



HOUSE OF HOTELS | בית של מלונות

SUSTAINABILITY REPORT

2021-2023

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MESSAGE FROM THE FOUNDER

Dear Readers,

It is with great pride and enthusiasm that I present the illustrious journey of the **Fattal Hotel Chain**. Established in 1999 as a modest management enterprise for a solitary hotel in Eilat, Fattal has ascended to the distinguished ranks of the global hospitality industry. Today, we proudly stand as a publicly listed entity on Israel's Tel Aviv 35 index, with an expansive portfolio of approximately 300 hotels encompassing over 52,000 rooms across 121 countries. Operating in more than 150 destinations across Israel, Europe, and the Mediterranean, our House of Hotels manages leading brands, including **LEONARDO, HERODS, and NYX Limited Edition**.

Our achievements transcend beyond the sheer scale of our operations. The essence of our success, and indeed, our 'trade secret' is intricately tied to our dedicated team members and visionary leadership, whose relentless commitment has woven a rich tapestry of diverse cultures and backgrounds. This harmonious blend of urban and rural influences, seasoned professionals alongside vibrant newcomers, and a balanced gender representation, each with their distinctive talents and personal insights, contribute uniquely to forge our dynamic corporate culture.

The development of our human capital is the core of our ethos, a principle we uphold with utmost dedication. The FATTAL



ACADEMY in Israel and the LEONARDO ACADEMY in Europe are testament to our commitment to fostering leadership and advancing professional development. These academies provide comprehensive training and developmental programs that not only enhance our operational excellence but also equip our dedicated teams to become global ambassadors of Israeli hospitality, shaping our corporate culture and values along the way.

Our corporate responsibility extends beyond conventional boundaries, manifesting in significant community engagement and a dedicated effort to integrate individuals with special needs into our workforce—currently numbering approximately 450 special' team members. Furthermore, Fattal supports various charities and organizations, while conscientiously addressing environmental concerns and more.

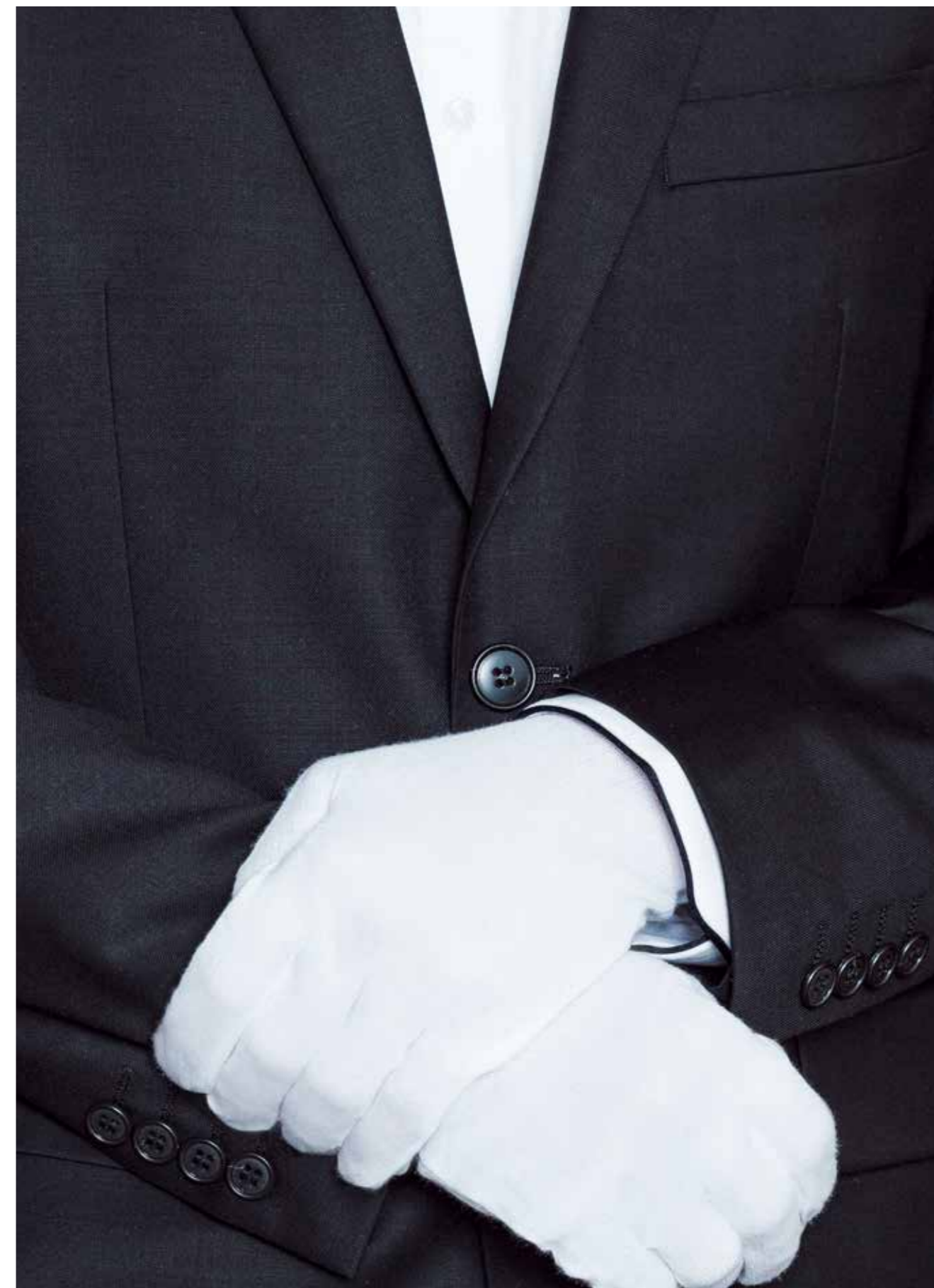
Last year marked the inauguration of “Lev Fattal Ichilov” at Ichilov Hospital, a philanthropic initiative designed to support children hospitalized with complex illnesses and their families. Additionally, we are eagerly anticipating the launch of “Lev Fattal Rambam.” Plans are underway to establish more such facilities throughout the country, all operated under our stringent corporate governance standards.

As a hotel chain nurtured within the community, we continue to operate with a community-first mindset. Our hotels, strategically located in diverse settings, are tailored to cater to hospitality experiences for families, business people, couples, health and wellness seekers, religious travelers, urban explorers, and resort vacationers. We embrace this as our mission, guided by our company credo, “We Host With Love.” Our fundamental goal is to provide our guests with a sense of home, creating a comfortable and welcoming environment where they feel most at ease, as if among family.

Fattal Hotels is committed to forward-thinking, closely monitoring global trends, and spearheading innovative technological and digital advancements that enhance guest interactions and streamline services. This commitment ensures the continuous refinement of our guest services from the initial booking through to their arrival and stay, prioritizing their time and swiftly addressing their needs. Our cutting-edge technology is showcased through intuitive tools and applications that facilitate smooth and effective interactions across various platforms.

Additionally, Fattal engages in significant projects designed to cater to refined needs. These initiatives include short-term apartment rentals, the ‘ROOMS’ project featuring co-working spaces strategically situated within and adjacent to our hotels in Tel Aviv’s key business and entertainment areas, and ‘Fattal Terminal’, a private terminal at Ben Gurion Airport offering luxurious and exclusive services for travelers on private and commercial flights before and after their journeys, among other ventures.

Despite the competitive landscape, **Fattal Hotels** continues to expand its presence both domestically and internationally, a testament to the enduring quality and dedication of our outstanding team and our extensive technological resources. We continue to proudly maintain our status as the largest hotel chain in Israel and the foremost international Israeli hotel chain globally. Our growth is attributable to the exceptional individuals who have been part of our journey from the beginning and the innovative processes we have adopted over the years to align with contemporary trends. We remain steadfast in our commitment to our guests, guided by our company’s vision “To be the leader of Israel’s hotel industry, hosting guests with professionalism and love whilst creating for them exciting and unforgettable vacation experiences”.



ABOUT US

The global Fattal Hotel Chain encompasses 294 hotels, 42,712 rooms and approximately 15,000 employees and is currently active in Israel, UK & Ireland, Central Europe, Benelux and the Mediterranean Basin. The hotel chain includes the brands Leonardo Hotels, Herods, U Hotels, Hotel Rothschild 22, NYX Hotels, Jurys INN, Apollo Hotels and Bachar House. Additionally, they have also own and operate 'Rooms by Fattal' co-working and office space company. While the Fattal Hotel Chain attributes its continued growth to the combined talents of its many gifted and dedicated people, ultimately this success is due to the determination and vision of its founder, David Fattal. David started his career as a waiter and acknowledges that this modest beginning gave him early insights into the core values that are necessary to attract guests and convert them into repeat customers. Showing a natural aptitude, he rapidly achieved promotion to positions of influence.

In 1984, at the age of 27, he was appointed Assistant General Manager of the prestigious Dan Accadia Hotel in Herzliya. By 1988, he became General Manager of King Solomon's Palace in Eilat. David Fattal founded the Fattal Hotel Chain in 1999, with the chain's headquarters based in Israel and operations constantly expanding to other regions. For many years now, the Fattal name has been synonymous with innovation in the hotel industry, and continues to make inroads into the hotel markets across the globe. It attributes this success to a strong determination to ensure that guests leave with an enduring feeling of satisfaction and good value.

Our vision, values and commitment to sustainability

Vision

We will lead the hospitality culture, host professionally and lovingly and create exciting experiences and memories for our guest.

