

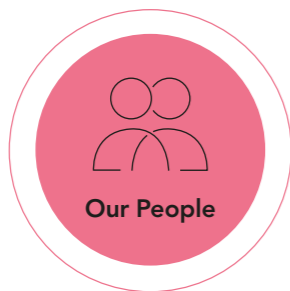
Responsible Business



Inbar Zilberman
Chief Corporate &
Legal Officer

CREATING INSPIRATIONAL HOSPITALITY

OUR INTANGIBLE SOURCES OF VALUE



Our People

Our People:
Our team, guests and the identity of our brands to them, our stakeholders and the relationships we have with each



Our Places

Our Places:
Our properties and the communities that our properties call home



Our Planet

Our Planet:
Our Planet which provides for our every need

THESE ASSETS ARE CRITICAL TO OUR LONG-TERM GROWTH AND DEVELOPMENT AS WELL AS TO OUR IMPACT ON THE WORLD AROUND US

While the pandemic has presented numerous obstacles for our business, it has also provided an opportunity for rebuilding business in a manner that will foster a brighter tomorrow

As we have navigated our way through this period of recovery, our actions have been guided by our Responsible Business goals. The manner in which we reengaged our team members, reopened our properties and reactivated our operations were all informed by our purpose and goals.

The circumstances of the pandemic and the need to take difficult but essential steps to protect the future of the business, gave us a whole new awareness and appreciation for the direct impact that our decisions and business have on Our People, Our Places and Our Planet. While the pandemic has presented numerous obstacles for our business, it has also provided an opportunity for rebuilding our business in a manner that will foster a brighter tomorrow.

We were happy to turn a story of regrettably necessary redundancies during the pandemic into one of re-employing many of our team members and creating new recruitment opportunities in 2021. We were also aware of the feelings of nervousness and anxiety that may have existed in the workforce as they came back to work and emerged from lockdowns, and we made significant efforts to ensure that people felt comfortable performing their roles in our hotels and offices. This was done through continuing our comprehensive health and safety and well-being programme 'Reassuring Moments' and a number of new initiatives aimed at supporting the mental and physical well-being of our team as well as continuing to provide training and inspiring career opportunities aimed at promoting their development. We utilised a number of tools to remain in tune with the views of the workforce which in turn guided our approach and activities as necessary.

Find out more about these initiatives on page 77.

We also continued our approach of using hospitality as a tool to serve the communities in which we operate. By leveraging our

experience and skills in providing excellent service and using innovative solutions in the delivery of this service where necessary, we were able to: support the NHS as well as hospitals and key workers across our regions during their time of need; ensure that mass events that lift morale in the communities in which we serve could go ahead within the challenging context of the pandemic; and support the government in facilitating essential travel in a safe manner.

Find out more about how we supported Our Places on page 79.

We also formed a new ESG Committee to whom the new data we collect will be reported and will help set targets for carbon reduction, and set the benchmarks by which our progress will be measured year on year to hold the business accountable. For the first time the Group's owned and managed hotels across the UK, the Netherlands and Germany became wholly reliant on electricity generated from 100% renewable sources, and we also launched our Task Force on Climate-related Financial Disclosures ("TCFD") reporting (see page 87). We welcomed the opportunity of greater transparency on our carbon emissions and strategy and for more meaningful engagement with the risks and opportunities presented to us by different climate change scenarios. We were pleased with the progress made in 2021 refining and further developing our environmental strategy. For the first time, the Group's hotels across the UK, the Netherlands and Germany became wholly reliant on electricity generated from 100% renewable source.

Find out more about how we sought to be responsible stewards of Our Planet on pages 82 to 89.

Our priority is to deliver a long-term, sustainable business model which adds value for our stakeholders and society as a whole. We look forward to continuing to build on the good work we have done to continue to create value for Our People, Our Places and Our Planet.

OUR PEOPLE, OUR PLACES AND OUR PLANET AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In order to ensure that our organisational goals have universal relevance and significance, we have aligned our Responsible Business programme to the United Nations Sustainable Development Goals ("SDGs"). We relate our activities to all 17 of the SDGs, but we believe our purpose and values are most closely related to:



Responsible Business continued

Our People



OUR GOALS

- Linking development to learning.
- Attracting and retaining talent.
- Increasing diversity in the workplace.

Sustainable Development Goals



Our team members are central to our ability to satisfy our purpose of creating valuable memories for our guests. There can be no denying that the pandemic has been tough on all of us including our people. As we reengaged the workforce following lockdowns and welcomed new team members, we therefore prioritised taking the necessary steps to ensure that our people felt heard, looked-after and fully engaged with our vision and strategy.

Creating healthy and safe environments

As our team members returned to work, ensuring our hotels and offices were COVID-secure so that our people felt comfortable in carrying out their roles was a top priority for the Company and was a prerequisite to achieving our goals. In April 2021 we launched our specially designed re-boarding programme, 'Welcome Back!', aimed at enabling all our team members across the UK and Netherlands to return confidently to their workplace. This included a series of workshops, tools, materials, communication and a detailed training plan for all the teams in the UK and Netherlands.

Under the 'Reassuring Moments' programme which was launched in 2020, we continued our ongoing efforts to periodically update health and safety measures and provided training and protective equipment. In the UK and Netherlands we also partnered with local health services to provide complimentary lateral flow test kits. In Croatia, Arena organised test sites across various locations to support guests and team members should the need arise.

Creating a culture that supports mental and physical well-being across the organisation is important to us. We endeavour to promote an environment where mental health and physical health issues are treated without stigma and where everyone feels supported.

As part of this we have continued to invest our efforts in growing our mental health first aiders programme in the UK and currently have 30 mental health first aiders who are on hand to assist any team members who may be struggling. We have also developed a programme of activities to support Mental Health Awareness Week and developed a mental health awareness training programme.

