

# Environmental, Social and Governance

“In 2025, we continued to make significant progress on our ESG strategy, focusing on various areas of environmental sustainability and social responsibility. We have achieved the targets that we set in previous years, while also setting new ones for the years to come.”

**Inbar Zilberman**  
Chief Corporate & Legal Officer



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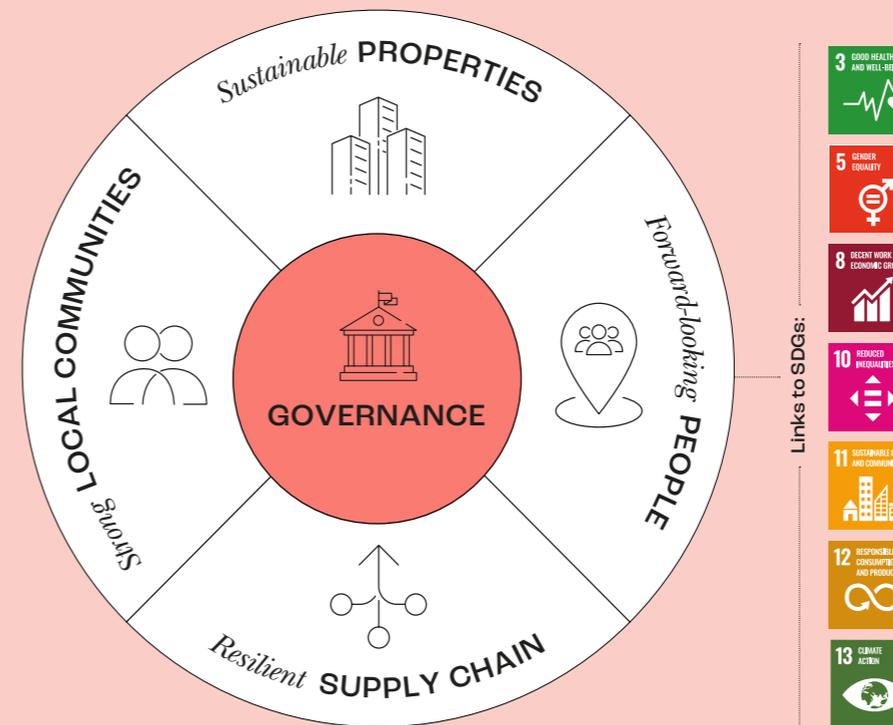
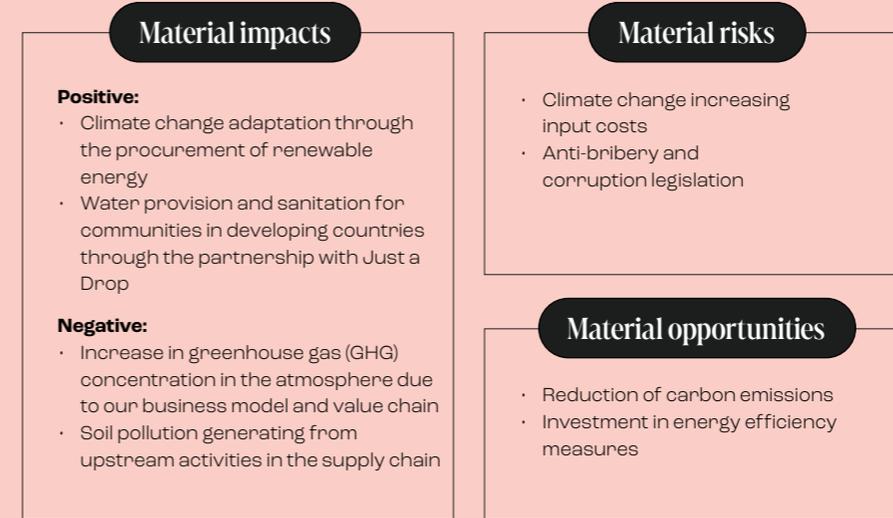
In 2025, we continued to make significant progress on our ESG strategy, focusing on various areas of environmental sustainability and social responsibility. We have achieved the targets that we set in previous years, such as completing the submission to SBTi and expanding our support to local communities, while also setting new ones for the years to come.

As in recent years, the implementation of the strategy is led by the ESG Manager, who reports to the Chief Legal & Corporate Officer. They meet quarterly with the ESG Committee of the Board to share recent progress and the plan for the upcoming quarter. We continue to be members of the Energy & Environment Alliance, while also reporting to CDP (formerly known as Carbon Disclosure Project) and WDI (Workforce Disclosure Initiative). An important advancement worth noting about the CDP disclosures is that PPHE was awarded a B- CDP rating on its climate disclosure for 2025, showing a significant improvement compared to previous years.

One of our key achievements in 2025 was the submission of our targets to the Science Based Targets initiative (SBTi), marking a significant milestone in our formal commitment to reducing carbon emissions and progressing towards net zero. Alongside this, we advanced several other ESG priorities, including improvements in waste management and deeper engagement with local communities. For example, we increased the recycling rate and enhanced the collection of food waste across many of our properties, enabling positive sustainability outcomes together with financial savings. We also strengthened our community engagement efforts, expanding our collaboration with local and international charities through a wider range of volunteering and fundraising activities.

The following sections provide detailed insights into these developments and the broader scope of our ESG initiatives throughout 2025.

Below we present some of the main material IROs identified through the double materiality assessment process.



Each of our targets is intended to contribute to one or more of the United Nations Sustainable Development Goals (SDGs). The SDGs that we support the most are the ones opposite.

## ESG strategic objectives

Our ESG targets are designed to support ten strategic objectives, which are presented in the table below. These remain the same as in previous years, with the exception of Achieving net zero, for which the target year has now moved to 2050. The explanation for this change is presented on pages 61.