Guiding Values:

1. Host with love
2. Spur innovation and creativity
3. Achieve excellency
4. Community involvement
5. Cultivate human capital
6. Exercise responsibility and set a personal example
7. Take personal initiative and pursue continuous improvement

Commitment to Sustainability and Global Management Approach

At Fattal we are committed to contributing to the positive development of the tourism economy in the communities where we operate and in creating valuable economic, social and environmental impact. We recognize our responsibility to enhance employee welfare, protect nature and preserve cultural heritage.

To define our material topics, we have conducted an internal review of material issues for the hospitality sector in terms of sustainability. This included an analysis of our peers and of international standards including the Sustainability Accounting

Standards Board (SASB) and the GRI framework to understand what topics are material to our



area of operation. We also engaged in stakeholder dialogue with key stakeholders from across the Fattal network including from energy, HR and customer experience teams. We engaged with stakeholders across the UK & Ireland, Central Europe, Benelux and the Mediterranean.

The following topics were defined as material and are covered within this report;

Environment	<ul style="list-style-type: none"> • Energy usage • Waste generated • Water usage
Social	<ul style="list-style-type: none"> • Achieving best customer experience • Guest health, safety and privacy • Caring for local communities
Governance	<ul style="list-style-type: none"> • Business Ethics • Data Privacy

Awards & Recognition

HR in Hospitality Awards

- Excellence in Diversity and Inclusion, Leonardo Hotels UK



Institute of Hospitality Awards



- The Gregory De La Peña-Hall FIH Equality, Diversity and Inclusion Employer of the Year, Leonardo Hotels UK
- Best Educational Programme

Springboard Awards



- Best Career Development Initiative, Leonardo Hotels UK

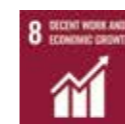
Aligning with the Sustainable Development Goals

The UN Sustainable Development Goals provide a framework for working towards a more sustainable and inclusive future. Through our business, we aim to create a positive impact on our employees, guests and the communities where we operate aligned with the following UN Sustainable Development Goals;



Quality Education

We are dedicated to giving our employees opportunities to learn new professional and technical skills. Our high-quality vocational education helps to create opportunities for both men and women. Learn more in our 'Learning and Development' section of this report.



Decent Work and Economic Growth

We provide a positive work environment and economic growth opportunities for team members. We aim to provide our employees with financial wellbeing through fair wages based on local regulation and guidelines. We are proud to employ over twenty thousand employees in 2023.



Reduce Inequalities

Fattal promotes economic inclusion of all people regardless of age, ethnicity, religion and disabilities through inclusive employment practices. We are proud to have representation from dozens of countries amongst our employees and strive to give our employees the opportunity to develop with us through development opportunities and a focus internal hiring. Across our hotels we employed 444 employees with disabilities in 2023, giving them dignified work and helping them achieve economic independence. See more on our inclusivity practices in the 'Employee Diversity' section.



Responsible Consumption and Production

We strive to consume resources in a sustainable manner through the prioritization of local and responsible procurement. Additionally, we raise awareness for options to reduce resource consumption with our employees and guest through educational communication about water and waste reduction. We also aim to reduce food waste through various programs including the Too Good to Go platform.



Climate Action

Fattal recognizes the importance of reducing our carbon footprint and monitors our energy consumption across our operations. Energy efficiency actions include upgrading equipment, regularly checking insulation, automatic lights and motion sensors and educating staff on energy usage. Collectively these actions reduce our energy consumption and our associated footprint. For further details see our 'Caring for the Environment' chapter

Our Management Team

Our management team is composed of talented leaders from across the globe that guide us in achieving our vision, values and sustainability commitments.



DAVID FATTAL
Owner Fattal Hotels
Chairman



AVIA MAGEN
Managing Director
Israel



YORAM BITON
Managing Director
Leonardo Hotels
Central Europe



RONI ALONI
Managing Director
Mediterranean Region



RONEN NISSENBAUM
Managing Director
Fattal Hotels Europe
& UK



SHAHAR AKA
CFO Fattal Group



GUY VARDI
M&A Director



MOLLY KATZ
CFO Europe



ALEXANDER KLUIT
Managing Director
Leonardo Hotels
Netherlands & Belgium



JASON CARRUTHERS
Managing Director
Fattal UK & Ireland



DARREN GUY
CFO UK & Ireland



Ethics and corporate governance

Board of Directors

SHAHAR AKA CFO and Director	YUVAL BRONSTEIN Chairman of the Board	DAVID FATTAL CEO and Director
HAREL SHIMSHON Director	YOCHAVED YACOBI External Director	ADLER SHIMSHON External Director

Our six-member Board of Directors leads the company through its expertise in finance, hospitality and tourism. In January 2023, Mr. David Fattal informed the Company's Board of Directors that he intends to focus on the role of CEO of the Company and to retire from his position as Chairman of the Board of Directors, in order to strengthen the Company's corporate governance.

- Directors have an average tenure of 9 years
- The Board of Directors has an age range of 53 to 77 an average of 65.1, and no age limit.
- The Board constitutes 1 female member

In 2022 and 2023, the Board met a total of 9 and 8 times respectively with an attendance rate of 96% in 2022 and 92% in 2023. There were no directors who attended less than 75% of meetings over this period.

Committees of the Board of Directors - 2023	Compensation Committee (CC)	Audit Committee (AC)
Chairperson	Yacobi Yochaved	Yacobi Yochaved
Number of members in the committees	3	3
Number of Independent Directors on Committee	2	2
Number of Committee Meetings	1	1
Committee Meeting Attendance Percentage	100%	100%

Conducting Business Ethically

Conducting our business honestly and properly is critical to the Fattal Hotel Chain's continued success and growth. At Fattal, we have procedures and policies in place to help us maintain our good reputation and compliance with all local laws and regulation.

Our Code of Conduct provides clear guidance on our values and responsibilities toward all our stakeholders including the importance of guest safety and privacy. The code is available to employees in the online employee portal as well as introduced to our new hires. The code includes the following important topics;

Financial Compliance

The Code also covers the importance of accurate financial reporting, anti-bribery policy, anti-competitive behavior and compliance with all local regulations.

Equal Opportunities Employment

Our commitment to providing a fair working environment with equal employment opportunities that avoid discrimination based on gender, race, religion or other social factors.

Zero-tolerance for harassment

Our Code outlines our value of respect and our zero tolerance for bullying and harassment of any kind.

Whistleblower protection Policy

We encourage all employees to report any behavior that is not in alignment with our 'Code of Conduct' immediately. Any employee who reports behavior in good faith will be protected from retaliation.

Our commitment to stakeholders

We aim to engage our various stakeholders which include: employees, guests, NGOs and international organizations, investors, owners, suppliers, local communities, local governments, local businesses. We ensure their participation through customer surveys, employee surveys, community activities, learning programs, loyalty rewards programs and more.



HOSTING OUR GUESTS WITH LOVE

Achieving Best Customer Experience

At Fattal our mission is to for guests to feel satisfied and tended to throughout their entire stay. We strive to provide a prime experience by always going the extra mile to make sure guest are completely comfortable.

Collecting guess feedback is core to creating an in-depth understanding of their experience and allows us to consistently improve our top-notch service. We diligently work to collect customer feedback through multiple internal and 3rd party channels. Working with TrustYou, a renowned feedback software platform in the hospitality sector, we collected more than 45,700 reviews in 2023 for Fattal Israel

In Israel, the overall average of our customer satisfaction ratings through the TrustYou platform is 8.75, compared to the benchmark of 8.32

Customer Relationship Management

We develop long lasting customer relationships with our clients around the world. Having different forms and channels of communication is a top priority for us and allows us to make sure all guest have a comfortable way to communicate with our team. We make sure that no matter who or where are guests are they can always contact us.

Additionally, we utilize CRM systems at our customer touch points including reservation

centers, website portals and reception desks. The CRM ensures optimal service and customer satisfaction through each phase of the customer visit by establishing a clear repour for the customers needs. In addition to the CRM system we also use other digital tools including Optima, Digital Assets, Up Stay and more to create a holistic view of the guest experience.

Working ROOMS by Fattal

ROOMS is leading the workspitality revolution by integrating workspaces into central, urban properties. Our extensive experience in hospitality has allowed us to develop solutions that prioritize convenience for our clients. At ROOMS, we offer not only customized workspaces designed for productivity but also the amenities and comforts of a high-quality hotel. Our meeting rooms are fully equipped, the lobby serves as a hub for networking, and the overall atmosphere provides a unique experience.

- 2019 – launched a co-working venture ‘Workspitality.’
- Co-working spaces, internet, etc
- Concierge access
- Currently present in over 200+ hotels in 19 countries



Respect and Adherence to Our Guests

We aim to create welcoming environment where all guest can have a uniform experience for all our guests regardless of gender, race, nationality, religion, disability or other minority identity. Fattal's Equal Opportunity Policy is a handbook of rules and guidelines for our employees that explains how to treat all guests and promotes a mindset of diversity and inclusion. Our policy does not allow for discrimination or refusal of providing foods or services to a customer based on their gender, religion, race, nationality or other outlined factors.

Accessibility

In our commitment to inclusivity and accessibility, we have taken significant strides to ensure that all guests, including those with disabilities, experience comfort and convenience during their stay. In the majority of our hotels we offer rooms

equipped with specialized features tailored to meet various accessibility needs

for diverse physical abilities including wheelchair-accessible rooms. These accommodations are designed to enhance mobility and independence, ensuring every guest can navigate and enjoy our facilities with ease. Another example of accommodations we have implemented, is that select hotels in Israel are equipped with special accessibility features on televisions which allow for guests with sensorial disabilities to watch and enjoy. Additionally, some of our hotels offer courses for employees on 'inclusivity and accessibility' which provides background on

various disabilities and how to provide them accessible, sensitive and respectful services. In Israel and the UK the accessibility course is mandatory. Across all our hotels globally, we remain dedicated to continuously improving our accessibility standards, striving to create a welcoming environment where all guests feel valued and respected.