Meaningful engagement with our people

Staying in tune with the views and perceptions of our team is essential in order to take the necessary steps to retain talent and direct our People & Culture activities. We utilised pulse surveys to regularly measure team member satisfaction and make any necessary adjustments to our approach following feedback received. Examples of actions implemented in response to feedback received included: the development of an updated training programme to support ongoing learning and development; the continued use of company newsletters (an initiative started during lockdown) to keep team members informed on business developments; and the launch of a team member forum composed of elected representatives to assist in leadership and team member communication in the UK and continuing our partnership with the Works Council in the Netherlands.

Innovative recruitment

Given the current competition for the labour pool in the industry, we have had to adopt an innovative and novel approach in order to reach our goal of attracting the most talented employees. An example of how we leveraged this approach in the Netherlands was a mass recruitment event held at Park Plaza Victoria Amsterdam which involved inviting 46 potential candidates to participate in interviews held all over the hotel. Team members welcomed candidates in the same manner as guests to showcase the property and our culture with a view to



inspiring candidates to join our team. In the UK, we participated in the 'Introduction to Hospitality Recruitment' event in partnership with the Department of Works and Pensions with 700 candidates attending the event, 60 offers made on the day resulting in 42 new starters to showcase careers in hospitality at Park Plaza to young people in the community. In order to connect with new hires and drive cohesion in our teams following recruitment, we launched a new onboarding programme called the 'Big Welcome'. This is a new approach that is designed to create the best possible experience during the first three months of employment with a view to attracting and retaining the best possible talent and equipping them for long-term success.

Developing and retaining talent

Development and learning is a key element of our talent retention programme, and it underpins our success as a Company. As such, supporting and encouraging team members to develop and grow their careers within the business and providing the necessary opportunities for growth is a priority for us.

We love developing people and that is why we have invested in our own internal apprenticeship academy. The Group's vision is to embed an apprenticeship framework giving us considerable flexibility and control over how best to train our apprentices, design our programmes and integrate our learning and development offering to suit a wide range of needs. In the Group, we offer multiple apprenticeship programmes at a variety of levels.



We also have an undergraduate placement programme which is an integral part of our talent development strategy. Our strategic goal is to develop our talent pipeline for the future, and this programme has a clear purpose as a method for growing our managers of the future.

Our People & Culture team also conducted periodic talent review meetings to identify gaps and development opportunities, identify high performers, promote internal development and progression and ensure a healthy talent pipeline. An online personal development review process was also launched to begin our journey to a full digital talent management approach that will facilitate aligning organisation and individuals' objectives, succession planning, career and personal development. The process has a focus on a well-being check, training managers on giving feedback and listening skills, promoting engagement, goal-setting to drive ownership, and career and personal development. To assist with ongoing talent management, we also introduced 'Learn & Grow', our online learning and development system, which allows us to train and develop talent internally. Learn & Grow promotes self-directed learning, and encourages team members to develop career goals and plans for achieving them.

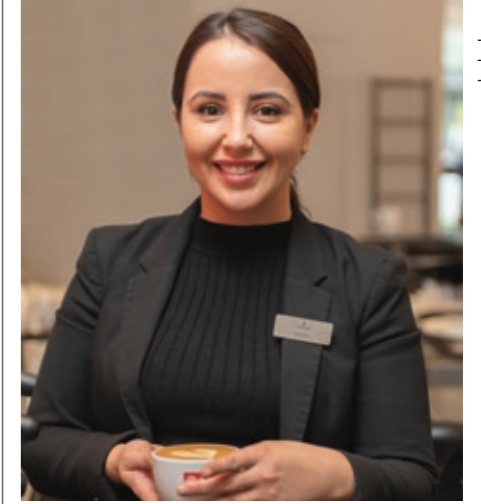
2021 AWARDS AND ACHIEVEMENTS

Best Management Preparation Award at Springboard Awards for Excellence

The Caterer Top 6 Best Places to Work in Hospitality

The Caterer Best Employer of the Year

HR in Hospitality HR Team of the Year



TRAINING AND DEVELOPMENT HIGHLIGHTS

Other highlights of our activities aimed at linking development to learning and retaining talent included:

Apprenticeship Academy Programmes established in the UK for all our team members looking to develop and grow in the Company and 39 team members began their apprenticeships during the pandemic in 2021.

Clinical cleanliness level 3 training programme provided for our housekeeping teams. We also offered 50 NCFE-accredited training courses for all our teams, ranging from 'Understanding Data Protection & Security' and 'Principles of Team Leading', to 'Understanding Behaviour That Challenges'.

Enhanced standard pay for critical recruitment and retention needs in the UK: recruitment for key hospitality roles and pay enhancement was triggered by the low number of applications to our vacant roles. We conducted salary analysis comparing our offering to our competitors.

One-off non-contractual loyalty bonus to most eligible new team members employed by the Company on or before 1 July 2021 who remain in employment by 30 June 2022 as a token of our gratitude for their support and dedication throughout the pandemic.

Responsible Business continued

CHAMPIONING DIVERSITY AND INCLUSION

In our Group, we seek to promote an environment in which all of our team members are welcome and free to be themselves, no matter who they are, and we pride ourselves in authentic service that is reflective of the communities we serve.

We are proud to have a number of role models for diversity within our Company whom we actively seek to celebrate and champion wherever possible.



International Women's Day 2021

We are proud to share that on International Women's Day, Jennifer McCabe, General Manager of Holmes Hotel, London, joined a panel discussion which was initiated by the Baker Street Quarter Partnership. The Panel features women from the Quarter sharing their success stories, how they have been mentored in their careers and how they continue to develop their skills to keep moving forward.



Our Chief Corporate & Legal Officer was featured in the Women to Watch and Role Models in Hospitality, Travel & Leisure Index 2021.