Strategic objective	Strategic pillar
Achieve net zero by 2050	
Adapt to climate change	
Attract and retain talent	
Communicate our ESG efforts to stakeholders	
Enhance biodiversity	
Ensure waste management best practice	
Promote Diversity, Equity and Inclusion	
Promote ESG across our supply chain	
Ensure good stewardship of water resources	
Support local communities	

**Double materiality assessment**

Following the 2022 double materiality assessment (DMA), we conducted a new assessment in 2025 in line with a three-year cycle. While still not in scope of CSRD, we have aligned our DMA to its requirements on a voluntary basis, to allow us to be fully ready when compliance will become mandatory. Within this framework, we have identified a list of impacts, risks and opportunities (IROs), and assessed their relevance to the business. It is worth noting that AHG had already conducted its DMA in 2024, as this was its first year in scope for CSRD. Although the DMAs for PPHE and AHG were carried out in different years, the outcomes show strong alignment, with similar results and overlaps across the identified IROs.

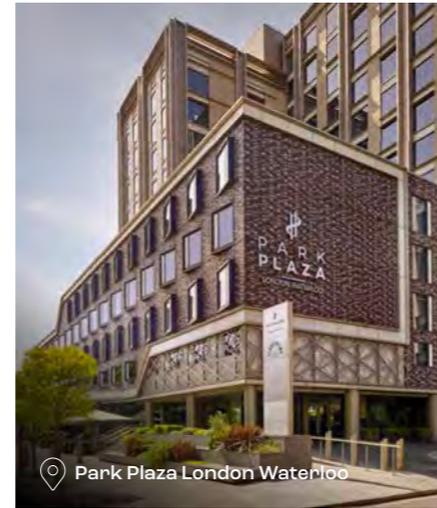
The consultants Code Gaia supported us in the DMA and provided their proprietary software to conduct the analysis. The process took place in the first half of the year and was marked by a set of four workshops, involving senior representatives of all relevant teams (ESG, Legal, Finance, Engineering, Procurement, HR, Risk and Internal Audit). Throughout these meetings, we went through the list of IROs provided by

the ESRS (European Sustainability Reporting Standards) and assessed the various criteria to determine their materiality (e.g. severity, timeframe and reversibility of impacts).

**Decarbonisation journey**

PPHE has implemented various carbon-reduction initiatives over several years, with a more formalised approach to decarbonisation in recent years with the work on SBTi targets.

In 2025, the Group engaged Greenview as an external specialist consultancy to support the development of a decarbonisation plan intended to underpin the SBTi submission and ensure the robustness of PPHE's commitments. As part of this process, PPHE reviewed its recent carbon footprint inventory to confirm alignment with SBTi requirements. The Group also conducted detailed engagement with senior internal stakeholders, including the Heads of Engineering and Procurement, to identify existing and planned decarbonisation initiatives. This information served as the basis for the development of two emission reduction scenarios: a baseline reflecting projected emissions