Food Safety and Dietary Needs

Our staff is trained to be conscientious of guest allergies and dietary needs such as, diabetics, celiac, milk sensitivity etc. Our hotels are prepared for a guest's request to change or prepare special dishes to meet specific customer needs where possible. Support and guidance for providing healthy or dietary restriction alternatives is provided to chefs and kitchen staff, including special recipes for gluten-free, vegan or vegetarian dishes.

Food health and safety for our guests is under the direct responsibility of our staff. Every hotel conducts food safety and hygiene trainings that is undergone by all staff members. Additionally, we work with a bio-lab for certain locations that performs additional lab checks of the food on a regular and on-going basis to ensure additional measures of quality and hygiene.

In 2022-2023 there were no cases of foodborne illness outbreak associated with Fattal restaurants globally.

Caring for our guest's safety and privacy

Guest Confidentiality, Privacy and Cyber Security

We are committed to protecting our guest data

and privacy across our business operations. As part of our business, we collect and process personal data with respect to our guests. All information is collected with the consent of our guests and must align with all regional privacy laws and regulations. Across all regions we align with the stringent and high standards of the EU General Data Protection Regulation (GDPR).

We are committed to continuously improving our cyber security to prevent breaches of information. Across all of our hotels, between 2021 and 2023 we had 80%, 84% and 83% of employees received cyber security training. Between 2022 and 2023 there was a decrease in the total number of complaints received from outside parties regarding customer privacy from 15 down to 10. Across our global operations we had 8 and 9 identified data leaks respectively in 2022 and 2023. Where a potential or identified leak arises quick react and make sure to assess for future preventative measures.

> 83% of employees receive cyber security training globally.



Guest Safety and Security

We are committed to providing a safe and secure environment for our guests and have appropriate security measures in place to protect them.

To ensure consistent oversight of safety issues, every hotel has a safety officer at work, whose job it is to carry out an annual risk survey and submit an annual safety plan based on survey results and according any changes in the local legal requirements. Additionally, periodically an external audit is done by local regulatory agencies such as the police, fire department, environmental quality, the Ministry of Health, etc. Lastly recognizing that accidents sometimes happen, we have in place a system for documentation of any injury and accident incidents in the hotel. The accidents are checked and controlled by the safety consultant. The security department reports any unusual accidents, both of employees and guests.

We also have in place procedures for conduct in the case of an emergency situation and

conduct period exercises for the hotel staff and security department. There is a guide on our employee mobile app on operating under emergency circumstance for employees to learn. Hotels are trained and equipped for acting in the case of an emergency based on local authority guidance.

We prioritize creating a secure environment where guests can feel at ease throughout their stay. By maintaining vigilance, fostering a culture of awareness among our team, and adapting to emerging threats, we strive to provide an environment where guests can relax and enjoy their time with confidence in our dedication to their well-being.

All our hotels have active policies on sexual harassment and staff go through anti-harassment trainings. Employees receive training as part of their on-boarding process as well as each hotel having an annual training on harassment prevention and appropriate workplace behavior. In the UK and Ireland staff members also receive training on the prevention of human trafficking within the hospitality sector.



NURTURING OUR EMPLOYEES

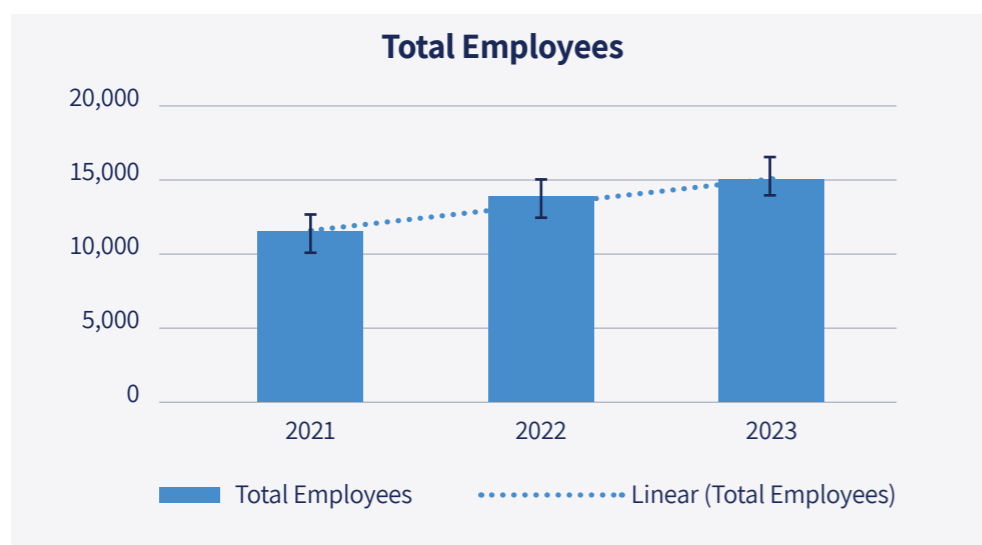
Employee Highlights:

- **Creating job opportunities: approximately 15,000 employees** in 2023
- **Promoting female leadership: 50% women** in management team between 2021 to 2023

Gender equality with pay gap of 1:1.02 in the UK & Ireland (2%), and 0.94:1 in Benelux (6%) (women to men) whilst in Israel women earn between 1.02% and 1.97% more than men.

Our vision is to be leaders of the hospitality culture globally, and we understand that our employees play a crucial role in achieving this. In 2023, we were proud to employ over twenty thousand dedicated employees.

The Fattal Hotel Chain attributes its continued growth to the combined talents of its many gifted and dedicated team members, bound together by a common corporate culture that is greatly influenced by David Fattal's personal story, which has given him insights into creating a positive experience for our employees. We apply the same philosophy we have about our guests towards our employees. We want them to feel special as we are committed to fostering a work environment that allows them to reach their full potential. It is important for us to create a culture of open communication, and welcome feedback through various channels of communication, employee satisfaction surveys, hotlines, assessments and more.



Internal Communication Platforms

LEAPP

The LEAPP App was designed in partnership with the BeeKeeper digital solutions platform, to send and receive information quickly and easily to employees throughout more than 200 of our hotels. As we don't have individual employee email addresses, this has been a hugely effective way of providing our locations with updates, information about holidays and sharing our activities.

The app has a messaging function, real time updates, discussion areas, and more. It allows employees to stay connected to one another, share important documents, sick reports, pay slips and any critical information quickly.

Employee Satisfaction

We value and invest in our employee's satisfaction and have established various initiatives to collect employee feedback, and provide employees with different modes and channels of communicating with upper management in order to feel supported. Fattal holds bi-annual surveys which provide our employees an opportunity to provide feedback on their working conditions, anonymously. Employee reviews are also held 30/60/90 days for managers along with annual reviews, in order to ensure that consistent updates and communication are voiced. Along with feedback opportunities, we have monthly action plans for employees that allow employees a constant line of support, growth and learning. We also have in place an Annual Employee Awards to provide recognition for employees that have excelled recognizes teams for making the biggest impact across the company.

Learning and Development

Being part of the Fattal group means gaining practical, hands-on experience and access to first-class learning and development opportunities. As a company, we provide ongoing support and encouragement to our employees, which in turn helps us to establish a world-class team. We aim to support our employees in acquiring knowledge of professional and managerial tools, instilling a desire to develop their career in the hotel industry. One of our goals is to improve employee satisfaction, and help them find a sense of pride in their role and work.

	2021	2022	2023
Total number of training hours	16,874	40,386	64,823
Average number of training hours per employee	12.3	18.3	22.7

LeoDo Academy

The LeoDo Academy accepts 100 employees annually to participate in one of the four levels available: Beginners, Management, Expert and Expert Senior. In the UK, Ireland and Central Europe our employees have opportunities to benefit from further learning development through our GROW Learning and Development programs and award-winning e-learning platform GROW Online. The Fattal Academy in Israel is based on enabling development pathways, enrichment, training, career building and promotion. The courses include professional tours, management training for all levels and practical development in Israel and abroad. In order to further motivate our learners, we have decided to implement a point system to help us track their progress. In Israel we have developed an initiative called “learning from the field”, where team members share insights from the field that can lead to improvement.

Training Next Generation of Chefs

Fattal Group places an emphasis on our restaurants and dining culture, and pride ourselves on catering to a variety of tastes. To create an authentic, unique and exciting dining experience, our hotels are initiating projects in cooperation with chefs from around the world. Through this, we are promoting tourism, exposing the local culinary culture and building connections for future international collaborations. We are aiming to develop and train the next generation of great chefs who will lead the future of hospitality and gastronomy. In Germany, we created a new university study for Culinary Management that is accredited by the German Government as an official bachelor’s degree, and opens up opportunities for locals to study through our program. In Israel, we support the Darka School in Dimona with their specialization in cooking and graduate training program, and are planning to open a first-of-its-kind school for chefs and hospitality, spearheaded by our award-winning head chef, Shalom Kadosh.