In our Company, we value diversity and inclusivity. To celebrate and support the LGBTQ+ community, we ensure a safe and inclusive workplace – not just for Pride Month in June but 365 days a year. We were delighted that Park Plaza Vondelpark, Amsterdam, officially became certified by Booking.com as LGBTQ+ friendly. We are committed to offering inclusive hospitality and as part of this certification so we completed training to become 'Proud Certified'. Park Plaza Westminster Bridge, London, were proud to host attendees and nominees of the Pride of Britain Awards, which included actors, musicians, Olympians, Paralympians and other sports personalities. The awards ceremony is an annual event recognising unsung heroes across the UK, and is a star-studded event that is televised nationally.

OTHER AWARDS WON BY OUR PEOPLE



We are incredibly proud that, not only did Daniel Pedreschi receive his official Hotelier of the Year 2021 award in front of a packed Hotel Cateys audience, but our very own Olivier Ruiz won Head Chef of the Year. Olivier heads up the chef brigade at Park Plaza Westminster Bridge London, and has been an incredible asset to PPHE Hotel Group and Park Plaza.

In order to support inclusion wherever possible, we also introduced a number new employee policies on diversity, stress management and well-being.

Our Places



OUR GOALS

- Increasing our charity initiatives and volunteering.
- Contributions and investments in our local community.
- Engagement with our local community.

Sustainable Development Goals



We recognise that local business, education, arts, sports and culture are key pillars within our communities. In line with our purpose, we seek to support a diverse array of organisations and charities within these sectors in order to give back and add value to the communities in which we operate.

NHS secondment programme

Since the outset of the pandemic, our UK operations and human resources teams have collaborated with the UK National Health Service ("NHS") to provide support wherever possible. In 2020 we worked with the NHS to create a unique secondment programme for our team members allowing us simultaneously to support the NHS at a time when it needed extra resources and to maintain roles which otherwise would not have been needed while operations were limited. This initiative continued into 2021 with 172 team members seconded to St. Thomas' Hospital in London to support the NHS vaccination project in various roles. We want to thank our colleagues for their eagerness to lend their talents by participating in our NHS secondment programme.

Supporting local hospitals and helping our key workers

The pandemic highlighted how vividly dependent our communities are on key workers. We felt it was important to support them where we could and show our appreciation for their efforts in keeping key services running. Park Plaza Westminster Bridge remained open while the UK was still in lockdown in the first half of the year, with team members supporting key workers by providing them with accommodation services, meals and laundry services. At a time when staff shortages in the health sector was an issue, we also engaged 11 of our team members to provide support to a clinic in London, including across front-of-house, housekeeping and the clinic kitchen.

We were also pleased to see our colleagues in Croatia carry out a series of activities to help the local community with the pandemic crisis. Among those activities were contributing to the purchase of a vehicle by emergency medical services in Pula and furniture for a new pathology ward in a local hospital, as well as providing accommodation to doctors and specialists from local hospitals and clinics at Park Plaza Verudela and Splendid Resort.

ANONYMOUS TEAM MEMBER TESTIMONIALS



"Working for the NHS has been a pleasant experience for me. I had to deal with different people so I developed my human relationships to a greater level. Also I realised that I am capable of doing more things than I thought, as I have been assigned to various tasks over the months. I learned that helping others makes a big difference in their lives and definitely increased my confidence to work in a team. Also a positive side was that I was entitled to have some perks because of my NHS badge. Overall being with the NHS was a very good experience for me."



"I was scared to work there in the beginning, hospitals have always terrified me. When I started to work there I realised it is nothing to be afraid of. I had the opportunity to meet and work with some amazing people. Overall it was a very good experience and learned a lot."



"I want to start by thanking the Company for the opportunity to support with the NHS during the pandemic. It was a new, beneficial and unforgettable experience. It definitely helped me to develop my skills: especially communication and listening, innovative thinking, confidence and the self-belief to try something new."

Responsible Business continued



“We were allocated this hotel for quarantine. The staff have been amazing. Always friendly and helpful. Our room is very comfortable and has everything we need. Wi-fi is excellent. The food is plentiful and enjoyable. I am happy to have quarantined here.”

(Park Plaza London Waterloo guest – TripAdvisor review)

Supporting the travel industry in its time of need

We were proud to support the UK Government with its plans to facilitate safe travel for those needing to travel during the pandemic. Park Plaza Waterloo and Park Plaza Victoria London operated as quarantine hotels for travellers arriving into the UK who were required to isolate. There was an unprecedented amount of planning required to ensure the hotels could participate in the scheme. This included stringent checks and inspections in order to assess the suitability of the hotels against the Government’s requirements, and the implementation of complex cross-property food logistics in order to serve the volume of guests and the security staff on the sites. In the first week of operation, the teams at Westminster Bridge and Waterloo were preparing and serving up to 2000 meals a day for Park Plaza Waterloo guests and were able to serve over 350 room service meals three times a day in Park Plaza Victoria London. In addition, a full test and trace facility was set up on site and all staff and associated agency

staff were tested daily as they came on shift. Given the somewhat strange circumstances of our quarantine guests’ stay at our hotels, our team members endeavoured to ensure that each guest was given a particularly warm welcome and fully briefed on how their stay would work. We were pleased to see our efforts recognised by the positive online reviews received.

Supporting local business

The circumstances of the pandemic have led to an even greater need for us to foster a collaborative, flexible and innovative approach that prioritises the health, safety and well-being of guests when working with local businesses. An example of when we had to channel this approach in a unique and unprecedented way in order to work with a key local business to facilitate an event, was when Park Plaza Westminster Bridge London was awarded with the opportunity of being the exclusive host hotel for players and support teams of the 2021 Wimbledon Championships. We were proud to have been chosen, however, given the challenges of holding a mass international event as the country emerged from lockdown, we had to work very closely with the organisers of this sporting event to create a ‘secure bubble’ to address the pandemic risks. This included tailoring our services app and operations specifically for the event.