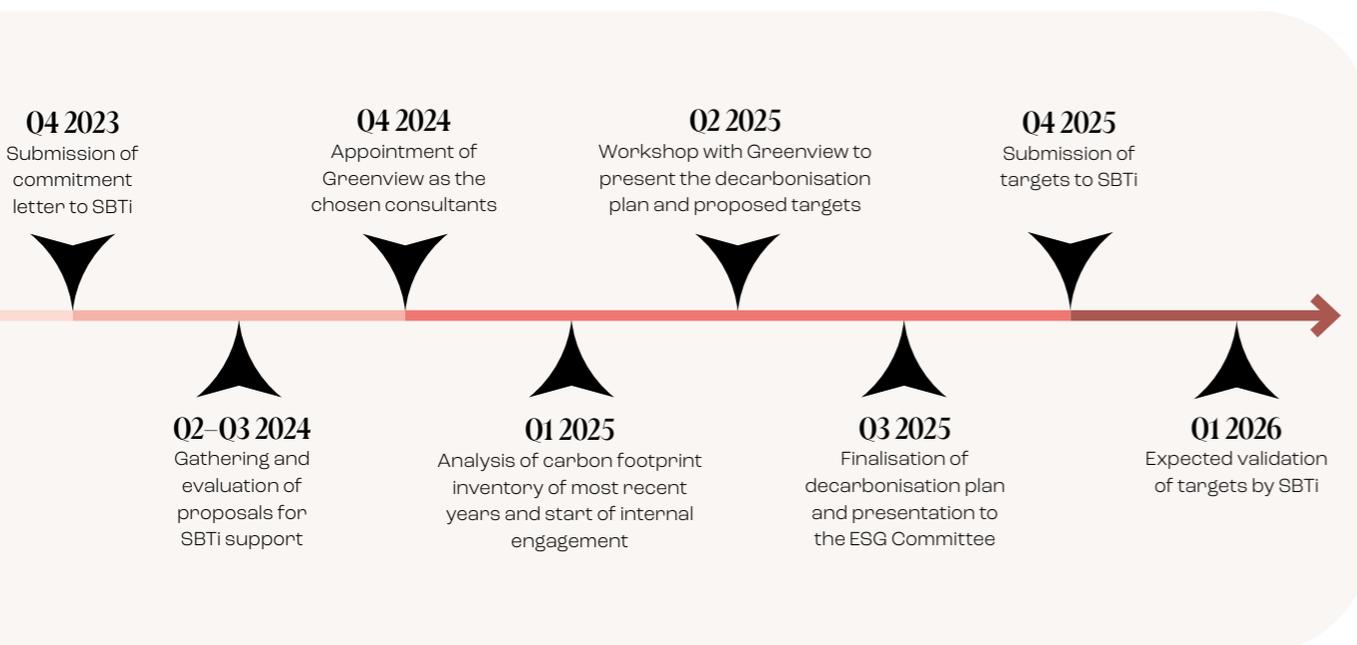
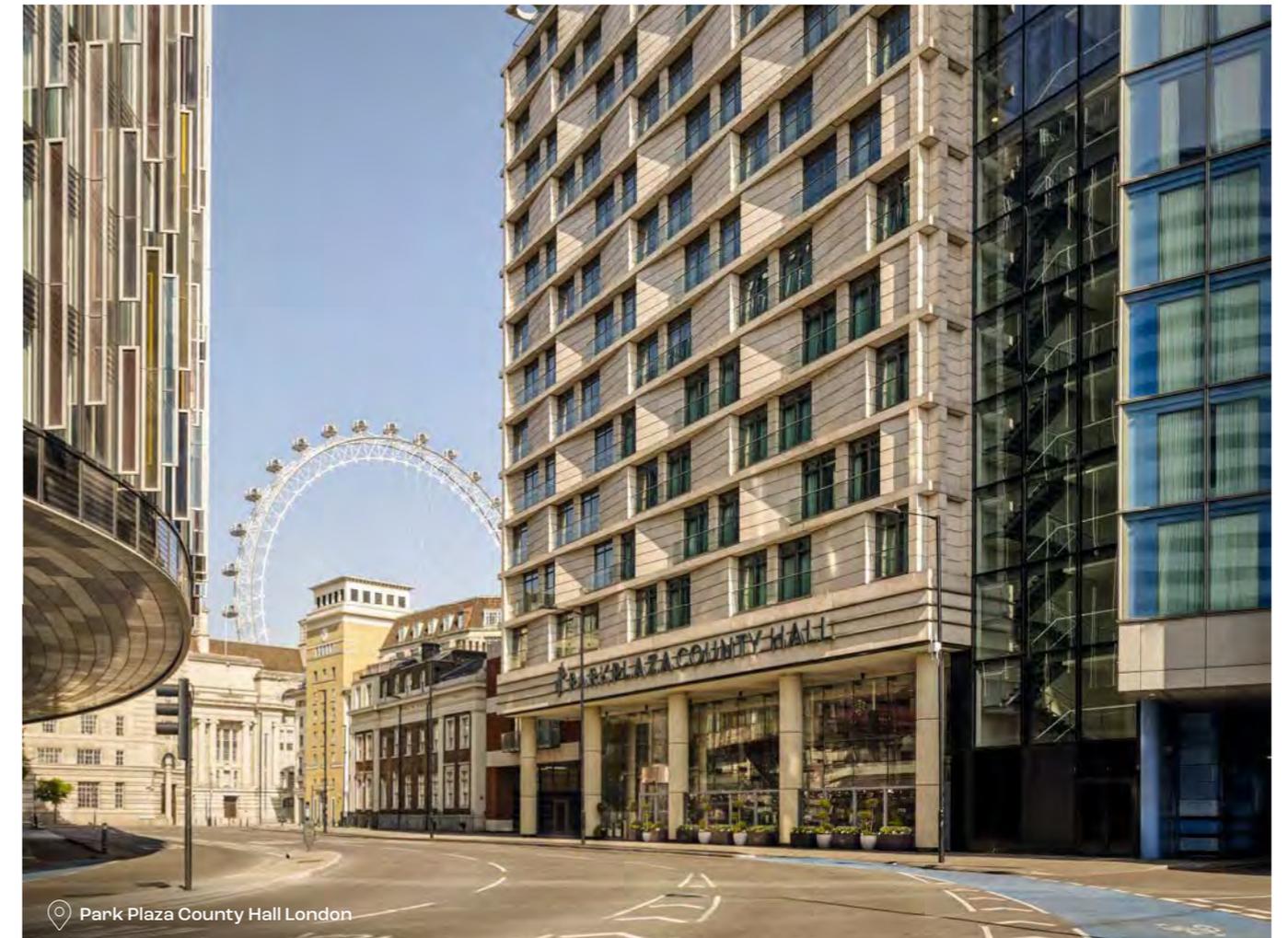
without SBTi-aligned action, and an enhanced scenario incorporating the additional measures required to meet PPHE's SBTi commitments. The modelling also included an assessment of the capital expenditure associated with achieving the near-term 2035 reduction target.

A key step in the process was the presentation of the initial draft decarbonisation plan during a workshop held in London in June 2025. Feedback from internal stakeholders was incorporated into the plan during the subsequent months. The finalised version was presented to the ESG Committee of the Board, and the resulting actions were integrated into capital expenditure plans at the property level.

During the development of the plan, PPHE also reassessed the Group's previous 2040 net zero target year. Since a detailed analysis

indicated that this date was not achievable, particularly in relation to Scope 3 emissions, the target year was revised to 2050. This updated timeframe aligns with anticipated decarbonisation trajectories across the hospitality sector and allows sufficient time for supply chain partners to adapt and support PPHE in achieving its long-term net zero objective.

The submission of our targets to SBTi was completed in December, with SBTi validation expected in Q1 2026.





# Sustainable properties

Links to UN SDGs



art'otel London Battersea Power Station

## Waste management

We continue to send zero waste to landfill in the UK and we are working to achieve this in all other countries in our portfolio as well in the coming years. For the past two years, we have been working with the company The Waste Specialists (TWS), who are supporting us in aligning waste management practices across our UK properties. 2025 was a year of progress in this area, as we introduced food waste bins in all UK properties and standardised data collection across them through TWS. This allowed us to have a better understanding of the different potential for waste segregation across the hotels (mainly differing due to the space available in the waste loading bay) and introduce recycling targets tailored to each hotel based on this. Training sessions for team members were delivered across all hotels, to ensure alignment and a clear understanding of the use of the various bins in the back of house area. Our work throughout 2025 quickly showed improved segregation rates across all properties, also leading to lower waste management costs, due to food waste and DMR (dry mixed recycling) being cheaper to dispose of than general waste.

