



AMERICAN HOTEL  
INCOME PROPERTIES

Residence Inn  
Marriott

# Corporate Responsibility and Sustainability Report

June 2, 2023



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Cover: Residence Inn by Marriott - St. Paul Woodbury  
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# 1) Overview



TownePlace Suites by Marriott – Pittsburgh

# Hotel Portfolio Overview

An attractive portfolio of premium branded, select service hotels located in U.S. secondary markets



Premium Branded  
Select-Service  
Hotels

71  
HOTELS

8,024  
KEYS



Geographically  
Diversified  
Suburban Drive-to  
Locations

22  
STATES

48  
CITIES



Affiliation with  
Leading Global  
Hotel Brands

Marriott  
Hilton IHG<sup>®</sup>  
CORE BRAND  
FAMILIES  
14  
BRAND FLAGS



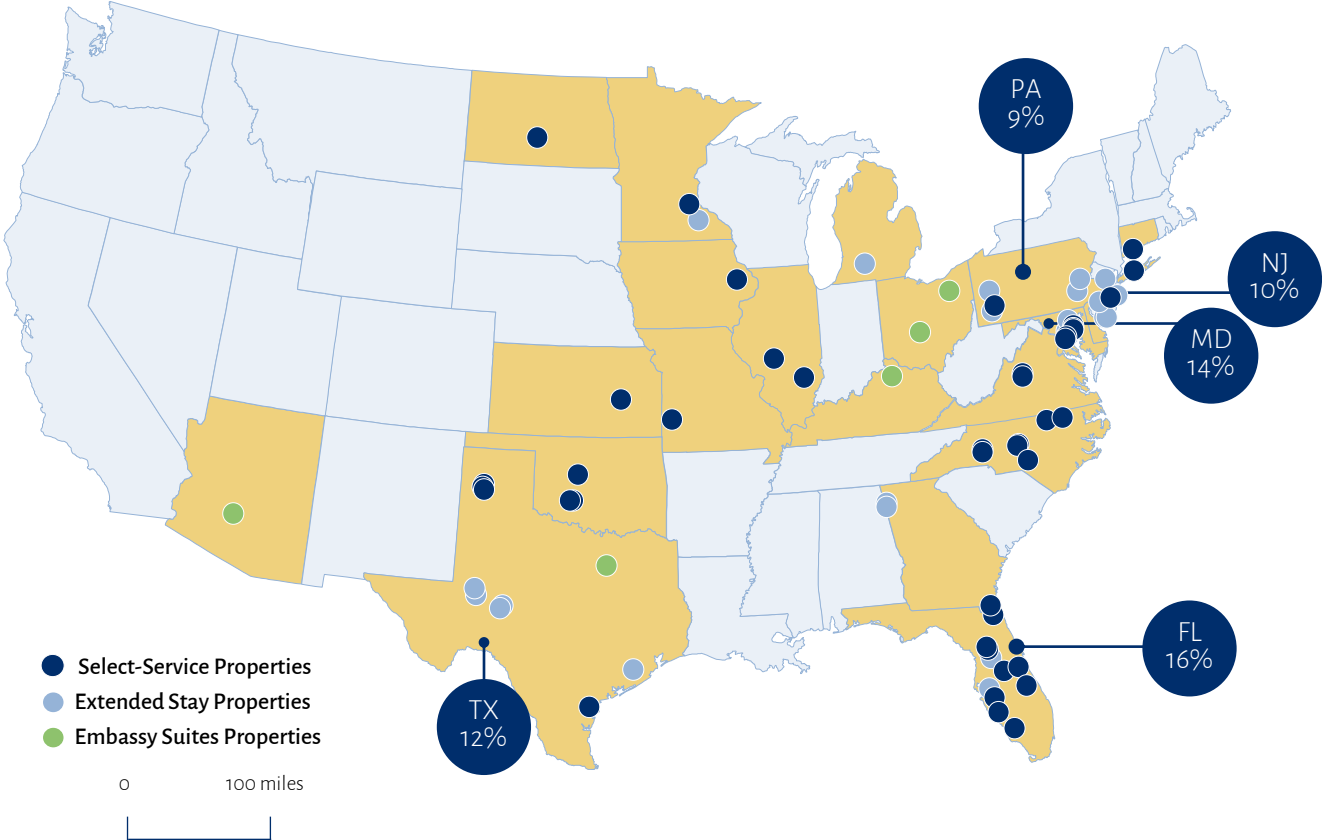
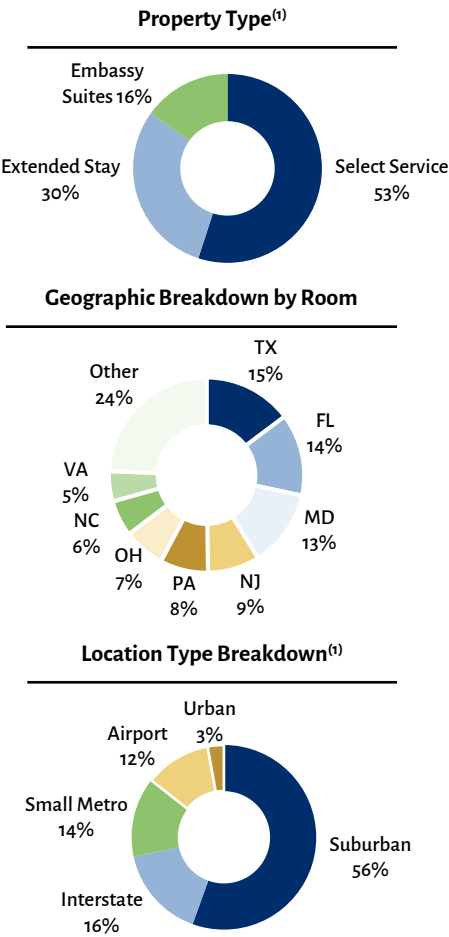
High-Quality  
Portfolio

~6 years<sup>(1)</sup>  
AVERAGE AGE  
  
>\$130 million  
CAPEX SINCE IPO

1) Average age represents years since hotels were built or last renovated.