ברכות למסיימי עתודת נבחרת
הטבחים השלישית של הרשת



שף שלום קדוש



"I recommend to all of the people in the Fattal development program to experience the incredible and beautiful journey I've experienced as a part of the chef training program." –

Mazor Salama, Fattal Academy Chef Training program participant



"Participation in the program is warmly and highly recommended. The program enriches culinary knowledge widely, opens network opportunity and provides tools to establish yourself in the industry."

Sarit Levy, Fattal Academy Chef Training program participant

Marketing & Sales Learning Program

Fattal Israel has a Marketing & Sales Academy that allows its employees to turn their strongest persuasive and communication skills into a powerful career. We are proud of all our students and success stories of those who have completed the program, and have allowed it to enhance their careers.



Natalie Ohana

"The course for me was key to broadening my horizons, and opening up more opportunities for me. I learned a lot in the course, mainly about the world of sales, pricing and relationships between agents. I believe in the saying, "Try to learn something about everything and everything about something."



Reut Aruv

"The course for me was a dream come true and every day that feeling increases. On a personal note, the course was the reason, and path towards my success today, I acquired tools and skills. And I increased my self-confidence in making decisions. Thanks for the privilege..."



Chaim Kaheri

"The course for me was instructive, educational, and refreshing from the work routine. Thanks to the course I received many more tools, and the opportunity to know the digital world in depth and meet with network employees from other departments. I took part in the course for Sales and Marketing in The Digital World, and through this I can say personally that after 25 years of working in sales and marketing, the program gave me more tools that I didn't have before..."

Promotions and Employee Advancement

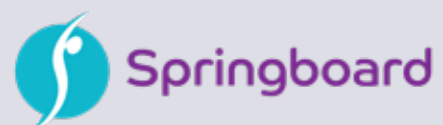
At Fattal we view our staff and management as our family and prioritize employee development within the company and internal mobility opportunities. While seeking management positions, we give preference to employees who have grown alongside us, resulting in a high mobility rate. Additionally, we provide special training opportunities for high-achiever employees whom we believe have the potential for advancement within the group.

All of our employees who are aiming to advance within the company, receive fair treatment without discrimination. They're offered regular trainings, experiences, and are provided with additional opportunities in order to achieve their goals. In addition, we also provide opportunities to our nearby communities, for employment with the company. All of our positions provide resources to advance.

Across our hotels we implement performance review procedures to promote feedback and make sure that employees have the opportunities for growth.

Highlight: Springboard Awards

We are proud to say that with our efforts in supporting our employee advancements and providing training opportunities, we were honored with the Springboard Award for Best Career Development Initiative in the UK.



Employee Diversity

- Employees from 90+ nationalities worldwide
- Be Yourself Campaign
- Disability Confident Employer
- UK HR in Hospitality Awards – ‘Excellence in Diversity and Inclusion’ and ‘Excellence in Promoting Careers’



As a global hospitality provider, diversity is a core aspect of our workplace environment. We take pride in the many cultures, backgrounds and ethnicities of our employees and guests and are committed to providing a harmonious and fair working environment. We strive to create an organizational culture that is inclusive, respectful and provides equal opportunities for all regardless of race, nationality, ethnicity, gender, disabilities and other differentiating factors. Our Code of Conduct, which all employees are trained on, validates our core values of equal opportunity, non-discrimination and anti-sexual harassment. Additionally, all of our Company policies and procedures are continually monitored to ensure that our employees, potential employees, guests and suppliers are not subjected to any discrimination. These values are established beginning with employee orientation, where all staff are trained on the Code of Conduct, our values of inclusivity and accessibility.

Celebrating Our Diversity- and our Diverse Holidays

As a hospitality company we are always eager to get festive and celebrate. We work hard to make our holiday celebrations inclusive for our employees and visitors. In Israel, we align with local regulation and allow for each employee



to select upon employment which holiday do they want to receive off and for their holiday payment. This allows for employees from each religion to celebrate without worrying about work. Each employee is entitled to 9 paid holiday days off per year.

This year we created a festive Leonardo Christmas holiday greeting card feature our employees wishing 'Merry Christmas' in languages from all around the world.



spaces and facilities accessible to employees (and guests) with additional needs, reduced mobility and physical disabilities. With this, we are also actively employing people with disabilities and additional needs, ensuring that inclusive principles are applied and accepted across HR and management functions. As of 2023, our 444 talented employees with disabilities. We are constantly striving to open up opportunities for inclusion.

444 employees with disabilities employed in 2023

Being Disability Confident

Our Leonardo Hotels in the UK & Ireland have been recognized as a Disability Confident Employer. This accreditation was reached by supporting employees to manage their disabilities or health conditions. In identifying and sharing best practices, our teams in this region were able to further support initiatives in this area, and receive this accreditation.



Employees with Disabilities

From the day it was founded, the Fattal Hotels Chain has been integrating people with varying disabilities into its workforce. This is one facet of incorporating the chain's core values in our everyday operations. In Central Europe, we have been partnering with an organization that has assisted us in providing disabled people with work in all areas of hotel operations since 2015. We actively seek ways to go above and beyond regulatory requirements to make

Gender Diversity

At Fattal we strive for a workplace in which all employees regardless of their gender can feel safe and comfortable being themselves. Our dedication to creating a positive workplace for women is evident in our high-level of women in management. We are proud to have had 50% of our management roles filled by women over the past three years. We recognize that a part of creating a thriving workplace for all is pay equity and work diligently to ensure that there is no to little pay gap between men and women. As an equal opportunity employer, we uphold the Gender Pay Gap Reporting obligations in the UK and in Israel, and are looking to implement it globally. In the UK our gender wage gap as of 2023 came back as 1:1.02, women to men. This means there is a slight gender pay gap, with women earning about 2% less than men on average. While in Israel the gender pay gap is in favor of women, with women earning between 1.02% and 1.97% more than men.

An example of our initiatives that help to develop our female leadership is that in the UK, through our partnership with Springboard Career Development, we launched an event that provided over 140 women an opportunity to learn more about career development, along with developing self-awareness and decision-making abilities for females across the company.

Managers

	2021	2022	2023
Male	823	908	997
Female	741	853	996

Non-Managers

	2021	2022	2023
Male	5812	6943	7138
Female	4703	5743	6147

Highlight: Celebrating Women's Day

We are always seeking ways to celebrate gender diversity and promote women in the workplace. During our #EmbracingEquality initiative, women from across all levels of our organization share their role, and what inspires them within our organization. Leading teams to balancing family life, these women that we have the privilege to work with are embodying #EmbracingEquality



Employee Health and Wellbeing

All employees have the right to expect the workplace to be safe and secure. While we strive to attract the right talent, we also want to ensure that our employees are happy, healthy and engaged. In providing our employees a better work-life balance, we can ensure that they feel supported, and motivate them to do well at work. Our three pillars of wellbeing are: psychological, physical and financial.

Work-Life Balance of Our Employees

We are committed to finding innovative and practical solutions to the problems that our employees may encounter with work-life balance; providing employees with mental and physical support for whenever needed. In the UK and Ireland, our work-life balance policy includes job sharing, part-time working, hybrid working models, and 'flexi-time' working. We also provide career breaks, and allow employees to buy annual leave, should they require more time off. In Central Europe, we provide regular health days to teach our employees how to better care for themselves, regional jogging groups and access to fitness centers. Additionally, we provide leave for a variety of events such as compassionate leave, wedding leave, and enhanced maternity/paternity leave – we want to ensure that our employees are given sufficient time when dealing with a life event.