Within the London sporting scene, we have also continued our support of a local rugby club by sponsoring a board on the rugby pitch and offering favourable rates at Park Plaza County Hall during special events. There are also plans in place by the hotel to sponsor a youth development team in the future at the club. In Croatia, Arena continued with their long-standing initiatives to help sports clubs, athletes and specifically athletes with disabilities reach their full athletic potential. Arena provided support in the form of financial sponsorship and the use of sports facilities within our properties. They also continued with their support of selected cultural and sports events in Pula such as the Pula Film Festival, the international maxi cruiser regatta, the marathon and numerous musical concerts.



Wimbledon – Park Plaza Westminster Bridge London

71% of all drink orders in the bar were received via the online ordering system

200 covers an evening delivered during dinner service, with no delays or issues

47% of all room service orders were received via the app

Pressure on the operations team was reduced as a result, ensuring efficiency and speed of service

492 guest conversations via instant messaging, with each conversation averaging 2.9 interactions, resolved on average in 1.55 minutes

Supporting local people in need

Given the particularly disruptive impact that the pandemic has had on young people, during the year we have supported a number of initiatives benefiting young people as well as working with students and young people across the regions to share our expertise and provide career opportunities. In early 2022 the Group were proud to support a local UK newspaper’s ‘Step Up Skill Up’ campaign to tackle youth unemployment in London by pledging 50 jobs in this fantastic scheme.

In London, we hosted a site visit for interior design students at the art’otel London Hoxton development site and also put on showcases in partnership with Springboard Charity UK at Park Plaza Westminster Bridge and Park Plaza County Hall, through which our teams shared their career journeys and offered advice to young people interested in pursuing a career in hospitality. We have also continued to work with a local academy school in London by donating laptops and providing regular work experience opportunities. We also continued to support a UK charity benefiting young people leaving foster or residential care, by supplying them with a venue for their award ceremony and hosting their Christmas lunch.

In the Netherlands, Park Plaza Amsterdam Airport supported a local school in being able to continue to educate children while observing social-distancing measures by providing classroom space for 400 students a day from March to April 2021. Park Plaza Victoria Amsterdam and Park Plaza Vondelpark, Amsterdam, also deployed additional team members to assist with cleaning and sanitising duties throughout the day. As a follow up, we were also in contact with their careers department to offer work placements to a new generation of school leavers. We also hosted internship events at Park Plaza Victoria Amsterdam to offer job opportunities in the hotel for hotel school students.

In the German region, team members participated in a number of grassroots initiatives in partnership with numerous local charities, including making contributions to a charitable organisation to support the people who were affected by the floods which destroyed parts of Western Germany in summer 2021.

As part of our more general efforts to support those vulnerable members of our communities who have been particularly impacted by the pandemic, we were also pleased to partner with Lambeth Council to join its annual ‘Helping Hands’ programme in December 2021. We brought together over 50 of our team members in Park Plaza Westminster Bridge London to prepare 2,000 hot meals during the Christmas week for distribution to elderly, vulnerable and homeless people in Lambeth and other parts of London.

In response to the crisis in Afghanistan that unfolded in August 2021, our team members in Park Plaza Victoria London worked with several charities who were providing clothing, toys and other supplies for Afghan refugees. We provided facilities to sort the donations and hotel meeting room space for storage. Our team members also assisted with sorting through donations and distributing them to refugees.

As well as providing local hands-on assistance in the pandemic response, team members in Croatia were also able to provide ten, fully equipped mobile homes from its campsites to impacted communities within 24 hours of an earthquake striking Sisak-Moslavina County in July 2021.

Across the regions we also frequently donate complimentary stays at our hotels as prizes in charity fundraising galas. We were also pleased to hear of several grassroots initiatives spearheaded by team members who organised bake sales or otherwise raised money for a charity of choice.



Responsible Business continued

Our Planet



OUR GOALS

- Reduce carbon footprint.
- Reduce water usage.
- Reduce waste and recycle more.
- Increase the use of ethically sourced and eco-friendly materials.

Sustainable Development Goals



An area of focus

We are aware of the significant impact that tourism, travel and hospitality can have on the world around us and the urgency of the need to neutralise that impact. At a time when the importance of the development of sustainable business models and the need for businesses to reduce their carbon footprint has become glaringly obvious, we have sought to sharpen our resolve to achieving our environmental goals. As a Company that develops, owns/co-owns and

manages many of our properties, we recognise that we have a unique opportunity to integrate sustainability into our business from the point of development all the way to day-to-day operations. While progress has been made, we recognise that there is still work to be done in structuring our business in a way that safeguards the planet for future generations and are committed to doing that work. We are also reviewing the manner in which we measure our progress and are looking at adding structure in this regard.

GREEN ACCREDITATIONS AND CERTIFICATES

The Global Sustainable Tourism Council recognises a number of environmental certification programmes. This gives stakeholders confidence in international recognition of environmental standards. We are supporters of these initiatives, and maintain certificates for our properties listed below.