# Geographically Diverse Portfolio

A 5.3 m sq ft hotel real estate portfolio, with an average property size of ~75,000 sq ft



Note: Percent of current portfolio for each state based on contribution to 2022 NOI from AHIP properties located in the state. NOI is a non-IFRS measure. Refer to the Non-IFRS Measures section in Appendix B for more information on each non-IFRS financial measure.

1) Breakdown by number of keys.

Source: Company data



# A Message from our CEO



To Our Unitholders,

Since AHIP published its inaugural Corporate Responsibility and Sustainability report last year, our team has been busy advancing the commitments that were made to our various stakeholders. I am pleased to be able to introduce this year's report, and am very proud of the dedication of my colleagues to uphold the highest environmental, social and governance (ESG) standards at our company.

As an owner of a large and geographically diverse portfolio of hotel assets in the United States, we are mindful of our environmental footprint and are committed to reducing its impact over time. In 2022, we signed an agreement with an external party which will enable us to set a baseline and report emissions Key Performance Indicators (KPIs) in 2023. Reporting energy, water and waste KPIs as well as establishing a baseline is a priority such that we can set emissions reduction goals and communicate environmental performance to our stakeholders.

In 2022, our employees came together to launch our preferred charity program. We actively encourage employee participation in local volunteering initiatives and are mindful of the intrinsic and extrinsic benefits to our team and our communities. In 2022 we organized two company wide volunteering days, giving our team a chance to participate in events to raise funds for our charity partners.

AHIP continues to be committed to the principles of diversity, equity and inclusion. In an effort to improve gender diversity, our Board recently announced its intention to appoint an additional Board member by year end 2023. When hiring for senior management and non-executive Board roles, we ensure that the candidate pool includes a diverse array of backgrounds.

Our ESG initiatives continue to be guided by an internal committee seeded by individuals in each of our departments –asset management, finance and investments. Our Board of Directors' Nominating, Governance & Sustainability Committee provides Board oversight of our sustainability efforts. In addition, the progress that we will share in the coming pages would not be possible if not for the effort and cooperation of our brand partners, hotel manager, vendors and hotel guests. It is very gratifying to see all levels of our organization, unified with our external stakeholders on a worthy shared goal.

Sincerely,



Jonathan Korol

# Our Mission and Vision



Our Mission and Vision inform our refreshed strategic plan and sustainability framework

## **MISSION**

We are a proud and dynamic hotel investment and asset management company creating value for our unitholders

## **VISION**

To be a respected and renowned steward of capital for hotel investors

# Our Values



Our values were collectively formed by our employees and govern our day-to-day decision making

## VALUES

- We create a merit-based culture by providing opportunities for personal growth and development
- We achieve excellence by being accountable, responsible, and trustworthy
- We foster collaboration by treating each other with empathy and respect
- We demonstrate tenacity by overcoming challenges and embracing opportunities



# Our Approach to Sustainability



## Our Commitment to Sustainability

We are committed to improving the well-being of our stakeholders. Our sustainability framework achieves this aim by focusing on the key themes of Environmental Sustainability, Social Responsibility and Corporate Governance. This framework is aligned with our strategic plan and governs how we conduct our business.

## Our Sustainability Strategy

Our sustainability strategy enables long term value creation for our stakeholders through disciplined investment into ESG initiatives. To assess which initiatives would have the greatest impact on our business, we created an ESG committee with oversight from our Nominating, Governance, and Sustainability Committee. The committee sets AHIP's ESG goals, monitors the business's performance against said goals and advises means by which AHIP's ESG framework can be improved. Representatives from each of our business divisions sit on the committee, providing the greatest diversity of thought and expertise to innovate upon our ESG framework. We are committed to achieving our goals through stakeholder engagement, responsible investment, and active asset management.

# Stakeholder Engagement



We identify stakeholders and prioritize our engagement activities based on our business model and potential degree of influence

Stakeholder	Stakeholder Type	Engagement Methods and Influence
Unit Holders and Analysts	Direct	<p>We report ESG performance through our investor presentation, corporate website, and Corporate Responsibility and Sustainability Report.</p> <p>We engage with the investment community by hosting analyst meetings, investor days and attending industry conferences.</p>
Third-Party Hotel Management Company	Direct	<p>As a public Canadian lodging REIT, we partner with Aimbridge Hospitality (“Aimbridge”), a leading hotel management company. Aimbridge manages the day-to-day operations of our hotels. AHIP’s Asset Management function supports the ESG initiatives implemented by Aimbridge. We are working with Aimbridge to optimize our sustainability performance and achieve our ESG goals.</p>
Hotel Brands	Direct & Indirect	<p>We align our operations and long-term goals with the sustainability initiatives established by our brand partners including on topics such as water conservation, energy efficiency, and waste reduction. We attend industry events and meet with brand representatives to better understand their ESG programs and stay at the forefront of their sustainability initiatives.</p> <p>Our CEO is a Hampton Inn global brand advisory council member. Hampton Inn is Hilton’s largest brand by number of hotels.</p>