In the past year, we piloted the Orbisk system in Park Plaza Victoria Amsterdam. This is an AI-powered food waste monitoring system that uses smart cameras and image recognition to track, analyse and provide insights to reduce food waste in kitchens. The results of the pilot showed clear improvements in the amount of food waste generated in just a few months after installation, together with lower food purchasing costs thanks to better menu planning and lower waste collection costs. With this success in mind, we are now looking to expand the use of this technology to other UK hotels as well, to maximise the food waste reduction potential across our portfolio.

Since 2024, we have been working with Clean the World, an organisation specialised in waste recycling that collects and processes the used bathroom dispensers from our properties. This collaboration resulted in the collection

and recycling of nearly 18,000 kg of plastic in 2025 alone. We are also progressing with the elimination of other single-use plastic items in our hotels, such as the gradual replacement of plastic bottles with either aluminium cans or water fountains in the corridors.

Another new initiative we launched in 2025 is a pilot of Olio in art'otel London Battersea Power Station. Olio is a sharing app that connects neighbours and local businesses to give away surplus food and household items instead of throwing them away. Through this platform, art'otel London Battersea Power Station has helped reduce food waste while supporting the local community. We will expand the use of this app to new hotels in 2026, to further reduce food waste across our operations.

## Building certifications

In 2025, we started the process to obtain the BREEAM In-Use certification for Park Plaza London Westminster Bridge, Park Plaza London Riverbank and art'otel Rome Piazza Sallustio. The evidence for Park Plaza London Westminster Bridge and Park Plaza London Riverbank was gathered and submitted to BRE, and we are currently awaiting BRE's feedback. The submission for art'otel Rome Piazza Sallustio will be completed in 2026, with further properties expected to undergo the assessment throughout the year as well.

In 2025, art'otel Rome Piazza Sallustio also received the BREEAM certification, recognising the environmental upgrades brought by the refurbishment of the property. The hotel now joins other PPHE properties with a BREEAM certification, including Park Plaza London Riverbank, Park Plaza London Waterloo, Park Plaza London Park Royal, art'otel London Hoxton and art'otel London Battersea Power Station.

## Hotel sustainability certifications and awards

Strong environmental performance across our properties has played a key role in helping our hotels earn top ratings in respected sustainability certifications. These include Green Tourism, Green Globe,

Green Key, TraveLife and Blue Flag, reflecting our commitment to responsible operations and continuous improvement.

Having received a BREEAM 'Excellent' certification in 2024, art'otel London Hoxton was eligible for the 2025 BREEAM Awards, for which it was shortlisted in the category of People's Choice – Commercial Building. Although the hotel was not the final winner, this was a great opportunity to showcase the environmental performance of this new-build and present PPHE as a leader in real estate sustainability.

2025 has also seen AHG receiving recognitions for its ESG work. For the second consecutive year, AHG ranked third among 59 companies in AmCham's ESG Maturity Assessment (American Chamber of Commerce in Croatia). AHG also proudly secured third place among all tourism companies in the ESG assessment conducted by the Croatian Chamber of Economy, placing it among the top tier of sustainable businesses in Croatia. Finally, in 2025, AHG was awarded the ESG rating 'Very High' by the Croatian Chamber of Commerce, recognising the Company's efforts in operating as a responsible business.

## Drip Drop

In 2025, we started replacing our umbrellas with the Drip Drop system in some of our London and Amsterdam hotels. With this, guests can borrow a Drip Drop umbrella from the front desk or concierge for a small fee, use it during their stay and return it when they no longer need it, with the fee refunded to them. Drip Drop umbrellas are made entirely with recycled plastic and are more durable than traditional ones, making it both a convenient and more sustainable amenity for our guests.





# Forward-looking people

Links to UN SDGs



YEZI team

## Team member engagement

To track progress on engagement of our team members, we ran two engagement surveys throughout the year, one at PPHE and one at AHG, ensuring we gather valuable insights from our diverse workforce.

In 2025, PPHE achieved an average engagement score of

**86.5%**

outperforming the sector benchmark as in previous years by

**6%**

At AHG, where seasonal employment is common, we again refined its survey approach to better include permanent, seasonal and international team members.

This allowed us to set a tailored engagement metric, which this year reached

**77%**

an increase of

**2%**

compared to 2024

Wellbeing remained a key priority, with the relevant indicator from the engagement survey showing that 79% of team members believe PPHE supports their wellbeing at work, marking a 2% increase compared to 2024. These results were supported by initiatives such as a continued focus on Vitality at Work and our Employee Assistance Programme, helping us create a healthier and more supportive workplace across a wide range of topics important to our people.

## Workforce retention

Retention remained a key focus throughout 2025, with improvements linked to stronger engagement, targeted development programmes and inclusive recruitment practices.

PPHE saw an increase in the retention rate to 63%, reflecting the positive impact of initiatives such as the Graduate Managers Cohort, internal promotions campaigns and enhanced wellbeing support. These efforts have helped create a more stable workforce, reduce turnover costs and foster long-term career growth for our team members. The 2025 retention rate for AHG sits at 57%, which reflects the specific challenge of having a large number of seasonal workers.

## Learning and Development

We continue to invest in the growth and development of our people through a range of innovative programmes. The Graduate Managers Cohort who started in 2023 celebrated the successful completion of their programme in March 2025, marking a significant milestone in building our future leadership pipeline. We introduced a new format for people development workshops creating informal spaces for knowledge sharing and collaboration. To strengthen leadership capability, we launched The NextGen programme for team leaders, equipping them with even more skills to lead effectively in a dynamic environment. Additionally, we began piloting immersive learning using virtual reality technology to deliver engaging and impactful training experiences.



art'otel Rome Piazza Sallustio

**Employee Engagement and Culture**

Our commitment to fostering a strong, inclusive culture was reinforced through the introduction of three key internal focus areas: Connect, Create and Grow. These pillars serve to support the foundation of our people strategy, ensuring alignment across teams and promoting engagement. We also developed a more structured recognition programme to unify all team member-led support groups under one scalable framework. This initiative not only celebrates achievements but also strengthens our sense of community and belonging.