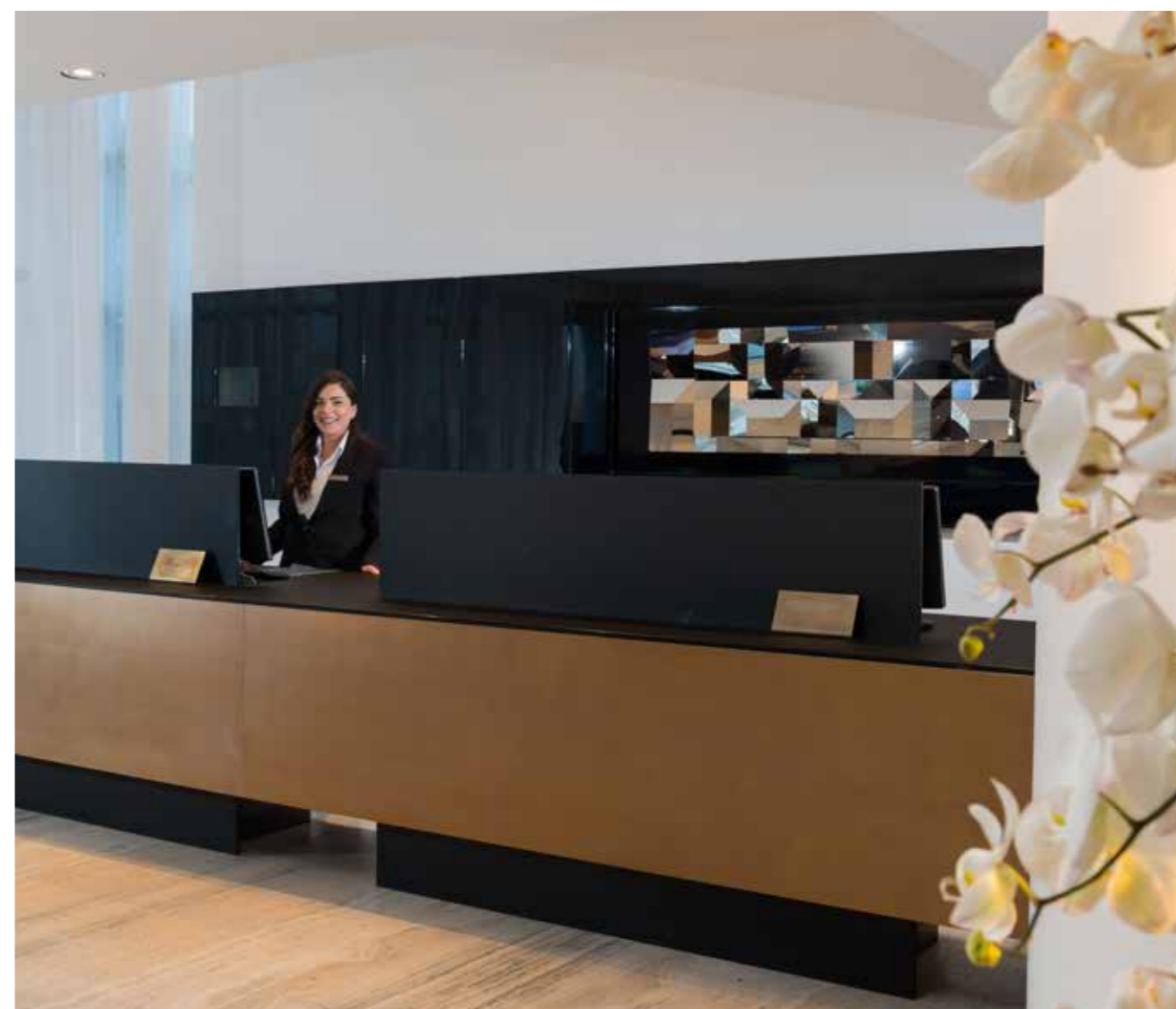
Mental Health and Physical Safety

Health and mental wellness are top priorities for our company. Support in mental health and wellbeing can allow our employees to thrive as they're provided with resources to function effectively. We have created several programs that allow our employees to feel safe and supported; our Awareness Week includes several events such as Suicide

Prevention Day, Brew Monday, Menopause Awareness Day, and several more. Our mental health support and physical safety measures go hand in hand, our Grow Online program which employees are to complete within the week, provide trainings on measures such as fire safety, health and safety, and anti-modern slavery and human trafficking. Additionally, At Leonardo, we aim to have at least one mental health first aid professional to support anyone in crisis, and have trained over 100 people in this area. Our hotels in the Netherlands, Germany and Britain also offer additional financial support to employees going through mental health issues. We are always looking for ways to improve in these areas and ensure that our employees are always provided with resource to facilitate their success.

Financial Wellbeing

Financial wellbeing is built on a foundation of a stable and consistent income that allows individuals to meet their needs and support their family. It is very important to Fattal that our employees feel financially secure and fairly compensated for their work. By paying employees fairly, and frequently above the minimum wage we can help contribute to the financial wellbeing as well as reflect our appreciation for the value of their work. We want to allow our employees to feel that they have long term solutions for unexpected events, and be on track for a healthy financial future. We have life assurance policies that provide a lump sum payment to recipients stated in the individual's policy, should anything happen to one of our employees. Our employees in the UK are auto-enrolled into the company pension scheme, in line with the UK government rules, with enhanced employer contributions.



MAKING A DIFFERENCE IN OUR COMMUNITIES

Within the Fattal Group, “hosting with love” is not just a slogan, but a value rooted within each of our hotels. We aim to leverage the power of hospitality to assist the communities around us and utilize our many years of experience in recreating the comforts of home to extend this feeling to those who need it most. Over the past few years we have focused on communities in crisis, caring for our elderly, working with youth at risk, promoting mental health awareness, and much more.

We recognize that our hotels are part of a much wider community and believe it is important for us to give back through charitable donations and volunteering engagements. When our communities are healthy and thriving, our hotels are stronger too.

We are committed to developing a culture that encourages active community engagement across our employee teams. Community projects that have been initiated by our employees helps boost morale, and contributes to a stronger connection and engagement across our faculty and communities at large.

In 2023, we are proud to have donated a total of €3.2 million across our operations in monetary and in-kind donations alongside numerous volunteer hours of our hotels staff.

Our Giving Highlights from 2023:

- Leo Cares About the Community – Our month-long commitment to employee and community volunteering
- We raised £38,000, matched by Fattal to £76,000 total, for our mental health awareness charity partners in the UK & Ireland
- Fattal in times of crisis – we provided a temporary home and shelter to thousands of displaced citizens

Caring for Our Communities - Our 2023 Activities

Fattal in Times of Crisis - A Home Away from Home

October 7th, 2023 marks a painful event for Israel. The aftermath led to the displacement of thousands of citizens throughout the country. The Fattal hotel chain immediately stepped up to become a home for tens of thousands of people who were evacuated from their homes, providing a safe, caring and supportive environment. At the peak of the crisis many of the hotels were 80% evacuees and only 20% regular tourism guests. The evacuees who arrived at the hotel left behind all of their possessions and in the early stage lacked even basics such as clothing to change

into, medicine, personal care products and children’s comfort toys. To combat this, countless initiatives were undertaken to help make their stay more comfortable. Our hotels initiated and supported the organization of donated materials including clothing, toys, electronic device chargers and much more to make sure that evacuees had everything they needed taken care of. As our hotels became centers for full family lives we also took on the roles of hosting the many life events that take place in ordinary times, we hosted, weddings, shivas and welcomed newborns into the hotel with the consistent aim of making all our guests feel as comfortable as possible during this challenging period. In addition to supporting families through life milestones,

numerous hotels also supported our evacuee residents by coordinating day-to-day activities for children with some even setting up make-shift school spaces. In addition to supporting evacuees we also had the privilege of donating food rations and hosting troops that have been drafted in response to the crisis. Throughout this difficult period our staff, management and communities came together showing a deep sense of resiliency, generosity and care. We are grateful for our Fattal team for their above and beyond efforts to ‘host with love’, under all circumstances. Without their dedication, flexibility and creativity alongside that of numerous volunteers none of this would have been possible.



Following the October 7th attack, within a short time, a whole world was created within each hotel to support the diverse needs of the evacuees

‘LeoCares’ Promotes Employee Volunteering

Our Central Europe hotels established the LeoCares program, a program that encourages employee participation of social initiatives and is committed to helping the community through “three Ps”- people, planet and profit. LeoCares participates in dozens of special projects every year, with initiatives designed to promote sustainability and assist those in need. Through the LeoCares program, we established a month long of positive activities called, ‘Leo Cares About the Community.’ Within this month, we encouraged our teams and communities to make small sustainable adjustments from swapping disposable cups for water bottles, donating sanitary items and clothes to local charities. In 2023 our Central Europe hotels donated 1,305 items of clothing, 247 sanitary products, 196 toys, and 923 food items to communities in need, along with a total of 981 volunteering hours across the company



In the UK and Ireland hotels, we have an ESG calendar in order for our employees to keep up to date with our community engagements.

Promoting Mental Health Resources and Awareness

In addition to our community and employee volunteering, we hold yearly Charity Challenges in our UK locations where all of our hotel staff and head offices come together to raise money for a charity, which is then doubled by Fattal to increase the funding. In 2023 we raised £76,000 for our charity partners including Mind, SAMH, Inspire and Pieta, to support mental health awareness. All of these organizations share similar values and missions in that they provide services throughout various levels of organizations in combating stigma against mental health issues, and providing professional support and resources for those in need.

Additionally, as part of our ongoing efforts to support awareness of the importance of mental health, we hosted our first ever Puppy Yoga event at NYX Hotel Holborn. The event took place for

World Mental Health Day in 2023 with around 30 participants, who were passionate about discussing the importance of mental health, and why it’s crucial to reach out for help.

Room to Reward

Room to Reward is a small charity making a big difference and we are proud to be long time supporters of their important work. As a way to say ‘thank you’ to volunteers in the UK & Ireland, the organization provides them with ‘Hidden Hero’s’ get-away stays. Since 2019, we offer some of our unused hotel rooms which are donated to Room to Reward as a chance to thank someone who deserves recognition. We have most recently welcomed Hidden Heroes volunteering with the Irish Cancer Society, SIBS and the Rainbow Trust to various Leonardo Hotels across the UK & Ireland. During their stay, these guests can enjoy a well-deserved break at a destination of their choice.

Embracing Seniors and Holocaust Survivors

Leonardo Plaza Hotel Jerusalem, in cooperation with Ezrat Avot Association, regularly donates to elderly homes on Fridays. Through food donations we can help this organizations mission of insuring everyone in our community has the opportunity to age with dignity and access to healthy food.

Providing Opportunities for Youth

We take pride in our community initiatives that support the youth in our community through donations, volunteering and employment. At many of our hotel locations throughout Israel, we partner with local NGOs who support disadvantaged or sick youth within the community. Based on the specific local needs, we have had the privilege

of hosting camps, cooking healthy food and volunteering with kids in order to help support future generations in learning and educational activities. Additionally, we’ve had the pleasure of employing youth with troubled backgrounds, along with disabilities, through various NGO programs and have integrated them into the workforce to provide them with a sense of belonging and responsibility.

Supporting a Healthy Lifestyle for People of all Abilities

Leonardo Hotels in Cyprus have proudly paired with the Margaritas Foundation. This is an organization committed to helping people with disabilities in providing them with resources to lead an active life. Leonardo provides the Foundation with gym equipment, and supports them in engaging in physical activity, and hiring staff from the Foundation. This is aimed at providing valuable and equal working opportunities for those less abled. Many of the funds raised by our hotel activities are also donated directly to support the programs of Margaritas Foundation.