# Stakeholder Engagement



Stakeholder	Stakeholder Type	Engagement Methods and Influence
Suppliers	Direct & Indirect	Our direct supply chain consists of Aimbridge and our corporate office suppliers of equipment, supplies, and professional services. Our indirect supply chain consists of Aimbridge's suppliers. In partnership with Aimbridge, we are developing a Vendor Code of Conduct which will formalize the standards with which we conduct business with suppliers.
Industry Associations	Direct	We are a member of the America Hotel & Lodging Association (AHLA) and Real Property Association of Canada (REALPAC). We have nominated an employee to represent AHIP on the AHLA Sustainability Committee.
Hotel Guests	Indirect	On a day-to-day basis, Aimbridge directly manages and interacts with guests at our hotels. Satisfaction and guest experience is monitored through our brand partners' guest experience surveys. This feedback is reviewed by AHIP's Asset Management team and used to inform investment decisions aimed at improving guest experience.
Corporate Employees	Direct	<p>We engage with our corporate employees through manager one-on-ones, weekly meetings, and annual reviews.</p> <p>Our culture is aligned to our mission, vision and values. All employees are welcome to join our ESG Committee as well as participate in our volunteering and charitable partnership program events.</p>
Communities	Direct & Indirect	<p>We engage with our local communities through our volunteering &amp; charitable partnership program. The ESG committee selects our preferred charity partners and organizes events to raise money for these charities.</p> <p>We host an annual company wide volunteering day aimed at giving back to our local community. Our employees are encouraged to be involved in their local community and are enabled to do so by our flexible approach to work.</p>

# 2022 / 23 Sustainability Highlights



While proud of the progress made, we are dedicated to continual improvement and have set and committed to achieving our ESG goals

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<div><div>1.</div><div>Signed an agreement with Schneider Electric to enable the reporting of Energy and Water emissions data</div></div> <div><div>2.</div><div>Endorsed AHLA’s Responsible Stay principles</div></div> <div><div>3.</div><div>Rolled out a shower bulk amenities program</div></div>	<div><div>1.</div><div>Committed to appointing an additional female board member by year-end 2023</div></div> <div><div>2.</div><div>Supported a local charity by completing two volunteering activities</div></div> <div><div>3.</div><div>Implemented a remote work policy</div></div>	<div><div>1.</div><div>Held cross departmental ESG Committee meetings</div></div> <div><div>2.</div><div>Reported ESG performance to the Nominating, Governance, &amp; Sustainability Committee</div></div> <div><div>3.</div><div>100% of corporate employees completed cybersecurity awareness training</div></div>

## 2) Environment Sustainability

Our approach to Environmental Sustainability focuses on the key themes of energy, water, waste and sustainable sourcing



# Environment Sustainability Goals

Our environmental sustainability goals enable long term value creation for our stakeholders through cost effective investment

1	Establish a consumption baseline for energy, water, and waste and commit to year over year improvements	<ul style="list-style-type: none"><li>Analyze our historical consumption data and decide upon a baseline year</li><li>Work with our operating partners to form and execute upon an improvement plan</li></ul>
2	Implement a portfolio wide environmental investment program	<ul style="list-style-type: none"><li>Understand the full spectrum of value-add sustainability projects at our assets</li><li>Invest in projects with the greatest environmental benefit and return on investment</li></ul>
3	Implement a waste management program focused on reducing plastic and food waste and increasing recycling	<ul style="list-style-type: none"><li>Source goods from plastic alternative supply-chains</li><li>Work with third parties and charities to increase recycling participation from our operations and capital improvement projects</li></ul>
4	Align the operations of our assets with the sustainability initiatives implemented by our brand partners	<ul style="list-style-type: none"><li>Comply, and where possible, exceed brand standards in relation to sustainability</li><li>Work with Aimbridge to educate employees in how to operate assets more sustainably</li></ul>
5	Develop an environmental policy paper and a vendor code of conduct	<ul style="list-style-type: none"><li>Specify our commitment to comply with all applicable environmental regulations and continually improve upon our environmental performance</li><li>Formalize the standards with which we expect our suppliers to conduct their business</li></ul>
6	Increase usage of energy generated from green sources at our properties	<ul style="list-style-type: none"><li>Where feasible, move from standard to green electricity contracts</li></ul>



# A Message from our COO



I am proud of the progress we have made against our ESG goals and the positive impact this has had upon our stakeholders and the environment. It is thanks to collaborative efforts of our Asset Management team, ESG committee, and Hotel Manager as well as oversight provided by our Board that we have built an innovative ESG strategy.

When formulating our environmental plan, reporting energy, water, and waste KPIs as well as establishing a consumption baseline was a key goal over the last year as this would enable us to communicate environmental performance to our stakeholders. The agreement we have signed with Schneider Electric will enable us to do this in addition to analyzing asset level emissions and implementing improvement plans. In our 2023 Corporate Responsibility & Sustainability Report we intend to disclose our emissions baseline and set meaningful targets for future improvements in our environmental sustainability metrics.

AHIP's Asset Management team collaborates with our Hotel Manager, Aimbridge Hospitality, on the implementation of our environmental plan. Recently we have worked together to roll out a shower bulk amenities program aimed at reducing waste as well as integrating a piece of asset management software into our business which will improve the life cycle of our mechanical systems. Through collaborating with Aimbridge, as well as other industry partners, we continue to identify opportunities to improve the environmental footprint of our portfolio while also enhancing our financial performance.

We appreciate the work of the AHLA Sustainability Committee to support owners in improving the environmental performance of their assets. AHIP have endorsed AHLA's Responsible Stay principles and have nominated an employee to represent AHIP on the AHLA Sustainability Committee.

AHIP appreciates that being strong environmental stewards of our properties will be a journey without a specific end point, and we have much work to do. We are committed to improving our properties environmental footprint while enhancing the overall hotel experience for our guests and staff alike.



