b>	<b>89,462.00</b>	<b>250,742.76</b>
Total Waste Production per Occupied Room Night (kg)	<b>0.61</b>	<b>1.45</b>	<b>1.02</b>	<b>1.27</b>	<b>1.20</b>



To better manage surplus food, Holiday Inn Express Dresden Zentrum has partnered with Too Good To Go to redistribute unsold food. Since April 2025, a total of 318 meals have been saved, equivalent to 858kg of CO<sub>2</sub>e avoided had that food been wasted.<sup>8</sup>

## Resilient and Sustainable Operations

Ensuring the resilience of our assets to climate-related risks is a priority. At the fund-level, we conduct annual risk assessments that include evaluating climate-related risks. Where relevant, asset-level considerations are also assessed. The insights from these assessments inform our approach to mitigating potential risks.

7. Availability of waste data varies across the four hotels. Waste production figures have been calculated in accordance with the best available data at each site, using estimation methodologies in line with best practice where required. A breakdown by waste type is available for each site, but has not been presented in this report.

8. Figures provided by Too Good to Go.

## Sustainable Building Certifications

Both Marriott Brussels Hotel Grand Place and Hilton Garden Inn Paris Massy achieved sustainability certification awards in 2025:

- Marriott Brussels Hotel Grand Place completed its BREEAM In-Use assessment in 2025, with formal 'Excellent' certification awarded in early 2026. The hotel achieved Excellent ratings in both Asset and Management Performance - a recognition of its strong environmental performance and responsible operational practices.
- Hilton Garden Inn Paris Massy obtained its Green Key certification - an assessment across 13 categories, including management of water, energy, and waste, and communication of ESG management to staff and guests.

### Employee Sustainability Training

In December 2025, FuturePlus launched a sustainability training module for employees of all four hotels. Content covered an introduction to sustainability, how it applies to and impacts the hospitality industry, and how staff can implement behavioural changes to make a positive change in their hotel.

106 of 278 staff members completed the training, a response rate of 38%.



## 4.2 Social Responsibility

LRO Hospitality is committed to creating positive social impact through our properties, fostering inclusive communities and prioritising employee well-being. Key initiatives in 2025 included:

### Employee Engagement

In 2024, we launched our employee engagement survey to gather feedback and drive improvements in staff satisfaction and engagement across our hotel assets. The survey was circulated again at the end of 2025 as part of our annual process to gather feedback and track progress year on year.

Marriott Brussels Hotel Grand Place conducts its own internal employee satisfaction survey. To avoid duplication of effort, it was not included in our survey circulation - however, results are broadly comparable across both.

Highlights from the 2025 survey include:

- Employees rated the statement “I find the hotel vision and values inspiring” an average of 7.1/10. A comparable statement at Marriott Brussels Hotel Grand Place received an average of 4.5/5.
- Team collaboration and ways of working scored strongly, with employees rating satisfaction with their team at 7.9/10. A comparable statement at Marriott Brussels Hotel Grand Place received 4.5/5.
- On personal development, employees rated the statement “I feel like my work challenges me and aids my development” an average of 7.4/10. A comparable statement on learning and growth opportunities at Marriott Brussels Hotel Grand Place received 4.3/5.



## Diversity and Inclusion

The employee engagement survey is also used to capture key demographic data and staff feedback on representation and inclusion. We also monitor key demographics at the fund level to ensure compliance with local laws and regulations and industry best practices.

The following reflects insights from Holiday Inn Express Dresden Zentrum, DoubleTree by Hilton Paris Bougival and Hilton Garden Inn Paris Massy. Data was not available for Marriott Brussels Hotel Grand Place.

- Across the hotel portfolio, the workforce is broadly balanced in terms of gender, with female and male employees each representing approximately half of total hotel staff.
- The age profile across our hotel portfolio is broadly reflective of the hospitality sector, with the majority of employees aged under 50.

Additional demographic data is collected and monitored internally across our portfolio in line with local regulatory requirements. We remain committed to building inclusive workplaces across our portfolio and will continue to monitor this data on an annual basis.

## Community Impact

We are committed to ensuring our hotel properties make a positive contribution to the communities in which they operate, through local employment opportunities and employee volunteering where appropriate.



In 2025, Marriott Brussels Hotel Grand Place took part in a community clean-up of the local Christmas Market area and maintained its ongoing volunteering partnership with Clair Matin in support of vulnerable young people.

## 5. Looking Ahead

Now in our third year of sustainability reporting, the progress made in 2025 reflects both the cumulative work of previous years and some of our most meaningful achievements to date - across environmental performance, social impact and our standing against key sustainability benchmarks.

Our emissions reporting now covers scopes 1, 2, and select scope 3 categories. Two hotels achieved leading building and operational sustainability certifications. Our GRESB score has risen 35 points since our base year, and our FuturePlus portfolio score exceeded our 2025 target.

In 2026, our focus is on going further - improving data quality and coverage across our portfolio, continuing to drive environmental and social improvements and strengthening our reporting in line with evolving regulatory requirements. Looking ahead, we are targeting a FuturePlus Actual score of 350-360 by year end, alongside a further increase in our GRESB score.