Encouraging Local Procurement

Many of our locations also provide resources for local entrepreneurs to develop and sell sustainable products that are based on nature, history and culture of the local area. This can range from a small shop or stand within the premises of the hotel, and the hotel can also purchase those products and offer local products to the hotel guests.

CARING FOR OUR ENVIRONMENT

- **Over 40% of our hotels have sustainability certifications in 2023** (Green key or local sustainable tourism certification)
- **7.2 tons of food saved from going to waste to-date**

The principle of sustainability is to meet the needs of the current generation without endangering the future generation, which extends to the core values of our hotel group. We are committed to do what we can to take part in this endeavor, and have instilled diverse approaches in every region.

Where possible, we aim to reduce our environmental impact through energy conservation, wastereduction, waterreduction and environmentally friendly cleaning supplies. We monitor our consumption and have implemented digital tracking systems at some of our hotels, which allow for a clear understanding through an impact dashboard. In Benelux, our hotels have partnered with Verpact a ERP packaging waste management business that plays a central role in responsible circular chain management, allowing our hotels to track their progress annually.

Another important aspect for our sustainability picture is contribute to sustainable practices in tourism. As part of our environmental

conservation efforts, our hotels in the UK & Ireland have become members of the Green Tourism Business Scheme, which is a certification that recognizes sustainable practices in the tourism industry. With a set of 145 criteria, businesses with this accreditation are assessed by a range of areas such as energy and water efficiency, waste management, purchasing, travel, biodiversity and more. We take pride in our successes within our field, and value the progress that we have made in conservation and environmental management. Our locations throughout the globe are constantly looking for ways to improve their environmental practices, choosing mindful methods and systems that contribute to overall efficiency.

Environmental Overview

Electricity

We aim to operate our hotels with maximum energy efficiency without affecting the quality of our services. We always identify energy saving opportunities through optimizing the operational efficiency of our equipment, and upgrading them to the latest technology when there is a major refurbishment. In recent years, we have upgraded our systems throughout our hotels to rely on smart algorithms, energy radars to control our energy usage, installation of solar panels, and more. We are always striving to provide long term energy solutions through efficient and cost-effective measures.

To better trace the electricity consumption from different parts of the Benelux hotel chain we have installed separated electricity and gas meters that provide us with a more detailed

map of our energy consumption across the hotel. Another energy reduction method is for outdoor heating and air-conditioning appliances switching from gas based to electric heaters which have a lower emission footprint. Similarly, utilizing infrared electric heaters are preferred over reflector heaters as infrared heaters emit a precise beam of heat that warms up persons without heating up the surrounding air.

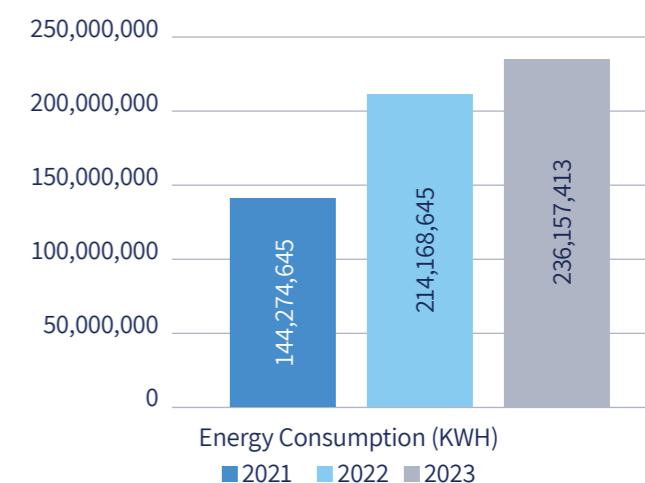
Actions to support our ongoing efforts in energy efficiency

Our locations throughout the world are committed to reducing their operational costs and improving their environmental footprint. In Israel, and the UK & Ireland, our locations have paired with companies that provide energy reduction technologies such as Phoebus Energy, and Cheetah Controls. These companies allow more control over heating and cooling costs, a reduction of GHG pollution through unutilized energy with smart algorithms, and automatic sensors that turn on and off exhaust fans while not in use.

In 2022, our locations in the UK & Ireland reported 937,899 kWh in energy consumption; since transitioning to more efficient electric heat pumps and chillers with heat recycling systems in 2023. As a result, they have reported a consumption of 181,006 kWh in 2023. We can see within the last year, just how much was saved in energy reductive systems, which we strive to continue in tracking in the years to come. Whilst these systems are more efficient and less polluting, the overall electricity consumption has increased for our portfolio due to their use of electricity. Furthermore, our total number of available hotel rooms has increased between 2021-2023. Additionally, many of our locations in the Benelux and Cyprus regions pay careful attention to localized solutions for energy efficiency. Many

of the hotels have installed heat recovery systems in place of large energy consuming machines, solar panels while maximizing all potential space, and switching to automatic lighting and electricity systems in the public spaces.

Total Hotel Electricity Consumption(kWh)



Understanding our Environmental impact

The reduction of carbon dioxide is one of our key objectives for the coming years. At Fattal, we understand that hotels can reduce their environmental footprint through the integration of more efficient equipment, close monitoring and transitioning to renewable energy. In keeping with our corporate policy of continuous improvement, our hotels are committed to reducing energy consumption and associated greenhouse gas emissions, and particularly CO2 reduction.

In our Israel facilities, we have partnered with Paz Group and together established two small-scale power plants that will use natural gas to generate electricity, thermal energy, and cooling energy for Fattal's hotels in the Dead Sea region. We regularly assess the hotel appliance and infrastructure to see if we can enhance our efficiency and reduce our emissions. Another important example

we have taken in this effort is switching out old chillers which have a high GHG footprint with newer models. In Israel this has helped us to decrease our overall GHG footprint over the past year.

Water & Waste

Water

With the knowledge that hotel operations heavily rely on water for hygiene and cooking purposes, we are committed to reducing our water footprint through operational efficiency, engaging customers and raising staff awareness.

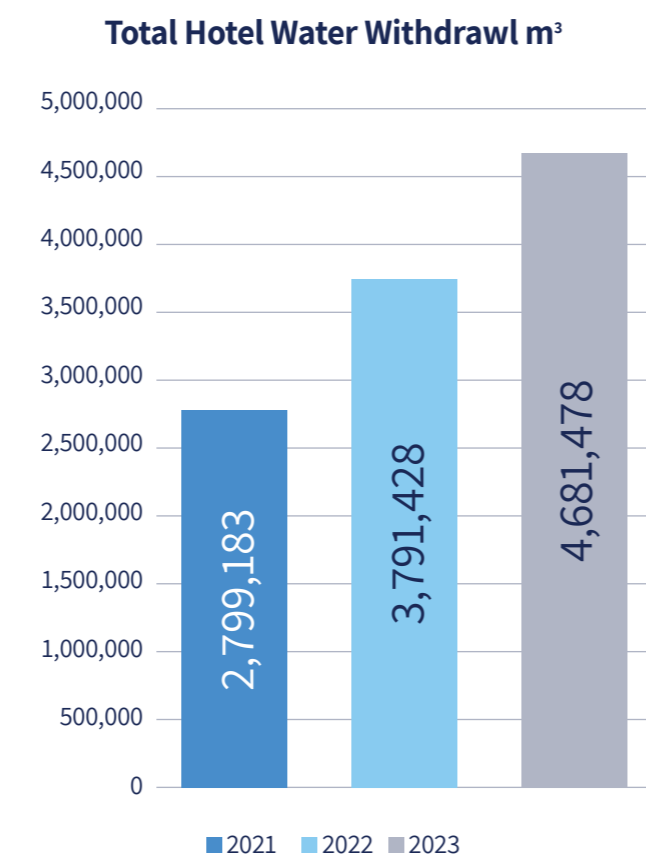
Water Consumption

We take a variety of steps in order to mitigate our water consumption through different systems and mindful practices. In our locations in Israel, we have implemented resource consumption dashboards which are reviewed on a daily basis. We have agronomic consultants that review our watering plans consistently in order to ensure water efficiency; this covers a range of water uses such as gardening, pool systems, etc., along with auditing the water pressure and implementing automatic water shut off, and water temperature regulation. Within the last year, our locations in Cyprus and Benelux have implemented different water efficiency systems. Some of these systems include strainer refurbishing units that were put on the hotel faucets and showers in order to stop any solid items from entering the water systems, and water purifying systems that are easily accessible to all guests and eliminate the use of single use plastics.

Our staff in our Benelux locations are trained on how to regularly check for dripping taps

and leaky toilets; even small amounts of water dripping leads to excessive water consumption overtime. In order to save water and cut costs, the locations ensure that the water flow in about 75% of the showers, do not exceed 9 liters per minute.

- In 2021 our average water consumption per room was 77 m3/room
- In 2022 our average water consumption per room was 94 m3/room
- In 2023 our average water consumption per room was 89 m3/room



Water Discharge

In an effort to further reduce water consumption, the hotels ensure that the wastewater generated by the establishment is not discharged untreated. The establishment can either be connected to an existing public sewage system or have the wastewater treated in its own sewage system. In Israel, we

conduct sample testing plans for each hotel’s waste, and 3rd party testing of water effluent to ensure the health and safety of each water and waste systems. The reuse/release of wastewater must always be done safely with no adverse effects on the local population and the environment.

Waste

We implement waste minimization initiatives in order to reduce the amount of waste sent to landfills.