Bruce Pittet

# Climate Change, Emissions and Resource Efficiency



**We are committed to improving environmental sustainability and minimizing the impact that our business operations have on the environment. Our sustainability programs focus on:**

- Decreasing portfolio-wide energy, water, and waste consumption
- Undertaking capital projects that add value while reducing natural resource consumption and greenhouse gas emissions
- Sustainable investment options when renovating hotels

**We are committed to establishing a consumption baseline for energy, water, and waste and aim to report environmental performance data in our full year 2023 Corporate Responsibility and Sustainability Report.**

- In 2022, we signed an agreement with Schneider Electric to enable the reporting of our energy and water emissions data
- Additionally, a review of our sites was completed with our national waste management provider, Waste Management (“WM”). Where available and feasible, we will move accounts to WM’s management
- Benefits of Schneider and WM’s services include:
  - Reporting Scope 1 & 2 emissions data and setting a consummation baseline
  - Analyzing the impact sustainable capital projects and operating practices have upon resource consumption
  - Disclosing emissions data to our brand partners ESG platforms

# Investing in Environmental Sustainability

## **AHIP's Asset Management team continuously evaluates opportunities to improve the sustainability of our portfolio. Our approach to sustainable investment involves:**

- Working with our brands, consultants, Aimbridge and other hotel industry partners to understand all investment opportunities which will improve the environmental sustainability of our portfolio
- Investing in projects with both the highest environmental benefit and return on investment

Sustainable investments are included as part of our annual capital planning process.

## **Preventative Maintenance:**

Aimbridge's preventative maintenance team assesses the condition of our properties and advises if defensive or replacement capex is required to prevent future operating issues. When making replacement capex decisions, the team considers the feasibility of environmental and standard options.

The preventative maintenance team also complete mechanical systems repairs. In 2022, Aimbridge began an enterprise asset management software integration with Transcendent at our properties. Transcendent enables the warehousing of mechanical systems data as well as reporting of any maintenance issues. The integration will assist the preventative maintenance team in improving the environmental efficiency of our mechanical systems, as well as their lifecycle, thereby reducing waste.





# Energy & Renewable Energy Consumption



We are committed to reducing our carbon footprint. In addition to working with our brand partners and Aimbridge to operate our portfolio in a more efficient manner, our energy usage reduction strategy focuses on implementing our environmental investment plan and sourcing energy from renewable sources.

**AHIP's asset management team continues to review opportunities to move from standard to green energy contracts. Our portfolio renewable energy consumption comprises of:**

- 13 hotels or 25% of total guest rooms across 4 states consuming 100% green electricity
- As of December 2022, our portfolio is contracted to consume 17m kWh of green electricity per annum
  - This equates to 7,176 metric tonnes<sup>1</sup> of CO<sub>2</sub> displacement per annum or the amount of CO<sub>2</sub> emitted by 1,597<sup>1</sup> passenger vehicles in a year

1. United States Environmental Protection Agency Equivalencies Calculator



# Energy Efficient Investments



## EV Chargers

The installation of electric vehicle (EV) chargers supports the use of EVs and enables emissions reduction. We currently have 16 EV charging stations across 3 of our hotels. 14 of these are third party owned. We are working with external parties to identify high impact locations within the AHIP portfolio for EV chargers.

Projects	Chargers	Charges p.a. <sup>1</sup>	vs. Last Year
Holiday Inn Amarillo, TX	8 Tesla Charging Stations	21,192	+17%
Residence Inn Cranberry, PA	6 Tesla Charging Stations	14,405	+50%
Hilton Garden Inn Milford, CT	2 Enel X Charging Stations	95	NA

1. Full Year 2022

# Energy Efficient Investments



## LED Lighting

LED light lighting is highly energy efficient and consumes less energy when compared to other types of bulbs. LEDs also reduce waste as they require less frequent replacement and are made with more sustainable components.

AHIP has replaced both interior and exterior lighting in various properties with LEDs. These projects have provided attractive financial returns through utility and replacement cost savings. AHIP continues to monitor for opportunities to retrofit additional properties with LED lighting.

Location	Status	Annual Savings <sup>1</sup>	Scope	Rebate received
Various Properties <sup>2</sup>	Completed from 2021 - 2023	NA	Exterior & Parking Lot Lighting	No
Hilton Garden Inn Milford	Completed in 2021	99,992 kWh \$9,852	Guestrooms, Common Areas & Exterior	Yes
Residence Inn Egg Harbor	Completed in 2023	118,211 kWh \$12,187	Common Areas	Yes

1. Energy savings are based on supplier forecasts  
2. Projects completed at 11 AHIP properties

# Water



Our approach to reducing water intensity has predominantly focused on investing in low-flow technology, landscaping, and programmable irrigation. These investments have reduced water consumption and delivered cost savings without compromising the guest experience. AHIP's Asset Management team is currently reviewing landscaping projects which aim to use indigenous plants to reduce water usage.

## Portfolio Water Efficiency Examples:



Indigenous plants – Embassy Suite Tempe, AZ



Low-flow shower heads – Embassy Suite Dublin, OH

# Waste & Recycling



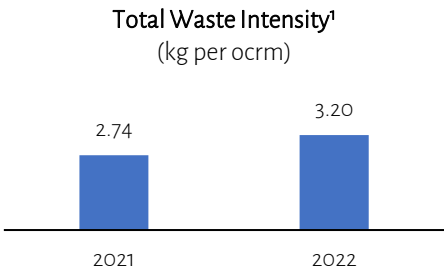
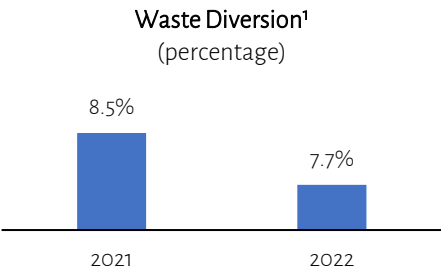
We are committed to reducing the amount of waste created through our operations. We engage with Aimbridge to support their waste reduction best practices. However, we understand the challenges posed in jurisdictions that don't have the necessary recycling infrastructure. In response to this, we have developed a waste management program which investigates alternative waste reductions opportunities with the aim of reducing the amount of waste that our portfolio generates.