THE NETHERLANDS

Green Globe

Park Plaza Amsterdam Airport
art'otel Amsterdam

Green Key

Gold
Park Plaza Vondelpark, Amsterdam

Gold
Park Plaza Eindhoven

Gold
Park Plaza Utrecht

UK

Green Tourism

Gold
Park Plaza Westminster Bridge London

Gold
Park Plaza County Hall London

Gold
Park Plaza London Waterloo

Gold
Park Plaza London Riverbank

Silver
Park Plaza Victoria London

Gold
Park Plaza Nottingham

Silver
Park Plaza Leeds

Silver
Holmes Hotel London

GERMANY AND HUNGARY

DIN EN ISO 50001:2018

Park Plaza Wallstreet Berlin Mitte
Park Plaza Berlin Kudamm

Park Plaza Nuremberg
art'otel Berlin Mitte

art'otel Berlin Kudamm
art'otel köln

art'otel Budapest

CROATIA

Travelife

Gold
Park Plaza Belvedere
Park Plaza Histria
Hotel Medulin

Blue Flag Beach

Yacht Beach, Park Plaza
Verudela Pula

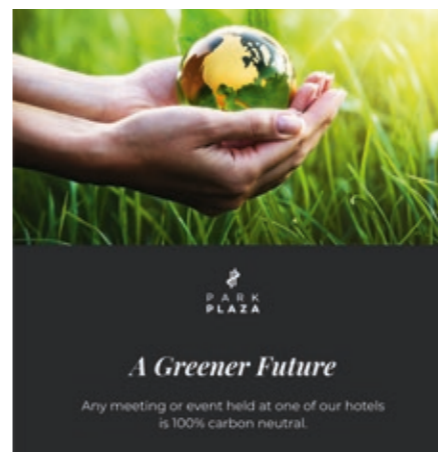
Energy and emissions

All locations in UK, the Netherlands and Germany have 100% renewable power

We are proud to announce that in 2021 the Group's owned and managed hotels across the UK, the Netherlands and Germany are now reliant on electricity generated from 100% renewable sources. All of these hotels have 100% of their electricity backed by UK REGOs, or European GoOs, as applicable, from a blend of renewable sources including hydro, wind, solar, biomass and landfill gas. This is a significant milestone in our journey towards a more sustainable future.



Energy efficiency: 100% carbon neutral meetings



We are pleased to be working with Radisson Hotel Group and First Climate, one of the world's largest carbon offset organisations, on the carbon neutral initiative for meetings. Pursuant to this initiative, any meeting or event held at any participating Park Plaza hotel was 100% carbon neutral at no additional cost to guests. For each meeting, the carbon footprint was calculated and then offset through projects in Europe, Middle East, Africa, Asia Pacific and the Americas that combat climate change and contribute to sustainable development. At the final quarter of 2021, Radisson also launched a carbon negative initiative for meetings and events held up to 31 January 2022 in which the majority of our hotels participated. Pursuant to this initiative, double the carbon emissions produced by a meeting or event were offset, making them carbon negative.

Energy efficiency measures in our hotels

Heating and cooling represents the majority of our energy consumption. Continual improvement of energy efficiency is a key target for us and our guests and team members are empowered to participate in our common goal to reduce energy consumption. For further details of energy efficiency measures across our hotels refer to page 85.

Water stewardship



We currently have no operations or development projects in countries considered 'Extremely-high' or 'High' for baseline water stress, nor in areas considered 'Extremely-high' or 'High' for overall water risk. Nevertheless, we recognise that water stress poses a serious threat to livelihoods and business stability and we continue to invest in water-efficient technology and encourage guests to consider the environment and save water.

The Group's commitment to reducing water consumption across the regions continued in 2021. The water conservation measures carried out in different hotels included: raising awareness of our 'Save Tomorrow, Today' linen and towel reuse programme that rewards guests for opting out of daily linen cleaning services; ozone cleaning of guest rooms and introducing a new three-day room cleaning cycle; use of washable and reusable items instead of disposable items in guest rooms.

Biodiversity

Biodiversity plays an important role in the lifespan of a hotel. This ranges across: restaurant food; wood used in hotel furniture; spa amenities; green spaces; and the conservation of animals and birds in the a hotel's public areas and gardens. Incorporating biodiversity considerations in planning and operational decisions for a hotel and resort is a key factor for the continued sustainability and conservation of the ecosystems in which we operate.

Hotel for bees



Bees play a critical role in healthy ecosystems and through their pollination, they are essential for production. Sadly in recent years, changes in our environment have meant that bees are significantly declining in numbers. Since 2019, Park Plaza London Waterloo, together with Barnaby Shaw from Bee Urban, creates a safe haven atop its fourth floor, giving the bees an opportunity to form colonies and produce local honey, while leaving the bees with ample honey to thrive.

Green hotels

In the Holmes Hotel Greenhouse Terrace, our team members grow fresh herbs, fruit and vegetables which are available in the hotel restaurant and 106 Coffee Shop.

Arena participated in the Croatian national campaign, 'Plant a tree, don't be a stump', and donated seedlings for educational institutions in the Pula area. In this way, Arena helped reduce the impact of climate change. As part of this project, local kindergarten children helped our team members to plant pine trees in the Arena One 99 Glamping site in an effort to educate future generations on the importance of being responsible stewards of the planet.

Responsible Business Our Planet continued

Waste and use of resources

Our dedicated green team members are committed to carrying on waste management and recycling activities in all our properties. Some examples of waste management in the hotels and in the regional offices include: recycling, using biodegradable straws, promoting online services (check-in/check-out/mobile key, etc), reducing physical menus (using QR codes), making use of digital authorisation of invoices which reduces the amount of printing required, implementation of new systems such as Raet, Dyflexis and Eversign which reduces paper usage, certified low-impact paper napkins, minimising food waste by being more creative in the kitchen with new recipes, eco-friendly shampoo, shower gel and other bath products available in guest rooms, use of bio-degradable detergents, recycling glass, mixed recycling and food recycling on property, waste disposal and reduced pickups constantly based on occupancy levels, food digester for food waste disposal, batteries and light bulbs recycled, no vegetables or meat/fish products accepted in plastic, all food items to be delivered in cardboard only, no paper TV guides in guest rooms (as these are all available directly in the TVs), reusable laundry bags in guest rooms and many more.