To ensure a high level of engagement, in the following paragraphs we bring examples of some feedback given by our team members and how the Company responded to it.



Radisson RED Belgrade

**Our team members said:**

“Many people across properties expressed that they value working in a fun and exciting environment.”

**What we did:**

To build on this feedback, we introduced engagement calendars across multiple hotels, ensuring every department could participate in activities that foster team spirit. At art’otel London Hoxton, the teams organised themed lunches, departmental recognition days and competitions. Park Plaza London Waterloo and Park Plaza London Westminster Bridge hosted social events and departmental celebrations, while Park Plaza London Riverbank and art’otel London Battersea Power Station rolled out full engagement calendars tied to national events. In Park Plaza Leeds, senior management arranged dinners and off-site activities to keep the teams engaged.

**Our team members said:**

“Achieving a healthy balance between work and home life is important.”

**What we did:**

We acted by improving scheduling practices. Rotas are now shared at least two weeks in advance (four weeks in some properties), giving team members more time to plan their personal and professional lives. This change reflects our commitment to flexibility and wellbeing across all hotels.

**Our team members said:**

“Career development aspirations matter and should be supported.”

**What we did:**

We delivered on this by focusing on internal promotions across departments and recognising talent. At Park Plaza London Waterloo and Park Plaza London Westminster Bridge, we introduced leadership enablement training, succession planning and focused development huddles. These initiatives ensure that talent is recognised and supported, creating clear pathways for growth within the Company.

**Our team members said:**

“Better workspaces and facilities would enhance the experience at work.”

**What we did:**

We invested in refurbishing offices and working spaces, including upgrades at Park Plaza London Westminster Bridge and Park Plaza Eindhoven. We also launched new uniforms and improved staff restaurant offerings, creating a more comfortable and professional environment for our teams.

**Recruitment and job creation**

The launch of Solaya at art’otel London Hoxton in September 2025 and the opening of art’otel Rome Piazza Sallustio in March 2025 created valuable employment opportunities, with around 30 and 70 roles created in each location, respectively. In Rome, our collaboration with the local government enabled us to support individuals who had experienced long-term unemployment, helping them re-enter the workforce through meaningful hospitality careers. These initiatives not only strengthened our operational capacity and supported successful openings but also reinforced our commitment to inclusive hiring practices and community impact, empowering people with new opportunities while building diverse, resilient teams across our portfolio.

In 2025, we further expanded our social impact through strategic partnerships and internal mobility initiatives. In the UK, we partnered with Only A Pavement Away, a charity supporting individuals facing barriers to employment – including the homeless, prison leavers, refugees and those with mental health challenges – into hospitality careers. Through this partnership, we attended external events and successfully

hired candidates within a range of roles. Across the UK, the Netherlands and Italy, we launched a quarterly campaign to spotlight internal talent and showcase career development opportunities both internally and externally. To further support mobility, we implemented a new matrix and internal reporting, enabling recruitment teams to access key talent data and promote internal opportunities.

In the Netherlands, our new partnership with JINC aligns us with its mission to support more than 80,000 young people each year in gaining a strong start in the job market through educational programmes and career guidance.

**Degree and apprenticeship programmes**

Our degree and apprenticeship programmes remain a cornerstone of our talent development strategy. These programmes provide structured career pathways, ensuring that team members have opportunities to grow and thrive within our organisation. The current cohort continues to progress and will graduate in 2027.



Solaya London

**DE&I**

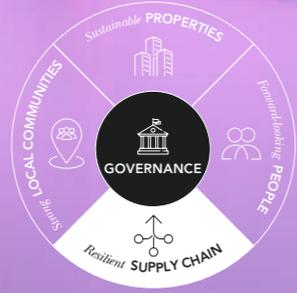
In 2025, we set up a DE&I (Diversity, Equity and Inclusion) working group made up of representatives from the HR and ESG teams. The objective of this group was to assess current practices at PPHE and propose recommendations for improvements. An important milestone was the presentation of these recommendations to the Co-CEO and Chief Corporate & Legal Officer, who have agreed on progressing with them and will receive quarterly updates by the working group.

**ESG communications**

In 2025, we set out the ambition to increase PPHE’s presence on social media around ESG initiatives. This was achieved through regular ESG social media posts, especially on LinkedIn, with regular monthly posts highlighting initiatives both at the hotel and corporate levels (examples include updates on our SBTi journey, volunteering activities and local community partnerships).

We also identified an opportunity to enhance ESG awareness among our team members. To support this objective, we have introduced regular ESG related content on our internal communications platform, Youiverse. This platform enables us to share updates on recent initiatives, particularly those related to volunteering and community engagement, and to make this information accessible to all team members across the organisation.

Besides this general internal awareness, we also recognise the importance of some teams being more comfortable with the ESG strategy of the Company, namely the Sales and Recruitment teams. These teams regularly engage with corporate clients and prospective employees, both of whom increasingly expect transparent and informed responses on ESG matters. Therefore, it is essential that the teams feel confident addressing ESG related questions within their stakeholder groups. To support this, the ESG Manager delivered targeted training sessions to update these teams on the Company’s ESG progress and priorities. This ensures they are well equipped to communicate our achievements and approach externally in a clear and credible way.