## Overview of our Waste Management Program

INCREASING RECYCLING PARTICIPATION	REDUCING SINGLE USE PLASTICS	REDUCING FOOD WASTE
<ul style="list-style-type: none"><li>Investigating the feasibility of third-party recycling, including charitable recycling partnerships</li></ul>	<ul style="list-style-type: none"><li>Sourcing plastic alternatives</li><li>Investing in sustainable alternatives – e.g. installing water stations and implementing keyless entry</li></ul>	<ul style="list-style-type: none"><li>Redesigning menus, changing serving vessels, and analyzing portion sizes</li><li>Investigating community donation and composting</li></ul>

## Portfolio Waste Efficiency Highlights

BULK AMENITIES
<ul style="list-style-type: none"><li>93% of hotels currently use shower bulk amenities, with 100% of hotels targeted to use shower bulk amenities by the end of 2023</li></ul>



1. Waste data collected for 35% of the total portfolio



# Sustainable Sourcing



**We work with our brand partners and Aimbridge to procure sustainable goods, materials and services for use in our business operations. We are developing a vendor code of conduct which will formalize the standards with which we conduct business with our direct and indirect suppliers.**

Aimbridge manages the procurement process for our indirect supply chain. Vendors within our indirect supply chain must comply with Aimbridge's code of conduct. Aimbridge's code of conduct ensures:

- Suppliers comply with all relevant national and local laws and regulations, including those related to labor, health and safety, and the environment
- Suppliers adhere to Aimbridge's ethics, human rights, environmental, and transparency standards
- Sub – contractors comply with Aimbridge's code of conduct

AHIP's Asset Management team regularly reviews Aimbridge's code of conduct and is kept up to date with any amendments.



### 3) Social Responsibility

Our Social Responsibility framework focuses on our preferred employer initiatives, as well as engaging with our communities



Home2 Suites by Hilton – Midland

# Social Responsibility Goals



Our Social Responsibility goals enhance the benefit we create within the communities in which we live, work, and serve

1	Improve Board gender diversity	<ul style="list-style-type: none"><li>• Appoint an additional female Board member by year-end 2023</li></ul>
2	Complete diversity, equity, and inclusion screening when hiring for senior management and non-executive Board roles	<ul style="list-style-type: none"><li>• Ensure the candidate pool includes a diverse array of backgrounds</li><li>• If necessary, extend the hiring process until a diverse pool of candidates has been screened</li></ul>
3	Enhance community engagement through volunteering and charitable partnership	<ul style="list-style-type: none"><li>• Participate in events to raise funds for our charity partners</li><li>• Provide community support through company wide volunteering days</li><li>• Encourage employee participation in local volunteering initiatives</li></ul>
4	Promote a culture of accessibility to senior management	<ul style="list-style-type: none"><li>• Support initiatives and workflows which enable interaction between senior management and employees</li></ul>
5	Review and improve employee engagement	<ul style="list-style-type: none"><li>• Complete regular line manager 1:1 as well as annual and half-year review processes</li></ul>
6	Expand training and development opportunities for corporate employees	<ul style="list-style-type: none"><li>• Provide training on personal development topics</li><li>• Support requests for training which enables career development</li></ul>

# Talent Attraction, Development and Retention



Attracting, retaining, and developing best-in-class talent is core to the success of our business. The people we hire are not only exceptional in their line of work but are also aligned to our mission, vision, and values.

Our aim is to be recognized as a preferred employer, meaning we want to continue to attract high caliber employees who are motivated to succeed within our business. To achieve this, we provide our employees with a unique package of health and financial benefits, career development opportunities and workplace culture.

## Talent Attraction, Development and Retention Benefits and Initiatives

Career development	<ul style="list-style-type: none"><li>• Clear personal goals, competency development, and promotion path</li><li>• Annual and half-year review process</li></ul>
Financial benefits	<ul style="list-style-type: none"><li>• Discretionary bonus: dependent on achievement of personal and company goals</li><li>• Unit Matching: subsidized unit purchase</li></ul>
Mentorship	<ul style="list-style-type: none"><li>• Regular line-manager 1:1's</li><li>• Access to senior management through office hours</li></ul>
Tuition reimbursement	<ul style="list-style-type: none"><li>• Reimbursement for industry specific qualifications</li></ul>
ESG Committee involvement	<ul style="list-style-type: none"><li>• Opportunity to contribute to our ESG program and set our sustainability goals</li><li>• Open to all corporate employees</li></ul>
Volunteering and charitable partnership	<ul style="list-style-type: none"><li>• Involvement in community volunteering and events to raise money for charity</li></ul>



# Health, Safety & Well-Being



## Health & Wellbeing

We value the physical and mental health, safety, and well-being of our employees. We offer all corporate employees an identical package of healthcare benefits and believe that creating an environment which promotes health and wellness is fundamental to the long-term success of our business.

## Health & Safety

We are committed to providing a safe workplace for our employees. Our office space has an ergonomic set-up to ensure the comfort and safety of our employees. No employee work-related severe injuries or fatalities have occurred since AHIP's inception.