We reduce our waste through recycling and composting as well as guest awareness. For example, we have taken steps in our kitchen facilities to promote better waste management and dispose of waste properly. Additionally, we are working to reduce plastic bottle usage through access to water fountains and guest education. Many of our hotels have recycling options and we are working to expand across our whole hotel network. Through these and numerous other initiatives we strive to reduce our waste sent to landfill and promote responsible consumption.

In many of our locations we are affected by local waste ordinances. For example, in Cyprus, our waste management is connected to the Cyprian authorities. In the coming year stricter waste rules will affect almost two thirds of Cyprus as a new “Pay as you throw” scheme is implemented. This will set prices for bags, bins – the more waste you produce, the more you pay for it. This effort was introduced in order to influence mindful waste practices. Previously, our hotels in this region were recycling paper, plastics, glass and more. There’s an initiative for an organic waste collection which we look forward to for the coming 2024-2025 timeframe.

While we don’t have much hazardous waste, we do ensure responsible management of

any chemicals used throughout our facilities. Another impact by local regulations is in our Benelux locations which will be affected by packaging ERP regulations. In order to responsibly manage packaging waste, the hotels in Benelux have partnered with Verpact to create circular recycling schemes.

Biodiversity

As our hotels are located in urban and developed locations, we are not directly operating within natural reserves or other sensitive environmental areas. However, we still strive to have a positive impact on the biodiversity of the locations where we operate. For our hotels which are close to beaches and ecological areas, we ensure that the surrounding areas are cleaned and monitored by the staff.

In 2023, some of our hotel locations have taken part in local initiatives, charities or organizations that work to protect natural wildlife and its habitats. In doing this we have created various activities that engage ecologists to understand the current biodiversity and habitats within and adjacent to all Leonardo sites and localities in Central Europe. We are attentive to biodiversity needs including avoiding invasive alien species in gardens, landscaping and other operating areas. With the support from ecologists, a biodiversity improvement plan for management was created in making activities that improve the quality, quantity and connectivity of habitats and biodiversity.

By the end of 2027, Fattal plans to develop a Net Positive Impact (NPI) Plan on biodiversity and habitats under our management.

Seed Cards

As part of an initiative to promote biodiversity and sustainability awareness, the hotels in the

UK & Ireland sent out seed cards for the staff to plant around their hotel grounds, and some for their hotel gardens.

Seed cards are also given out to new employees – around 100 each month, and 5,000 throughout the country.

Rooftop Beehives

A future project that the hotel management is looking into, is to install beehives on the roofs of their hotel buildings. The benefits of using beehives on roofs are thought to increase engagement, support pollination in the surrounding areas and have honey production for distributing to their hotel restaurants in order to use it in their kitchens.

TOMGrow

Looking ahead, our Cyprus locations have been considering new ways of incorporating greenery into their public areas, but were unable to find a viable option that requires little maintenance as well. An Israeli start-up that provides plant systems that enhance spaces, TOMGrow provides low maintenance potted plants that don't require soil and only require water twice per year. It's an innovative way of bringing more greenery to hotel spaces, contribute to a greener footprint, and don't require much intervention – next to none. It's a great way that continue supporting biodiversity initiatives throughout our locations.

Sustainability Awareness

Our hotel locations have committed to furthering their involvement in promoting sustainability awareness through developing various activities that allow people to be more mindful, and partake in a meaningful sustainable action or activity.

Partnering with Redefine Meat

Our UK & Ireland locations have announced that vegan options are now a permanent fixture on our menus. We've partnered with Redefine Meat to deliver healthy and tasty vegan options – a great addition for a more inclusive culinary experience.

Too Good to Go:

Our UK and Ireland locations have partnered with the Too Good To Go surplus platform, in an effort to reduce food waste across its hotels. Customers can purchase 'Surprise Bags' from 46 of the Leonardo locations, which contain a mixture of breakfast items that would have otherwise been thrown away. Until now, we have saved an equivalent of 7.2 tons of food from going to waste.

Clean Up Day 2023

“Leonardo Hotels Central Europe is serious about its comprehensive sustainability strategy and the Cleanup Week is an important occasion to show responsibility for our planet,”

-Natascha Michaelsen, Project Coordinator Sustainability at Leonardo Hotels Central Europe.

In our Central Europe locations, the Leonardo Hotels dedicates an entire week to World Cleanup Day! In 2023, more than 15 million people, and 190 countries participated in this global event. Instead of limiting the initiative to just one day, the company extended Cleanup Day to one week, which also gave more opportunities for employees to find time to participate.

Leo Cares About the Community Month:

In our commitment to support our local communities, we embarked on a month of supporting charities and existing green initiatives with our 'Leo Cares About the Community' month. Having been accredited by Green Tourism across the UK and Ireland, we know that small changes make big differences. From swapping disposable cups for water bottles to donating sanitary items and clothes to local charities; it was a big month of positive action!

Green Key Certifications and Accreditations

As we are deeply committed to our environmental impact, we take pride being able to show our audience how many of our hotels, worldwide, are Green Key Certified in addition to other sustainability certifications.

Leonardo Hotels Cyprus Cyprus Sustainability Initiative (CSTI)

In 2024, our Leonardo hotels in Cyprus, joined CSTI which is an NGO that aims to develop a sustainable approach to tourism in Cyprus through preservation, impact reduction, sustainable economic growth, and more.

Travelife Certification

From 2014 until COVID, all of our hotels in this region, except 1 have been certified through Travelife; a certification program that provides a standard to evaluate, prove and communicate achievements in sustainability, to clients and stakeholders

Green Key

All of our hotels in the Cyprus region will be gaining the Green Key certification, for recognition in the sustainable tourism industry.

All of our 16 Leonardo hotels in The Netherlands have received Green Key certification, a widely recognized sustainability certification in the hotel and tourism industry.

13 of these hotels have Gold status as well as HRS Greenstay certification, and Booking.com sustainability recognition

UK Green Tourism Certified

In 2022, 51 of our UK & Ireland Leonardo locations were Green Tourism Certified with 21 of hotels awarded Silver status and 30 awarded Bronze. By 2023, about 50% of our hotels received Gold status, reaching a notable increase in our sustainability achievements across the board.

Leonardo Hotels – The Netherlands - Benelux



ABOUT THIS REPORT

This is Fattal’s second ESG Report, and contains an overview of our environmental, social and governance impact and activities during 2021-2023.

In the scope of this report, we have included hotels from the main operation regions: Israel, Central Europe, UK & Ireland, Benelux and the Mediterranean basin.

The report covers properties in full operation in the regions of UK & Ireland, Israel and Central Europe, under the management of the Fattal Group, during the reporting period unless otherwise indicated. Quantitative data and qualitative information cover all our direct business activities unless otherwise indicated.

- This report is written in reference to the Global Reporting Initiative (GRI) Guidelines
- To normalize and standardize the calculations made in the chapter “Caring for our Environment” we used the yearly amount of room numbers.

	2021	2022	2023
Total of rooms	35,570	40,299	42,712

Going forward, we plan reporting on ESG performance periodically in order to provide a status update on our performance and actively encouraging discussion about how we can make improvements over time.

Statement from Good Vision

Good Vision – CSR Consulting Firm, of the Fahn Kanne & Co. Grant Thornton Group, supported Fattal with the report. We are a member of the GRI Community and support the mission of GRI to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to act towards a more sustainable economy and world.

