

This Environmental, Social and Governance (“ESG”) Policy of “**Leonardo Hotels & Resorts Mediterranean**” articulates the Group’s commitment to sustainable and responsible business practices. This policy outlines the principles and objectives for incorporating ESG Considerations into our decision-making operations, processes and corporate culture. The aim of this policy is to ensure that ESG issues are considered at all levels of the Group’s activities, and in accordance with International and National Codes and Principles. All the above are planned to be achieved by:

- Ensuring that our vision and ESG objectives are relevant, understood and communicated and that our employees demonstrate alignment to them.
- Identifying all material ESG risks in the business activities undertaken by the Group of Leonardo Hotels & Resorts Mediterranean and ensuring that the risks are fully considered and managed in a responsible and ethical way.
- Ensuring that key decisions are only taken after full consideration of all material ESG issues and risks.
- Including ESG as an agenda item for all Board meetings and establishing standardized Board reporting to monitor incidents and their impacts.
- Establishing an ESG Committee who is responsible to bring on board all relevant issues.
- Setting targets for environmental, social and governance matters which will be reported, monitored, reviewed and disclosed to our employees and shareholders.
- Providing appropriate information, instruction and training and ensuring that this policy is communicated to all persons working for our Group of Hotels.
- Working together with our guests, suppliers and business partners to encourage them to adopt the principles or similar policies with the same outcomes.

For the Environment

- Committing to the protection of the environment through continuously reducing the environmental footprint of the Group
- Actively explore initiatives to improve energy efficiency and to develop on-site renewable generation where practical and economic to do so.
- Ensuring that the Group’s transport operations utilize fuel-efficient vehicles, and explore alternative energy sources where practical and economic to do so.
- Ensuring all staff consider the environmental consequences of their actions and seek to minimize the impact when is reasonably practicable.
- Maintain Environmental Management System in line with ISO14001:2015, Travelife and Green key Standards.
- Comply with all applicable biodiversity laws, regulations, contractual obligations and our Group’s policies that govern us.
- Commit to sustainable operating and commercial practices in line with the organizations Environment & Sustainability Policy Statement.
- Consideration and monitoring of key environmental aspects, including energy, greenhouse gas emissions, water and waste and establishing Environmental Programs. Indicatively:
 - ✓ Monitoring and measurement of Energy usage and consumption
 - ✓ Monitoring and measurement of Water usage and consumption
 - ✓ Monitoring and measurement of Paper usage and consumption
 - ✓ Management of Waste production and dispatching (PMD, Glass, Paper etc)
 - ✓ Monitoring of cooking oil usage and dispatching
 - ✓ Monitoring and measurement of gas emissions
 - ✓ Management of Chemicals usage and dispatching
 - ✓ Management of renovation activities waste

Our Social Responsibility

➤ **Employment**

- We recognize the importance of helping the local industry by employing local people who will at the same time offer our customers the service as well as the knowledge of the local culture. Additionally, this will encourage residents to stay within the community. Our target is to treat all staff fairly within the government regulations and laws that apply in the hotel industry.
- Supporting a culture in which all employees are valued and respected, with regular employee engagement to collect feedback. We evaluate employees' performance yearly and we organize training courses and frequent meetings that will keep both the employees and management in constant communication.
- Encouraging a culture of diversity with the highest ethical standards, respecting human rights, promote gender equality and act against incidents and grievances in a systematic manner.
- Providing adequate control of health and safety risks in order to prevent any incidents occurring in the workplace or through any of the Company's operations for our employees, contractors, supply chain and users in conjunction with the Hotels existing H&S policies.
- Reporting on H&S incidents regularly through board reporting, promoting a continuous improvement philosophy with a zero accidents ambition, in conjunction with the Company's existing H&S policies.
- Committing to provide a work environment where no-one experiences discrimination or disadvantage, free of harassment and bullying, where everyone is treated with dignity and respect in line with core values.

➤ **Purchasing**

- At Leonardo Hotels & Resorts Mediterranean we evaluate our suppliers at the beginning of each season and throughout the year in order to achieve best quality results at all times. At the same time, we believe that opportunities should be given to services of local origin. All suppliers must have compatible quality standards and qualification to be included in our IMS lists. The aim is to monitor the continuous improvement of their performance. When buying products, we look for and choose at least one of those which are:
 - ✓ Made from recycled products or are recyclable
 - ✓ Sustainably produced/sourced
 - ✓ Fair Trade/Organic/FSC/MSC etc.
 - ✓ Delivered in less packaging
 - ✓ Energy efficient and water saving
 - ✓ Environmentally sustainable

➤ **Social Work**

- Promoting the group's commitment to the wider society and community development as well as local employment.
- Supporting local and international initiatives, with the goal of making a positive contribution to our local communities, and to organizations relevant to our business.
- The Hotels donates items such as furniture or linen that is no longer suitable for use within the hotels, to local organizations that may benefit from them (e.g., army, hospitals, etc.).
- Additionally, the hotels organizes various charity events within the property by allowing free use of conference rooms, animal welfare, donation for illness personnel, offering catering for Local Municipality parties, etc. Organizes and hosts special speech events to help community members e.g.: Cyprus Tourism Organization Sustainability workshop

➤ **Animal Fare**

- To protect the wellbeing of stray cats and dogs of the area, the hotels ensure that stray animal are fed in specific places in the hotel with certain animal food. We try also to neuter as many animals as possible at a veterinary doctor under cooperation with the local authorities.
- Also we indulge guests to treat animal in a mannered way and also to feed them only in designated areas with proper food.
- Last but not least, our Hotels operate as dog friendly Hotels where we can accommodate and provide special services to our guests little fiends.

Governance

- Ensuring compliance with regulations and guiding principles governing the protection of human rights, operational and occupational health and safety, environmental and business practices in the jurisdictions in which we operate.
- Identifying the relevant legislative and regulatory requirements and ensuring that the scope of our business operations is compliant with these requirements.
- Ensuring appropriate mitigation measures and procurement of relevant IT software to minimize the risk and impact of cyber security breaches.
- Adopting appropriate measures and guidelines to prevent the incident of fraud and ensure data protection and privacy.
- Ensuring availability of whistle blower and grievance processes throughout the organization where required.
- Adopting the highest standards of governance and ethics of business conduct and practice

Reporting, Disclosure and Communications

Environmental, Social and Governance risks and opportunities are addressed periodically at Board meetings. The Group shall monitor and report key ESG metrics. These metrics include environmental KPIs, Health and Safet KPI's, Compliance KPI's.

The ESG policy is applied for all the Hotels of the Group located in Cyprus, is available to all interested parties and is periodically reviewed so that it remains relevant and appropriate to its scope.

For Leonardo Hotels & Resorts Mediterranean

Rony Aloni
Director

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