# Resilient supply chain

Links to UN SDGs



In the past years, our supplier standards were guided by a Responsible and Ethical Sourcing Policy, which set the minimum social and environmental standards for our supply chain. However, in view of the progress achieved across key ESG areas, we have updated this policy to include a new Supplier Code of Conduct, reflecting the Company's ambition to raise

standards in areas such as decarbonisation and the circular economy. This was approved internally in February 2026 and subsequently communicated to all our suppliers.

In 2025, we stepped up the interactions with our suppliers to share carbon footprint data, which is useful to increase the accuracy of our Scope 3 emissions results. For instance, we now rely on footprint data provided by our

laundry supplier in the UK instead of applying generic, spend-based emission factors. In the future, the ambition is to expand this approach to a growing number of suppliers across various products and services, an aspect that is also covered in the new Supplier Code of Conduct.

“In the future, the ambition is to expand this approach to a growing number of suppliers across various products and services.”



# Strong local communities

Links to UN SDGs



## Charity partnerships

In 2025, PPHE joined the Lambeth Climate Partnership (LCP) and the Westminster Sustainable City Charter (WSCC), two voluntary frameworks set up by the London boroughs of Lambeth and Westminster, where many of our hotels are located. The LCP is a collaborative network of local organisations, businesses, schools and communities working together to deliver Lambeth's Climate Action Plan and achieve the borough's Net Zero 2030 vision. The WSCC is a voluntary climate action initiative that brings together businesses, public institutions and property owners to reduce emissions from non-domestic buildings, which are responsible for over 70% of Westminster's greenhouse gases.

Following the introduction of a dedicated volunteering day for all PPHE team members in 2024, this year, our teams took part in a variety of initiatives, including gardening projects at Jubilee Gardens and other community spaces across London.

We continue to work closely with a range of charity partners and, in 2025, expanded our collaborations to include new organisations, further strengthening our community impact.

**Just a Drop:** For the past years, we have been supporting Just a Drop through the Ecological Programme. This programme offers guests staying for two nights or more the option to decline housekeeping services, helping to reduce water, energy and detergent usage associated with linen cleaning. For each night a guest opts out, the hotel donates €/£1 to Just a Drop, supporting the charity's efforts to deliver

vital water, sanitation and hygiene solutions to communities in developing countries. As a token of appreciation, guests can also select from a range of rewards in recognition of their contribution. In the period from September 2022 when the partnership started until the end of 2025, PPHE hotels have raised a total of £460,000 for Just a Drop (£195,000 in 2025 alone). The success of this collaboration earned PPHE and Just a Drop the 2025 Business Charity Award in the category Sports, Travel and Leisure.

**The Felix Project:** This is a London-based charity focused on reducing food waste and combating hunger by redistributing surplus food to those in need. For the second year in a row, between May and July 2025, various PPHE restaurants and bars in London supported the charity in its Restaurants Feed London campaign, helping to raise £4,000.

**JINC:** In 2025, we set up a partnership with the charity JINC in the Netherlands. It is an organisation that helps children aged 8 to 16 from disadvantaged backgrounds discover their talents, explore different professions and learn essential skills for entering the job market. The Dutch PPHE hotels have engaged in various activities to support JINC, such as volunteering to provide career advice to young students and help them transition to the workplace.

**Jubilee Gardens Trust:** In 2025, we also partnered with the Jubilee Gardens Trust, which manages Jubilee Gardens, a park located near PPHE's London Regional Office. Our financial support provided the Trust with the resources to plant new holly hedges around the gardens, while a group of PPHE volunteers helped them with planting tulip and daffodil bulbs. More volunteering days of this kind are planned for 2026, with a view to

provide regular support to the gardens throughout the year.



PPHE volunteers gardening in London Jubilee Gardens

**Rambert:** One of the latest partnerships set up in 2025 is that with Rambert. This is a non-profit organisation providing world-class performances, dance and wellness classes, and programmes for people of all ages and abilities in the London borough of Lambeth. Besides its activities as a dance school, it is very involved in the local community in Lambeth, especially through its Future Movement Lambeth Programme, of which PPHE is now the main supporter. This is an initiative aimed at young people aged 16 to 21, designed to help them explore professional skills and connect with various industries through collaborative projects and mentorship.

## Community engagement in Pula

In Croatia, AHG continues to support the Pula General Hospital through donations of medical equipment and sponsoring various other activities taking place at the hospital. Furthermore, AHG also sponsored major cultural and sporting events such as the Pula Marathon, Visualia Festival of Lights, Pula Film Festival, Jazz Waves, the 31st Pula Book Fair and the traditional humanitarian Christmas concert at the Istrian National Theatre.

AHG has been very active in environmental stewardship in the Istrian region as well. An important opportunity for this was the support of a reforestation project in Pula to plant 2,000 oak trees to restore areas affected by wildfires. The Company also maintains internationally recognised environmental certifications that support the preservation of the local area, such as Travelife, Green Key and Blue Flag.



PPHE volunteers gardening for the High Tree charity in Lambeth, London

# TCFD report

## The UK Listing Rules (6.6(8)R) require the Company to include a Task Force on Climate-related Financial Disclosures (TCFD) statement in the Annual Report.

This section is drafted in compliance with the 11 TCFD recommendations and, together with a climate scenario analysis, it provides an overview of the four pillars of the TCFD report for PPHE: Governance, Strategy, Risk Management, and Metrics and Targets. These pages also address our reporting obligations under the Streamlined Energy and Carbon Reporting (SECR) regulation and the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

### Governance

As of 2024, climate related risks are no longer considered emerging risks but are integrated into our core business risk assessments, reflecting their strategic importance. Our ERM framework is built on four foundational pillars that enable informed decision-making: a risk-reward strategy, robust governance, a structured risk management process and comprehensive risk assurance. We conduct quarterly enterprise risk assessments, evaluating the likelihood and potential impact of each risk.