## Health & Wellness Benefits and Initiatives

<b>EXTENDED HEALTH AND BENEFIT PLANS (PAID BY AHIP)</b> <ul style="list-style-type: none"><li>• Full range of healthcare benefits</li><li>• Wellness support</li><li>• Insurance - including Life, AD&amp;D, and disability coverage</li></ul>	<b>ANNUAL HEALTH AND WELLNESS SPENDING ALLOWANCE</b> <ul style="list-style-type: none"><li>• Health - expenses not covered by benefits plan</li><li>• Wellness - expenses associated with mental, physical and financial well being</li></ul>
<b>ANNUAL VACATION ALLOWANCE</b> <ul style="list-style-type: none"><li>• Above the statutory minimum</li><li>• Entitlement to paid vacation in first year of employment</li></ul>	<b>PARENTAL LEAVE</b> <ul style="list-style-type: none"><li>• Flexible policy which includes full pay for a portion of parental leave</li></ul>
<b>REMOTE WORK ALLOWANCE</b> <ul style="list-style-type: none"><li>• Enables employees to spend more time with friends and family that live abroad or recharge in a different working environment</li></ul>	<b>WORK-LIFE BALANCE</b> <ul style="list-style-type: none"><li>• Flexible work from home policy</li><li>• Employees encouraged to manage their own schedule with no mandatory start / finish times</li></ul>

# Health, Safety & Well-Being



## Hotel Employees

AHIP's Asset Management team regularly checks in with Aimbridge to understand the level of hotel employee engagement and ensure appropriate health and well-being standards are being maintained. Aimbridge's approach to people and culture continues to include:

- Being an Equal Opportunity Employer
- Providing structured employee performance reviews and feedback
- Career development opportunities, with formal and informal training
- Completing human trafficking awareness training on an annual basis
- A workplace that values family, community and work-life balance

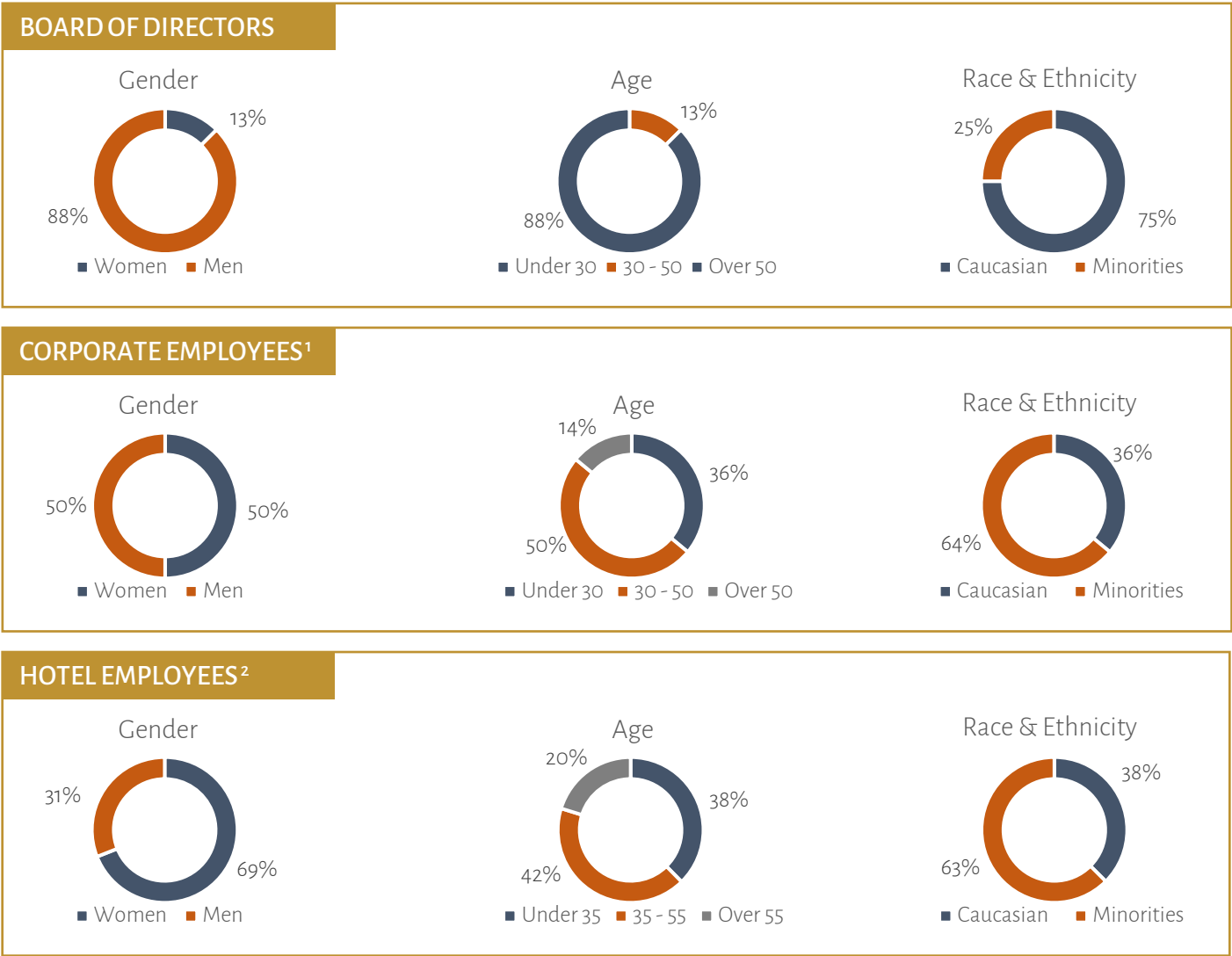
In 2022 Aimbridge launched two new initiatives:

- A.W.E, an Aimbridge-led initiative aimed at elevating and supporting women through education and skills development
- Aimbridge Young Professionals, an Aimbridge-led initiative aimed at empowering and providing support to younger employees

# Diversity, Equity & Inclusion (DE&I)

AHIP is committed to diversity, equity and inclusion. Our code of conduct requires that employees fully comply with all laws providing equal opportunity without regard to race, gender, religion, sexual orientation, age, or disability. We recognize the value of unique viewpoints, experiences, and backgrounds and the part they play in the growth and innovation of our business. It is a priority to create an inclusive, equal, and fair workplace where all employees are empowered to succeed.