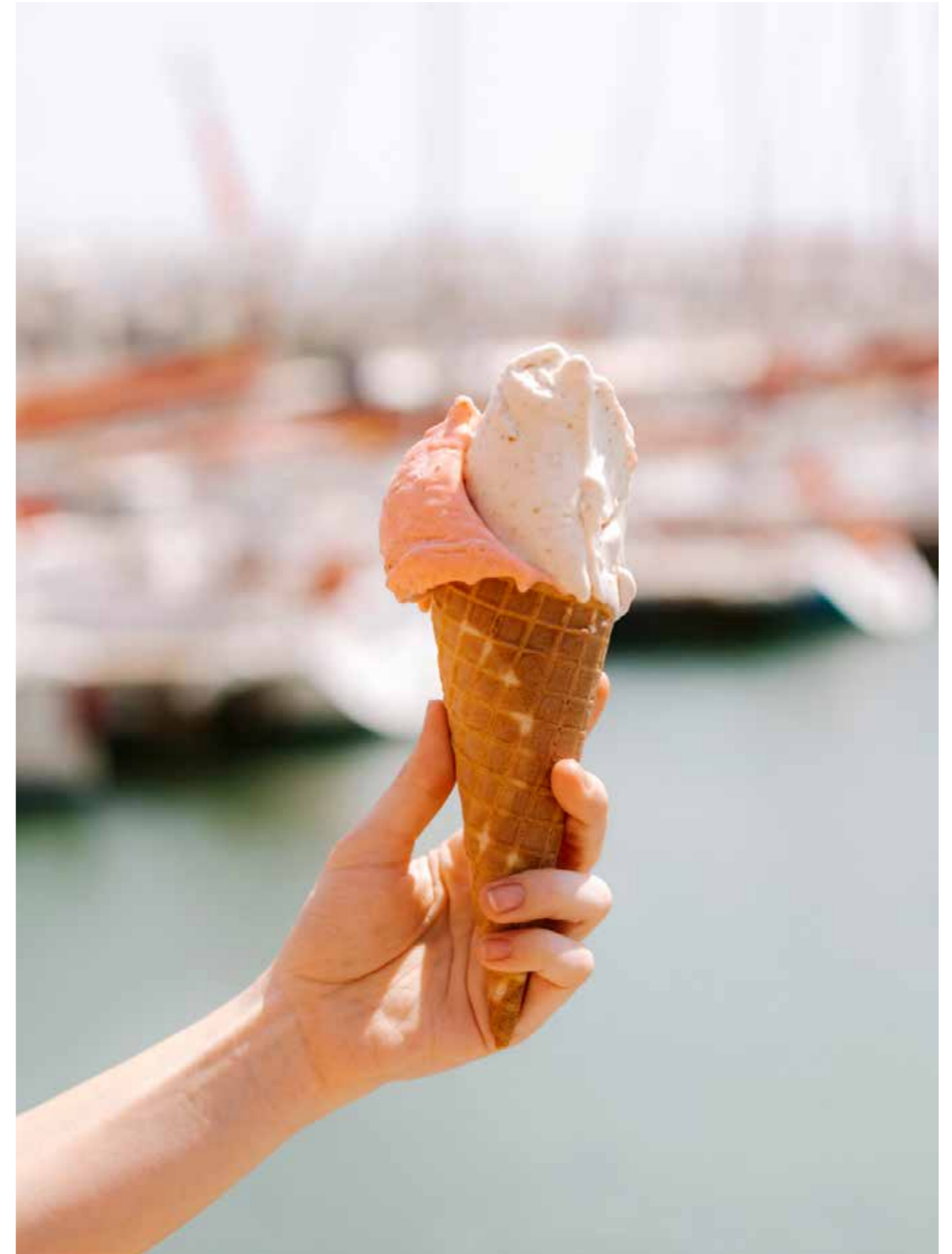


GRI INDEX

GRI Disclosure Number	GRI Disclosure Title	Page Number/Section Title
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2-2	Entities included in the organization's sustainability reporting	About Us
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	N/A
2-5	External assurance	Assurance Statement
2-6	Activities, value chain and other business relationships	About Us
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2-8	Workers who are not employees	N/A
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2-10	Nomination and selection of the highest governance body	Annual Financial Report
2-11	Chair of the highest governance body	Board of Directors
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2-13	Delegation of responsibility for managing impacts	Board of Directors
2-14	Role of the highest governance body in sustainability reporting	N/A
2-15	Conflicts of interest	N/A
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2-17	Collective knowledge of the highest governance body	End of Year Financial Filing (p.298)
2-18	Evaluation of the performance of the highest governance body	Annual Financial Report
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2-24	Embedding policy commitments	Conducting Business Ethically
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413-1	Operations with local community engagement, impact assessments, and development programs	Caring for Our Communities



APPENDIX

EMPLOYEES

Collective Agreement

All of our employees in Central Europe have personal contracts under the applicable employment law of each country of operation. Regions in which collective agreements are required we fully comply, and replaces employment law (which we follow). In countries such as Spain, Hungary and Germany collective agreements are not mandatory, and the conditions in the collective agreements are reflected in a different payment system we offer our employees. 100% of our employees in Israel are employed under collective agreements. Regarding the data points for employees with disabilities, the increase in available data in 2023 compared to previous years has contributed to the observed rise in the number of employees. This is particularly noticeable when comparing the figures between 2022 and 2023.

	2021	2022	2023
Total Employees Globally	12,079	13,997	15,278

		2021	2022	2023
Managers - Gender Diversity				
Male	#	823	908	997
	%	52.6%	51.6%	50.0%
Female	#	741	853	996
	%	47.4	48.4%	50.0%
Non-Managers - Gender Diversity				
Male	#	5,812	6,493	7,138
	%	55%	53%	54%
Female	#	4,703	5,743	6,147
	%	39%	47%	46%
Employees with Disability (Total for Manager & Non-Manager)				
Employees with Disability	#	132	151	444
	%	1%	1%	3%

Employee Training	2021	2022	2023
Training Hours per Employee	25.5	24.7	26.9
Total Training Hours	307,754	346,362	411,177

Pay Gap

We strive to have no gender pay gap in our workplace. The gender wage gap was 1:1.02 in the UK favoring men (2%). In Israel the wage gap difference was between 1.97% -1.02% favoring women

	2021			2022			2023		
Employees who:	Men	Women	Total	Men	Women	Total	Men	Women	Total
Went on maternity / parental leave	19	148	167	19	147	166	21	163	184

Community Engagement¹		2021	2022	2023
Donations (in EURO)	Monetary donations	150,489	1,422,302	967,101
	Value of In-kind donations	1,252,986	175,443	225,570
	Total Value of Donations	1,403,345	3,184,799	3,226,871

Data Privacy		2021	2022	2023
Total number of substantiated complaints received concerning breaches of customer privacy	Complaints received from outside parties and substantiated by the organization	3	15	10
	Complaints from regulatory bodies	2	0	2
Total number of identified leaks, thefts, or losses of customer data		7	8	9
Percentage of employees receiving cyber security and privacy training		80%	84%	83%

¹ Donation data is not available for the Benelux and Mediterranean Region.

Environment

Energy Consumption	Energy Source	Unit of measurement	2021	2022	2023
Generators and/or Furnaces²	Diesel	Liter	178,308	429,015	194,061
	Natural Gas	Cubic Meter	1,454,345	1,336,213	1,373,076
	Combustion of LPG in manufacturing/ Steam systems ³	Ton	715	2,059	1,995
Number of Gasoline Vehicles		Number	32	35	40
Number of Diesel Vehicles		Number	19	17	18
Number of Electric Vehicles		Number	n/a	3	7
Vehicle Fuel Consumption⁴	Gasoline	Gallons	777,320	902,000	969,600
	Diesel	Gallons	14,850	18,702	19,725
	Electric	kwh	n/a	82700	114,300
Electricity Consumption	Total Electricity Consumption	kwh	188,838,300	222,250,465	236,642,618
	Renewable Electricity	kwh	44,563,655	1,098,459	485,205

Resource Consumption	Resource	Unit of measurement	2021	2022	2023
Waste⁵	Total Waste Generated	Ton	n/a	n/a	1,821,853
	Waste Recycled/composted	Ton	n/a	n/a	691,118
Water	Water Used	Cubic Meter	2,799,183	3,791,428	4,681,478

² Data for generator and furnace consumption was not available for the UK & Ireland region. Limited data was available for Mediterranean region.

³ LPG is used in the UK and Central Europe, data is only for Central Europe region.

⁴ Data for 2021 fuel consumption was limited. 2021 fuel consumption was not available in the UK and partially available in the Benelux

⁵ Waste data covers Israel and the UK & Ireland region



Assurance Statement
Fattal Hotel Chain ESG Report 2021-2023

Introduction

BDO Ziv Haft Consulting and Management is a business-oriented accounting and consulting firm. Founded in 1983, it is ranked among the top three CPA firms in Israel. Our ESG (Environmental, Social and Governance) team offers our clients a variety of services in the sustainability, CSR (Corporate Social Responsibility) and the ESG field, according to their needs, goals and preparedness.

BDO has carried out the assurance for Fattal Hotel Chain's 2021-2023 Sustainability Report ("the Report"). The assurance procedure was performed according to the disclosures required by the AccountAbility AA1000AS, type 1 moderate level. The assurance process was conducted professionally, impartially and independently, based on information provided by Fattal Hotel Chain.

The target audience of this assurance are Fattal Hotel Chain 's stakeholders, which include but are not limited to: employees, guests, NGOs and international organizations, investors, owners, suppliers, local communities, local governments, local businesses.

Methodology

To provide Fattal Hotel Chain with this assurance, we have thoroughly reviewed the Report, while validating that it complies with the requirements of AccountAbility AA1000AS, type 1 moderate level. Further quantitative data was requested to confirm the process when required to guarantee Report qualifications.

Limitations

The assurance process involved an investigation of environmental, social and governance related impacts the company has on its stakeholders and the measures it takes within the scope of this Report. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Fattal Hotel Chain was made aware of the assurance process and underwent all the necessary checks required by BDO's assurance procedure.

Conclusion

We hereby confirm that the Report is compatible with AccountAbility's reporting requirements. Our conclusion includes overseeing of the following principles and approving them:

1. Inclusivity: Stakeholders were identified, and their engagement was assessed.
2. Materiality: Fattal Hotel Chain has conducted a materiality assessment which led to the addressing of the different issues that affect their stakeholders. Fattal Hotel Chain adjusted to the materiality process in which topics were detailed upon in the report.
3. Responsiveness: Fattal Hotel Chain acted transparently to the material topics and their related impacts in a timely manner by sufficiently establishing objectives and targets in the appropriate fields.
4. Impact: Fattal Hotel Chain's performance, behavior and outcome impact metrics adhere to the moderate level of AccountAbility reporting standards. The company's actions comply with the impact it describes in its reports.

Recommendations

In order to further improve the Report, by introducing a more extensive and expansive one in the coming years, the following is a list of subjects we recommend that the organization expands on and/or considers including in future reporting, organized by importance:

- Constitute fitting aspirations and aims concerning the impact the company has on environmental, social and corporate governance issues applied to its stakeholders. Include these as quantitative and qualitative goals and targets in the report.
- Add KPIs of previous years to clearly track performance throughout the years and better adjust for future goals. We further advise KPIs to be summarized in an ESG table or annex. Examples are reduction of environmental impacts, responsible supply chain management, data privacy and cyber and more.
- Provide more comprehensive data on all ESG metrics (absolute and intensity values) and elaborate on trends.
- Climate change is a critical global challenge and a major concern for stakeholders. Providing GHG emissions data demonstrates Fattal Hotel Chain to environmental and climate responsible actions.
- Elaborate on fit between the activities and processes Fattal Hotel Chain takes part in and the SDGs, specifically climate action and reduce inequalities.



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