Sustainable development UK

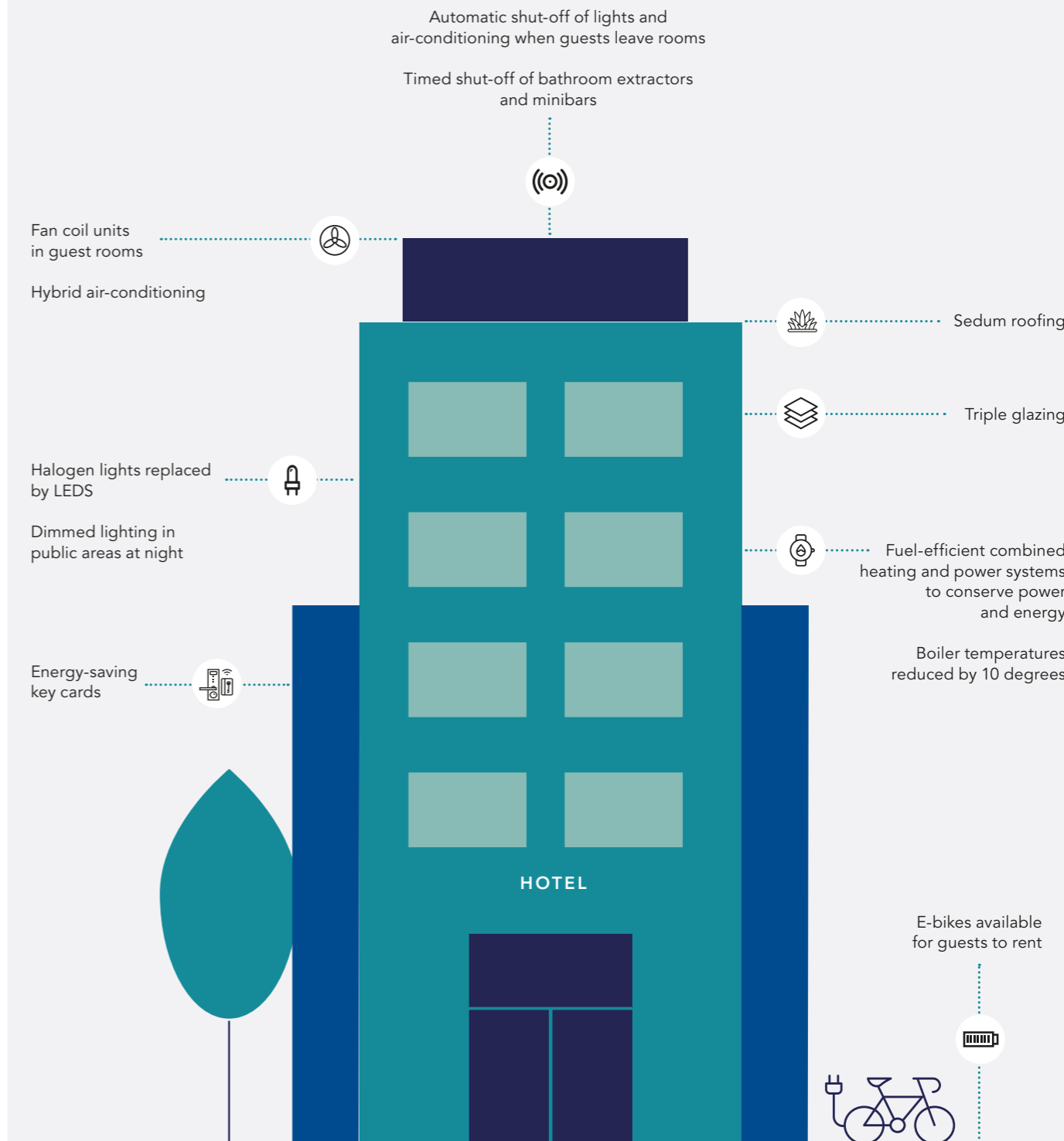
For properties in development, sustainability is key. In the UK, the Group is on-target to achieve an 'Excellent' Building Research Establishment Environmental Assessment Method (BREEAM) sustainability rating for art'otel London Hoxton.

Croatia

In Croatia, in preparation for the refurbishment of Grand Brioni Hotel, Arena changed one-and-a-half kilometres of old water pipes, which supply the Punta Verudela peninsula. This significant improvement of infrastructure resulted in lower water consumption due to better monitoring and no leakages. As part of that project, Arena installed one-and-a-half kilometres of new gas pipes that now supply the properties located on Punta Verudela with natural gas. This enabled Arena to use a more environmentally friendly energy source for their hotel boiler rooms and kitchens. These activities reduced our environmental footprint by reducing our energy consumption.



ENERGY EFFICIENCY MEASURES ACROSS OUR HOTELS



Responsible Business Our Planet continued

SUSTAINABLE DEVELOPMENT CASE STUDY – GRAND BRIONI HOTEL, CROATIA



Roof with thermal insulation and new aluminium joinery to improve the physics of the building



Heating/cooling system via high-efficiency air/water heat pumps and condensing gas boilers, with partial recovery of waste cooling heat for domestic hot water heating

Forced ventilation via air chambers with heat recovery from waste air



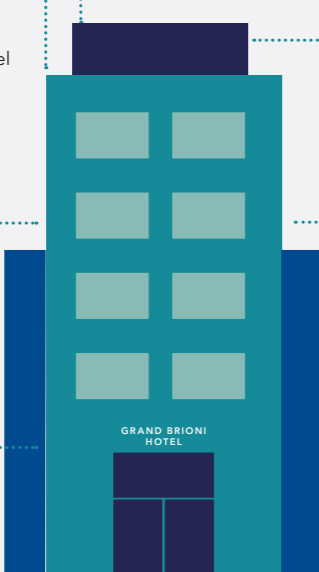
Installation of LED lighting fixtures throughout the hotel with a centralised lighting management system to save energy