AHIP have incorporated DE&I screening practices into the hiring of senior management and non-executive board roles. In 2023, AHIP aims to appoint an additional female Board member to improve the Board’s gender diversity.



1. As of 12/31/2022, all full-time employees of AHIP Management Limited  
2. As of 12/31/2022, employees at our hotels are employed by Aimbridge



# Volunteering & Charitable Partnership Program

We support our charity partners through financial donations and volunteering days

## CANUCK PLACE



- Canuck Place is a not-for-profit children's hospice delivering expert palliative care in British Columbia
- Canuck Place's mission is to ensure that children and families receive holistic care that celebrates their values, and their lives

## COVENANT HOUSE



- Covenant House helps young people aged 16 to 24 who have fled physical, emotional and sexual abuse; those who have been forced from their homes; and those who have aged out of foster care

# Volunteering & Charitable Partnership Program



## 2022 Covenant House 50/50 Fundraising Event



AHIP employees and members of our hotel manager, Aimbridge, participated in a fundraising event in aid of Covenant House.

The event involved selling 50/50 raffle tickets to spectators at a local Vancouver Whitecaps soccer match. \$11,500 were raised for Covenant House and the group were able to enjoy watching the Whitecaps record a 3 – 0 victory over LA Galaxy.



# Volunteering & Charitable Partnership Program



## 2022 Covenant House Hope for the Holidays Packing Event



AHIP employees volunteered to help Covenant House prepare for their Hope for the Holidays campaign.

The event involved organizing donated items such that they could be gifted to youth who participate in Covenant House's residential Crisis Program and Drop-in Centre Program.

AHIP donated \$1,000 of items to the Hope for the Holidays campaign.



## 4) Governance

Our Governance framework focuses on implementing controls throughout our business to align our interests with those of our stakeholders



# Governance Goals



Our governance goals strengthen the confidence that stakeholders have in our business

1	Maintain the highest standards of integrity and ethics	• Ensure all employees and Board members adhere to our code of conduct and relevant corporate governance policies
2	Preserve Board independence	• Maintain a majority of independent directors on our Board
3	Communicate in a transparent and effective manner with our stakeholders	• Be available to stakeholders through all the touchpoints within our organization
4	Strengthen the security of our data, personal information, and systems	• Provide employees cybersecurity training which mitigates various IT threats • Plan and implement a strong IT network environment
5	Maintain market level executive compensation with incentive payments aligned to the creation of unitholder value	• Align executive compensation with the fulfillment of our corporate and ESG goals

# A Message from our CFO



I am pleased to have a leadership role in our effort to create long-term value for our unitholders while addressing environmental, social, and governance issues. We continue to collaborate with our stakeholders to implement our sustainability strategy which will have a positive impact on our business, the environment, and our communities.

We are at the start of our sustainability journey and have developed an environmental investment program focused on reducing the resource intensity of our business. This presents significant opportunities to achieve mutually related goals of reducing our environmental impact while improving our financial results. We are fully aligned with the sustainability updates our brand partners have made to their operating models.

Our employees are fundamental to the success of our business. In line with our strategic plan to be recognized as a preferred employer, we have maintained a flexible work from home policy and have formalized several new health and financial benefits. Last year we introduced a unit matching program as well as an annual health and wellness spending allowance. Through these workplace improvements and investments in the professional development of our employees, we intend for our employees to be further aligned with the success of our business.

Good corporate governance practices are the cornerstone of protecting stakeholder interests. In addition to creating a cross functional ESG committee, we amended the responsibilities of our board to include oversight of our ESG program. We continue to strengthen the resilience of our business to the ever-evolving cyber security threat landscape by introducing mandatory training for all our employees.

We are enthusiastic about our ESG journey and continue to collaborate with the board to improve upon our sustainability framework.

A blue ink handwritten signature, appearing to read 'T. Beatty', with a stylized flourish at the end.

Travis Beatty



# Board Oversight

## Board Independence and Composition

Eight of our nine Board members are independent<sup>1</sup>, including the Chair of the Board. The Board Chair and CEO roles are separate, and our CEO is not a Board member. Our Board maintains four fully independent Board committees – Audit, Compensation, Investing and Nominating, Governance, & Sustainability. All committee Chairs are independent directors.

Annually, the effectiveness of the Board of Directors as a whole, each of its committees, and individual directors are evaluated based on criteria established by the Nominating, Governance, & Sustainability committee.

AHIP supports directors' participation in continuing education programs and relevant conferences to assist them in performing their Board responsibilities.