We are grateful to our hotel teams, operators, and partners whose commitment makes this progress possible, and we look forward to another year of advancement in 2026.



## 6. Conclusion

This report highlights the continuous improvement in sustainability performance throughout 2025. The dedication of our teams and assets has been instrumental in driving meaningful change. Looking forward, we are excited to build on this momentum and make an even greater impact in 2026 and beyond.



## Appendix 1: ESG Considerations Across The Asset Lifecycle

Environment	
Acquisitions	<p>Assets that have already started green third-party certification or offer the possibility to obtain such certifications.</p> <p>Provide capital for feasible investments in brownfield/ regeneration areas.</p> <p>Sourcing activity to be geared towards reducing overall carbon footprint.</p> <p>ESG requirements as part of the due diligence process.</p>
Renovations	<p>Focus on technical improvements to reduce overall energy consumption.</p> <p>Enhanced insulation programmes to reduce wastage and energy consumption.</p> <p>Implementing connected devices to detect water leakage, open windows and unnecessary lighting.</p> <p>Building rooftop or parking gardens to produce wildlife habitats and food.</p>
Operations	<p>Implementing measures to reduce food waste, ban disposable plastic items (except those used for accessibility measures) together with brand owner's sustainability programmes.</p> <p>Awareness programmes with employees and guests to reduce energy and water consumption.</p> <p>Selecting suppliers adhering to sustainable development and production charters.</p>
Social	
Diversity and Social Inclusion	<p>Encouraging a diverse employee base in terms of gender, ethnicity, and disability mix.</p> <p>Promoting fair pay in accordance with local laws and regulations.</p>
Health and Wellbeing	<p>Supporting health, safety and security training and programmes for all employees.</p>

Local Socio-Economic Developments (where possible)	<p>Promoting employee skills-based volunteering to benefit the wider community.</p> <p>Engaging with local communities, with a view to giving back.</p>
Governance	
Adequate Investor Rights	<p>Ensuring timely and high-quality reporting on the Fund's performance and key developments.</p> <p>Maintaining regular dialogue and good relationships with all stakeholders.</p> <p>Transparent decision-making processes.</p>
Transparent Decision-Making Processes	Creating a lean Fund and Special Purpose Vehicles (SPVs) structure with a transparent decision-making process.
Proper Risk Management	Establishing comprehensive risk management procedures in evaluating potential investments.
Zero Tolerance for Corruption and Bribery	Encouraging a culture of whistleblowing and strict penalties for any public violations.

## Appendix 2 - Carbon Emissions Breakdown

		DoubleTree by Hilton Paris Bougival	Holiday Inn Express Dresden Zentrum	Hilton Garden Inn Paris Massy	Marriott Brussels Hotel Grand Place	LRO Hospitality Portfolio Total
		tCO <sub>2</sub> e				
Scope 1 - Direct Emissions	Stationary Combustion	60.65	-	-	367.63	428.28
	Mobile Combustion	-	-	-	0.00	0.00
	Fugitive Emissions	1.12	2.62	0.63	0.56	4.92
	<b>Total Scope 1</b>	<b>61.77</b>	<b>2.62</b>	<b>0.63</b>	<b>368.19</b>	<b>433.20</b>
Scope 2 - Indirect Emissions	Steam, Heat, Cooling	-	318.47	25.59	-	344.07
	Electricity (Market Based)	26.34	424.96	17.99	0.00	469.30
	Electricity (Location Based)	20.24	182.75	13.82	202.69	419.50
	<b>Total Scope 2 (Market Based)</b>	<b>26.34</b>	<b>743.43</b>	<b>43.58</b>	<b>0.00</b>	<b>813.37</b>
	<b>Total Scope 2 (Location Based)</b>	<b>20.24</b>	<b>501.22</b>	<b>39.41</b>	<b>202.69</b>	<b>763.57</b>
Scope 3 - Indirect Emissions	Employee Commuting	40.90	11.37	31.22	58.29	141.78
	Purchased Goods and Services (Water)	2.23	5.53	2.77	8.61	19.14
	Waste	6.95	0.53	14.98	39.05	61.51
	<b>Total Scope 3</b>	<b>50.08</b>	<b>17.43</b>	<b>48.97</b>	<b>105.95</b>	<b>222.43</b>
Total Emissions	<b>Total Emissions (Market Based)</b>	<b>138.19</b>	<b>763.49</b>	<b>93.18</b>	<b>474.14</b>	<b>1,469.00</b>
	<b>Total Emissions (Location Based)</b>	<b>132.09</b>	<b>521.27</b>	<b>89.01</b>	<b>676.83</b>	<b>1,419.20</b>
	<b>Emissions per Occupied Room Night (kgCO<sub>2</sub>e) (Market Based)</b>	<b>4.70</b>	<b>10.30</b>	<b>2.68</b>	<b>6.72</b>	<b>7.03</b>
	<b>Emissions per Occupied Room Night (kgCO<sub>2</sub>e) (Location Based)</b>	<b>4.49</b>	<b>7.03</b>	<b>2.56</b>	<b>9.59</b>	<b>6.79</b>