Installation of sanitary fittings with low water consumption



New facade



Implementation of the smart room system to increase guest comfort and energy savings

Implementation of a remote water consumption reading system to control and reduce losses

Implementation of a central monitoring system for the management of thermo-technical installations and remote reading of electric meters for the rational use of energy

SUSTAINABLE DEVELOPMENT CASE STUDY – REFURBISHMENT OF ARENA GRAND KAŽELA CAMPSITE



Procurement of low-energy mobile homes, with built-in thermal insulation of the facade and roof



Heating/cooling system in solid buildings and mobile homes via high-performance VRF and split systems

Preparation of domestic hot water in sanitary facilities via condensing gas boilers, air/water heat pumps and solar collectors



Installation of LED lighting fixtures in toilets, solid buildings and mobile homes



Implementation of a remote water consumption reading system to control and reduce losses



Construction of a new facade on solid structures, as well as a roof with thermal insulation and new aluminium joinery to improve the physics of the building



Reverse osmosis seawater system for the production of sanitary water for irrigating green areas and filling the swimming pool, with remote monitoring and control of the operation of the irrigation and osmosis system to reduce water consumption



Installation of sanitary fittings with low water consumption in sanitary facilities, solid buildings and mobile homes

TCFD Reporting – A new way to engage

Changes to the Listing Rules have led to new ways to engage with our impact on the world around us. TCFD reporting is now mandatory, and we are pleased to provide this summary of our first annual TCFD report, the full version of which is published on our website. We have covered in summary all aspects of our TCFD report here. Where space prevents us going into further detail, we will make reference to the full report. We welcome the opportunity for progress afforded by the new regime which provides a framework allowing investors to compare businesses in their portfolios on an equal footing and facilitates meaningful engagement with the risks and opportunities presented to us by different climate change scenarios. We also welcome the opportunity to be transparent about how our business is rising to the generational challenge of climate change.

This section summarises our climate-related financial disclosures from the standalone 2021 TCFD Report, published online. Building on our Responsible Business reporting, TCFD represents the next step in our journey of improving our sustainability and transparency as a business.

The TCFD guidelines set out a framework for disclosing climate-related risks and opportunities, split into four core elements: governance, strategy, risk management and metrics & targets. Following the recommended disclosures ensures climate change considerations are embedded throughout our business.

The Group has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. With regards to metrics and targets, we are in the process of setting carbon reduction targets based on an emissions reduction pathway to reach net zero by 2050 at the latest. The standalone 2021 TCFD report will be published on our website

by April, providing more granularity on our climate-related risk management processes.

Overview – Where do we stand with TCFD?
We recognise that climate change is a complex issue and acknowledge our responsibility to minimise our impact on the planet. We have been tracking our energy use and emissions since 2011 to guide us in reducing our consumption.

This year we have focused our efforts on three key areas. First, to understand our Scope 3 emissions to set carbon emission reduction targets. Our Scope 3 inventory is published in our 2021 TCFD report. Second, to integrate climate risks into our risk management framework using climate scenarios to determine the material climate risks to our operations. Third, to strengthen our climate-related governance with the first meetings of our ESG Committee.

Governance – Ensuring accountability and responsibility for climate-related risks.
At PPHE, the management of climate-related topics is integrated into our existing governance structures and processes to ensure it is part of everything we do. We have a collaborative governance approach that starts with our Board and cascades to every aspect of our business via our executive vice-presidents, (regional) general managers, hotel managers and hotel Responsible Business teams, ultimately reaching all team members.

As with all matters that may present challenges to our business model, the Board has overall responsibility for climate-related issues, including risk management. The Board has delegated responsibility for developing and evaluating climate-related policies to the ESG Committee. The Audit Committee oversees and advises the Board on the Group's risk exposure, risk appetite and future approach to risk.

Our ESG Committee met for the first time in 2021. It supports the Board by reviewing and monitoring the processes for setting climate-related targets and collecting the data and information required to support the TCFD reporting and strategy.

The Audit Committee also assists the Board by monitoring financial and non-financial climate-related risks. It is responsible for tracking changes in this area that could alter the risk profile.

Full details of how climate-related matters are managed, including Committee members and Executive Leadership Team roles, are available in our 2021 TCFD report.

Strategy – Building climate resilience into our business strategy.

We understand that the way we do business can significantly impact the world around us and that we all have an increased level of responsibility in this area. Assessing our impact on the world around us is essential to our Board.

The TCFD recommendations will help us better understand the climate-related risks we face and inform how we monitor and manage climate-related risks and opportunities.

Responsible Business

Our Planet

continued

Climate scenarios help us assess the future impacts of potential climate change pathways on our business. Scenarios enable us to evaluate our operational resilience to climate-related issues under a range of uncertainties and future states. We modelled our climate scenarios across three potential futures using the CORDEX, CLIMADA and IAM models. We modelled climate data for the 16 cities across Europe where we have hotels. The scenarios were:

- <2°C by 2100; high levels of transitional risks but limited physical risks
- 2-3°C by 2100; the highest level of transitional risks with some physical risks
- >3°C by 2100; limited transitional risks but the highest level of physical risks.

For each scenario and risk, we assessed how impacts might change over the short-term (0–5 years), medium-term (5–10 years) and long-term (10–15 years). The impacts inform our internal climate risk framework.

Our analysis determined that climate change presents four key transitional risks (Table 1). Full details of our climate-related risks can be found in our 2021 TCFD report.

Risk management - Embedding climate into our risk management framework.

We have recognised climate change as a risk formally since 2019, both as an independent risk and for its potential to exacerbate several principal risks. Our well-established risk registry prioritises each risk based on assessing impact, likelihood, and mitigation actions.

Enterprise risk assessments are reviewed quarterly. Assessments and reviews evaluate the potential financial costs of each risk.