In 2021, we established an ESG Committee comprising four Non-Executive Directors. The Committee meets quarterly and works closely with the Executive Leadership Team to review climate related developments, approve proposed strategies and targets, and annually assess TCFD disclosures in February. It also oversees the broader ESG strategy, ensures stakeholder engagement on ESG initiatives, and monitors communication of these efforts both internally and externally.

The Audit Committee plays a key role in overseeing and advising the Board on the Group's risk exposure, appetite and future strategy. As part of its remit, the Committee meets quarterly to monitor both financial and

non-financial climate related risks, identifying any shifts that could influence the Group's overall risk profile.

In Q4 2025, the Head of Internal Audit and Risk, supported by the ESG Manager, conducted routine functional risk reviews across all internal departments, focusing on climate related risks. The findings were presented to the Audit Committee, with no new issues or concerns identified during the process.

Responsibility for ESG and climate related matters within the Executive Leadership Team lies with the Chief Corporate & Legal Officer, Inbar Zilberman. She reports to the Co-CEO and regularly attends meetings of the ESG Committee of the Board. She oversees compliance with TCFD reporting requirements, as well as the Group's ESG policies, practices and procedures.

Throughout 2025, we continued our awareness campaign to embed environmental sustainability and social responsibility into daily operations. This included an internal awareness campaign through our team member communication platform, Youniverse, with regular content about ESG activities across the Company, as well as ESG Ambassadors in our hotels.

### Strategy

We acknowledge the complexity of climate change and our responsibility to reduce the Company's environmental impact. With this in mind, we remain committed to lowering both our carbon footprint and overall environmental impact. Our ESG strategy, supported by clearly defined targets, is the cornerstone to this ambition.

As a Company that develops, owns, co-owns and manages many of its properties, we are uniquely positioned to implement sustainability initiatives across all stages of our business, from development through to day-to-day operations. By embedding sustainability into every aspect of our activities, we aim to generate long-term value for the Group and its stakeholders.

As part of the evolution of our ESG strategy, we have committed to developing a detailed decarbonisation plan to support our journey toward net zero by 2050, which formed the basis of our SBTi submission. In 2024, we engaged specialist consultancy Greenview to support this work. Its input resulted in a comprehensive action plan to address carbon emissions across our operations, which is a critical step in shaping our future decarbonisation efforts. We have also continued our collaboration with Energy and Environment Alliance, whose expertise continues to support our activities.

### Climate scenario analysis

In line with our TCFD obligations, we reassessed PPHE's exposure to both transition and physical climate risks in 2025. As already started in 2024, this year, we continued to conduct our analysis of physical risks by examining risk profiles at the individual property level. To support this, we continued our partnership with Climatig, gaining access to its proprietary software to evaluate physical climate risks under two distinct climate scenarios:

- **Representative Concentration Pathway (RCP) 4.5:** An intermediate scenario from the IPCC, assuming greenhouse gas emissions peak around 2040 before declining.
- **RCP8.5:** A worst-case scenario where emissions continue to rise throughout the 21st century.

We chose these scenarios as they were created and endorsed by the IPCC (Intergovernmental Panel on Climate Change),

the global scientific authority on climate change created by the United Nations. While the IPCC typically works under four scenarios in total, Climatig's analysis only focuses on two of them, RCP4.5 and RCP8.5, as these are deemed sufficient for climate risk analysis at the level of our organisation.

These two scenarios are used to inform the approach to the various climate-related risks in the ERM.

### Time horizons

Given the long-term nature of climate change, risks were assessed across three timeframes:

- **Short term:** 2026–2028
- **Medium term:** 2029–2031
- **Long term:** 2032–2040

These horizons were selected to provide sufficient analytical depth without extending beyond the limits of reliable forecasting. Due to the inherent uncertainty in climate science and policy, we defined 2040 as the boundary for our long-term scenario, as projections beyond this point become increasingly speculative.

The tables that follow present our assessment of transition and physical risks, grouping financial impacts across the medium and long-term horizons. Our findings through this approach indicate that the potential financial impact of these risks would increase from the short-term to the medium/long-term. However, given the mitigation measures in place that are discussed below, we do not anticipate significant differences in the concrete financial impact between the two periods.

### Transition risks

We identified and assessed four key transition risks, as detailed in Table 1. The risk profile for each varies significantly depending on the geographic location of our properties. For example, customer expectations regarding climate related issues tend to be more pronounced in certain countries, and local regulatory frameworks also differ, influencing the level and nature of exposure to these risks.

**Table 1 Assessment of residual transition risks**

Transition risk	Likelihood	Short-term financial impact*	Medium/long-term financial impact*
Negative perception of the Group by stakeholders with regard to climate related matters	Unlikely	Moderate	Moderate
Climate change increasing input costs	Almost certain	Minor	Moderate
New climate related regulations impacting asset value	Very unlikely	Minor	Moderate
Cost and disruption of updating physical infrastructure to phase out non-renewable energy sources	Almost certain	Minor	Major
Increased cost of carbon credits	Very likely	Minor	Minor

\* Minor: <£1.35 million; Moderate: £1.35–£6.75 million; Major: £6.75–£27 million. All refer to annual impact.

One of the transition risks identified is the potential for negative stakeholder perception regarding climate related matters. PPHE actively mitigates this risk through key elements of its ESG strategy, including our commitment to securing environmental building certifications and the submission of our decarbonisation targets to the SBTi.

We also highlighted the risk of climate change driving increased input costs. Food and beverage (F&B) costs have risen in recent years, partly due to climate related impacts on supply chains. Considering the central role of F&B and construction in our business model, this risk will remain a focus moving forward. Carbon pricing in construction materials such as steel and cement, both of which are critical to our property development activities, is affecting their cost. Another key risk is the impact of new climate related regulations on asset value. For example, mandates such as the UK's Energy Performance Certificate (EPC) requirements may affect property valuations. To mitigate this, we ensure that all new-build hotels, repositioning projects and refurbishments achieve certification from recognised schemes such as BREEAM. Additionally, we are conducting BREEAM In-Use assessments for selected properties to further strengthen our risk management approach.

