

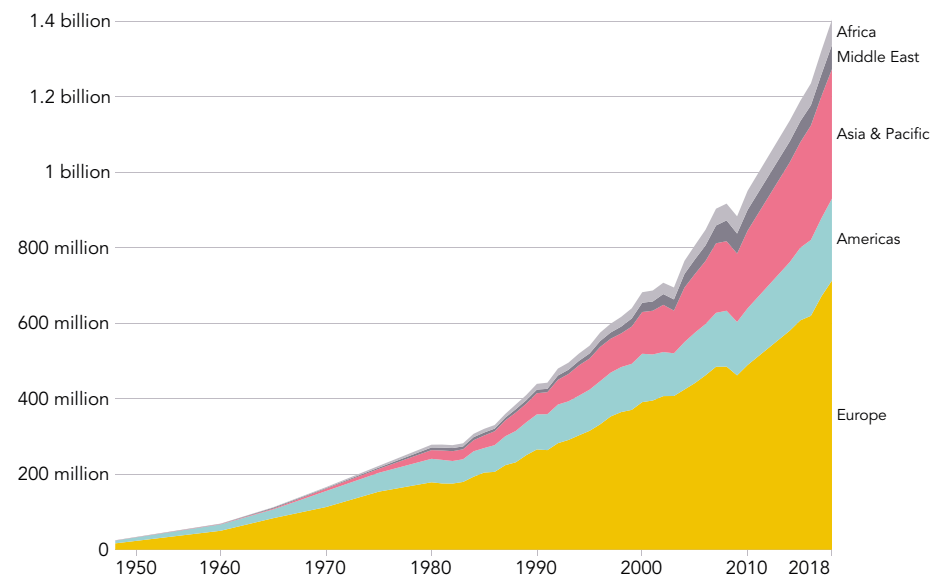
The traveller in 2022

The strong appeal of the European travel market

Notwithstanding the turbulent past two years, we strongly believe in the underlying strength of the European travel market. Prior to COVID-19, European international travel has, apart from some macro-economic glitches, consistently grown since the 1950s.

While there are an increasing number of companies and countries committing to carbon footprint reductions, globalisation is expected to continue and we expect the European travel market to remain strong post COVID-19. Europe represents the greatest inbound tourism market accounting for approximately 50% of all international travel worldwide.

INTERNATIONAL TOURIST ARRIVALS PER YEAR BY REGION



Source: United Nations World Tourism Organization World Tourism Barometer (2019) ourworldindata.org/tourism

EUROPEAN HOTEL MARKET WORLD'S STRONGEST INTERNATIONAL HOTEL MARKET

2019 European international tourist arrivals¹

742.3m

(2010: 487m)

The most visited region:

50.9%

of international arrivals

The biggest region for tourism spend:

€483bn

of international receipts

Strong demand drivers with growing market forecasts

¹ UNWTO, January 2020

The changing face of travel and how we adjusted

Throughout history, guest expectations and behaviour have changed consistently, and the past two years during the pandemic have not been an exception. Guests now favour flexibility over lower prices, cleanliness and hygiene have taken centre stage, customers have embraced local and domestic travel and digitisation and automation have progressed substantially.

As owner/operators, we have taken a very proactive stance towards adjusting our offering accordingly accelerating investments in technology and continuously reviewing guest feedback and sentiment.

New target audiences and evolving offerings

The domestic markets were always strong for us in Germany and in the UK but were even more prevalent during the pandemic. For our smaller operating markets, such as The Netherlands and Croatia, neighbouring markets and destinations within driving distance became much more important. As a result, we changed our focus accordingly adjusting our marketing activities, partnering with locally relevant third parties and localising our offering and messaging.

Some of our hotels which usually focus on corporate travellers were now targeting leisure travellers and families, adjusting their services, amenities and messaging to capture prospective customers.

For our meetings and events hotels we introduced hybrid meetings and offered planners flexible booking conditions. In addition, in collaboration with Radisson Hotel Group, we offer carbon neutral meetings.

Operational changes were frequent and in line with changes in government measures, while protecting the guest experience. Our teams have been fully trained in our robust health and safety standards, which were created in partnership with expert consultants, Radisson Hotel Group and accredited by SGS.

Several years ago, we decided to invest in our own housekeeping team (accommodation services) instead of continuing to use third party agencies for these services which is pretty much the norm in the London hospitality market.



It was a bold decision which has proven to be of great benefit during the recovery phase. Our team has shown great flexibility and have worked relentlessly to cope with the returning demand.

Several of our restaurants and bars now offer our guests the opportunity to order online and enjoy our food at their home, through delivery options or collection. These initiatives proved particularly popular during lockdown and to celebrate special occasions.

Listening to our guests' needs

In the second year of the pandemic retaining flexibility and being able to change or cancel reservations was still important for our customers. We have therefore retained very flexible booking conditions for our guests and event planners throughout the period. In addition, recognising the macro uncertainty, Radisson Rewards members have seen their loyalty status extended.

We have further centralised our customer service focused teams, including reservations, customer service and customer experience. We have invested, and are continuing to invest, in robust technology systems which make interactions with our customers easy and frictionless while we also collect valuable insights based on which we can further improve the guest experience.

Digitalisation and automation

A significant change we have seen is the acceleration of digital services in hospitality which we have fully embraced and we have implemented many initiatives across our Group. Our guests now have the choice to completely self-manage and personalise their stay, by using our Apps for online check-in and check-out, using their mobile phone as a digital key, ordering room service online, making swimming pool reservations or asking for that extra pillow through the real-time messaging options we offer such as WhatsApp and chat.

Environmental, social and governance

There are plentiful industry reports on the growing importance of sustainability in the travel and tourism industry for customers and other stakeholders. Having a defined framework of ESG targets enables us to communicate our ambitions and progress made to all stakeholder groups. We also note that the main booking channels and distribution partners are adding ESG criteria into their decision-making process for customers to select and more and more corporate travel agreements have ESG mandates. We closely work with regional and international organisations, from local councils (for property developments), to Tourists Boards, accreditation schemes, Radisson Hotel Group and other stakeholder groups. For our ESG strategy and progress, please refer to pages 74 to 89.