BOARD COMPETENCIES MATRIX

	Independent Director	Leading Teams	Executive Management Experience	Strategic Planning	Board Experience / Accreditation	P&L Responsibility	Financial Literacy	Hospitality / Service	Capital Markets / Banking	Governance	Communication Skills	Legal	Real Estate	ESG
Michael Murphy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Charles van der Lee	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	
Stephen Evans	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	
Richard Frank	✓		✓		✓	✓	✓	✓	✓		✓			
Tamara Lawson	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓
Mahmood Khimji	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Matthew Cervino	✓		✓		✓	✓	✓	✓	✓	✓	✓		✓	✓
Josef Vejvoda <sup>2</sup>	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
John O'Neill <sup>3</sup>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓

1. 2 of 9 Board members are nominees

2. Independent Director Nominee

3. Director Nominee

# Board ESG Oversight

We have established an ESG committee to set and monitor performance against our environmental sustainability, social responsibility, and governance goals. Representatives from each of our business divisions sit on the committee .

Our ESG program is overseen by our Nominating, Governance, and Sustainability committee. Updates are provided to the committee on a quarterly basis. The committee's ESG oversight responsibilities include:

- Overseeing and approving our policies, programs and goals related to corporate responsibility and sustainability
- Monitoring our progress and performance at implementing our corporate responsibility and sustainability framework
- Reviewing and approving material ESG disclosures

## Select Board ESG Experience

Michael Murphy	Board Chair & Independent Director	Nominating, Governance, and Sustainability committee member	Previously President of Footprints International, a company involved in the planning and development of environmentally friendly hotel properties
Tamara Lawson	Independent Director	Nominating, Governance, and Sustainability committee member	Executed sustainability-linked financing facilities
Mahmood Khimji	Independent Director	Nominating, Governance, and Sustainability committee member	Serves on the National Committee of the Aga Khan Foundation USA
Matthew Cervino	Independent Director		Active role in developing BentallGreenOak's ESG strategy
John O'Neill <sup>1</sup>	Director		Director of the Fraser Institute

1. Director Nominee

# Risk Management, Compliance and Ethics

## Code of Business Conduct and Ethics

Our Code of Conduct details acceptable actions over a comprehensive list of important topics including equality, health and safety, privacy, conflicts of interest, and confidentiality. All employees, directors, officers, and contractors of AHIP are to act in accordance with the Code of Conduct.

Corporate Governance & Policies		
All Employees & Board of Directors	Disclosure Policy	Instructions for the handling of material information, trading restrictions, and confidentiality
	Whistle Blower Policy	Enables employees to anonymously report concerns to the Chair of the Audit, Finance and Risk Committee
Board of Directors	Majority Vote Policy	Details that directors must be elected in a majority vote if there is an uncontested election
	Board Diversity Policy	Promotes Board diversity of gender, ethnicity, age, religion, education, experience, geographical representation, political belief, disability
	Director Education Policy	Encourages the Board to attend education programs and stay up to date with corporate governance “best practices” relevant to their contribution to the Board
Board of Directors & Senior Management	Anti Hedging Policy	Prohibits directors and senior management from directly or indirectly engaging in hedging against future declines in the market value of any equity-based securities of the REIT
	Unit Purchase Policy	Aims to: (i) promote increased ownership of units by the Board and executive officers to align their interests with the interests of unitholders; and (ii) in attracting, retaining and motivating their directors and executive officers.
Senior Management	Compensation Clawback Policy	Reimbursement of incentive compensation paid to a senior executive if: (a) it was calculated based on results that were subsequently materially restated or corrected; (b) the executive engaged in gross negligence, fraud or intentional misconduct that caused the need for results to be restated or corrected; and (c) the compensation paid to the executive would have been lower based on the restated or corrected results.

# Data Privacy and Cybersecurity



## Hotel Level

Aimbridge is responsible for protecting the data provided by our guests. AHIP's Asset Management team monitors Aimbridge's data privacy controls to ensure proper standards are being maintained. We do not have access to the personal data of any of our guests and our IT systems have no connectivity to Aimbridge's technology platforms.

## Corporate Level

AHIP partners with an IT services provider for all corporate level data protection and security. Our security systems are set up to effectively identify and defend against threats. Penetration testing as well as internal and external vulnerability assessments are performed on our IT infrastructure. Robust disaster recovery and incidence response procedures have been implemented.

To further minimize data security risk, we conduct periodic assessments on employee cybersecurity awareness through internal phishing email campaigns. All employees are enrolled in regular cybersecurity training to ensure that we can make effective judgements in order to protect the security of our data.



## Legal Disclaimer

### Third Party Information

This presentation includes market information, industry data and forecasts obtained from independent industry publications, market research, analyst reports, public company filings, surveys and other publicly available sources. Although AHIP believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data is not guaranteed. AHIP has not independently verified any of the data from third party sources referred to in this presentation nor ascertained the underlying assumptions relied upon by such sources.

### Forward-Looking Information

Certain statements in this presentation may constitute “forward-looking information” within the meaning of applicable securities laws (also known as forward-looking statements). Forward-looking information and financial outlook generally can be identified by words such as “anticipate”, “believe”, “continue”, “expect”, “estimates”, “intend”, “may”, “outlook”, “objective”, “plans”, “should”, “will” and similar expressions suggesting future outcomes or events. Forward-looking information and financial outlook include, but are not limited to, statements made or implied relating to the objectives of AHIP, AHIP’s strategies to achieve those objectives and AHIP’s beliefs, plans, estimates, projections and intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information in this presentation include, but are not limited to, statements with respect to: AHIP’s expectations with respect to its future performance, including specific expectations in respect to certain categories of its properties; AHIP’s planned capital expenditures, including the estimated amount and timing of such expenditures; and AHIP’s stated long-term objectives.

### Additional Information

Additional information relating to AHIP, including AHIP’s audited consolidated Financial Statements for the quarter ended March 31, 2023, AHIP’s MD&A dated May 4, 2023, and other public filings are available on SEDAR at [www.sedar.com](http://www.sedar.com).



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