To ensure we understand the severity of each risk, we align the identified climate-related issues with our Enterprise Risk Management (ERM) programme. An executive or senior manager is assigned responsibility for each risk to introduce sufficient mitigation measures, or to adapt the business to opportunities.

This year we engaged with a third party to model and identify climate-related risks to our strategy, objectives, assets and business operations. The climate modelling considered physical and transitional risks on both a Group and site level. Overall, our risk level was low, and key risks are outlined below. All risks identified are detailed in our TCFD report.

Transitional risks

We identified four transitional risks for which we already have mitigating actions in place, shown in Table 1. Two other transitional risks were identified, which we are monitoring: increased regulation and potential cost and disruption from phasing out non-renewable energy sources.

Table 1: Key climate-related risks to PPHE for which mitigating actions are in place displaying assessment of residual risk

Transitional risk	Timeline	Likelihood	Financial impact
Negative stakeholder perception if PPHE is not seen to be doing enough on climate-related matters	Short/ Medium	Unlikely	Moderate*
Exposure to carbon pricing	Short/ Medium	Almost Certain	Minor**
The increasing influence of climate-related matters on customer preferences and market demand	Short	Almost Certain	Minor**
Increased material costs	Short/ Medium	Almost Certain	Minor**

* Moderate – £1.2m - £6m (annual impact)
 ** Minor - <£1.2m (annual impact)

Physical risks

We identified five potential physical risks to our hotels and resorts: flash flooding, rising mean temperatures, water stress, coastal flooding (for Amsterdam) and forest fires (for Belgrade / Pula). Rising mean temperatures are almost certain to happen, but the impact on our operations are deemed to be low. We will continue to monitor this. The other risks were not considered likely in the short-to-medium term. We will continue to monitor these and implement mitigation actions as necessary. Existing controls including insurance and crisis management plans will continue to be assessed for adequacy.

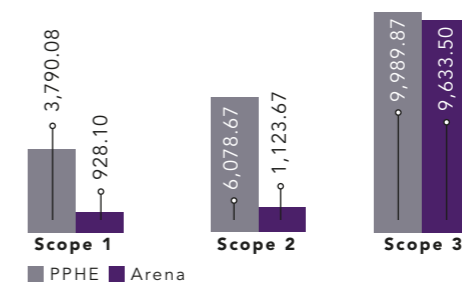
Metrics & targets – Measuring and managing our climate impact.

This year we calculated our Scope 1, 2 and 3 emissions for PPHE and Arena Hotel Group available in our separate TCFD report. Our Scope 3 emissions cover all our emissions within our value chain, including those from upstream and downstream activities. Understanding our total emissions gives us a strong starting point on our carbon reduction journey, which is a top priority for the Group in 2022 and beyond. Emissions and energy performance are the metrics we use to assess our progress.

We are in the process of setting emission reduction targets. In 2022, we will commit to setting at least near-term targets through the Science Based Targets initiative (SBTi). We acknowledge the net-zero targets that are in place in the jurisdictions in which we operate and aim to align with these ambitions. In 2022, we will undertake further work to establish pathways to achieve these targets and to be net zero by 2050 at the latest.

We engage external specialists to determine our carbon emissions to ensure accuracy. The Greenhouse Gas Protocol is used as the basis of the calculations for our Scope 1, 2 and 3 emissions. This year, we have calculated our full carbon balance sheet for the first time, which includes our upstream and downstream value chain. This is our first step towards setting targets according to the standards of the SBTi, which we plan to submit in 2022.

The chart below compares carbon emissions between 2021 and 2020 for the PPHE and the Arena Hotel Group. Scope 1 and 2 emissions have risen slightly compared to 2020. This is due to the impact of the pandemic on the business in the previous year and our gradual reopening in 2021. Scope 3 was calculated for the first time in 2021. Full details are available in our 2021 TCFD report.



SECR reporting

In compliance with the UK government Streamlined Energy and Carbon Reporting, UK Scope 1, Scope 2 and Scope 3 emissions, intensity ratio and yearly comparisons are provided below.

Emission Type	Total Volume (kWh)	Calculated Emissions (Tonnes of CO ₂ e)
Scope 1 (direct)	20,280,122	3,725
Scope 2 (indirect)	23,338,58	4,955
Scope 3 (indirect)	N/A	N/A
2021 Total	43,618,708	8,680
2020 Total for comparison	39,991,198	8,379

Our Goals

Emissions:

- Net zero by no later than 2050.
- We are in the process of gathering the data to set Science Based Targets (SBTs) to reduce our direct and indirect GHG emissions (Scope 1 and 2). We plan to commit to setting SBTs in 2022.
- Understanding our Scope 3 emissions and working with our suppliers to lower carbon emissions.

Sites have been identified for detailed assessment during 2022. These will be surveyed for upgrading infrastructure to reduce carbon output

Water:

- Monitoring and managing water use in our properties to reduce water consumption.
- We are encouraging the use of our 'Save Tomorrow, Today' programme.

Environment:

- Developing a climate policy is the responsibility of our ESG Committee.
- We reduce our environmental impact by reducing our waste and optimising how we use resources.
- We are increasing the use of ethically sourced and eco-friendly materials across our properties.

The Strategic Report was approved by the Executive Leadership Team and will be reviewed regularly for materiality and signed on its behalf by Boris Ivesha.

Boris Ivesha
 President & Chief Executive Officer

1 CORDEX: Co-ordinated Regional Climate Downscale Experiment – this model applies the methodology to localities of approximately 1,000 x 1,000 km permitting more localised analysis than global models, and more appropriate to local landscapes.

CLIMADA: a probabilistic climate risk assessment tool. Users can create impact data customised to their own data inputs.

IAM: Integrated Assessment Models are used to evaluate the technological and economic feasibility of climate goals.