We also identified the risk of cost and disruption associated with updating physical infrastructure to phase out non-renewable energy sources. Countries like the UK and the Netherlands have set ambitious targets for phasing out gas, which may require us to further accelerate our energy transition, potentially incurring higher costs.

All the risks above were already present in last year's assessment. However, in 2025, we added another risk to the register to account for the possible increase in the cost of carbon credits. While PPHE does not currently purchase any carbon credits, due to our net zero commitment, we will have to do so in the future to offset a maximum of 10% of our baseline emissions by the target year 2050. With an increasing number of companies making similar commitments, it is possible that high quality carbon credits will become scarcer and more expensive in the future.

For all identified risks, we have established control and mitigation measures that are reviewed annually. This ensures our response remains agile and aligned with any changes in the risk landscape.

**Physical risks**

The physical risks we consider material to our business are outlined in Table 2.

**Table 2 Assessment of residual physical risks**

Physical risk	Likelihood	Short-term financial impact*	Medium/long-term financial impact*
Coastal flooding	Very unlikely	Minor	Minor
River flooding	Unlikely	Moderate	Moderate
Heavy precipitation	Likely	Minor	Minor
Drought	Possible	Minor	Minor
Wildfires	Unlikely	Moderate	Moderate
Heatwaves	Possible	Minor	Minor

\* Minor: <£1.35 million; Moderate: £1.35 – £6.75 million; Major: £6.75 – £27 million. All refer to annual impact.

It is important to recognise that the significance of climate related risks varies considerably across our property portfolio. For example, heavy precipitation poses a greater threat to our London properties, while coastal flooding and wildfires are more relevant to assets in the Netherlands and Croatia, respectively. In contrast, risks such as heatwaves are applicable to all properties.

Some of our Dutch properties are located below sea level and therefore are potentially exposed to coastal flooding. However, the Netherlands has extensive coastal defence systems, significantly reducing the likelihood of such events. Similarly, while several of our hotels are situated near rivers, such as the River Thames in London, the risk of river flooding remains low due to robust flood protection infrastructure, including the Thames Barrier, which safeguards the city from tidal surges and rising sea levels.

Among the three flooding related risks – coastal, river and heavy precipitation – heavy precipitation is the most concerning, as it is the least mitigated at the city or regional level. Nevertheless, the expected impact on our properties remains minor.

Drought risk is particularly relevant to our Croatian properties. To reduce our exposure to this risk, desalination facilities were installed in Pula and Medulin in 2023. These plants now supply sufficient fresh water for landscape irrigation, helping to reduce freshwater withdrawal in the region.

Overall, while our properties are exposed to the transition and physical risks outlined above, none are expected to result in significant financial impact. For each risk, we have established control and mitigation measures, including insurance coverage and crisis management plans, which are reviewed regularly to ensure our response remains effective and adaptive.

**Climate related opportunities**

While climate change primarily presents risks to our business and the hospitality sector at large, we also actively seek to identify the opportunities it may bring. For PPHE, these opportunities often lie in our ability to adapt more swiftly than competitors, by offering more sustainable products and services to guests, and continuously improving the energy efficiency of our operations.

.These efforts will be further supported by the decarbonisation plan we developed in 2025, which outlines a detailed set of actions to reduce emissions across our assets and operations. Our commitment to reducing the Company's emissions through SBTi represents a strategic opportunity to enhance our competitiveness in climate related matters.

On the real estate side of our business, we are pursuing BREEAM In-Use certifications for selected properties, which will help us better understand the climate risks associated with each asset and improve our preparedness. They will also have the potential to enhance property value through third party validation of their sustainability performance and reduce refinancing costs through access to green loans.

**Risk management**

We operate a Group-wide Enterprise Risk Management (ERM) system that is embedded within the strategic planning of each corporate function. As noted earlier, we now treat climate related risks as core business risks, ensuring they receive appropriate attention in our planning and decision-making processes.

Our risk management framework is built on four key pillars that support informed decision-making: a) a risk-reward strategy; b) strong risk governance; c) a structured risk management process; and d) risk assurance.

We conduct quarterly enterprise risk assessments, evaluating the likelihood and potential impact of each identified risk. Following these assessments, the ESG Manager and the Head of Risk and Internal Audit inform the senior leadership team about any changes to the profile of existing risks or any new risks identified. This ensures that all relevant teams are promptly informed as appropriate, increasing ESG risk alignment across the organisation.

**Metrics and targets**

As part of our reporting obligations, every year, we provide a country-level breakdown of our carbon emissions for Scopes 1, 2 and 3 with related intensity metrics (see SECR paragraph). In 2026, we will also have our SBTi targets formally validated, adding to the metrics that we will report on yearly.

Besides these, other relevant environmental performance targets include:

- Certifying all new-build hotels, repositioning projects, and refurbishments through recognised building certification schemes. To support this, we have an internal policy to ensure consistent implementation.
- Procuring renewable electricity across all our properties. With our Radisson RED Belgrade property being supplied by renewable electricity from September 2025, this target has now been achieved and we aim to maintain this going forward.

**Streamlined Energy and Carbon Reporting**

Under the 2018 Regulations, the SECR requirements apply to quoted companies, large unquoted companies and large LLPs, for financial years starting on or after 1 April 2019.

This SECR report covers the reporting period from 1 January 2025 to 31 December 2025, and includes:

- Energy consumption data for 2025 and 2024
- Greenhouse gas (GHG) emissions for 2025 and 2024
- Intensity metrics for 2025 and 2024
- A summary of energy efficiency measures implemented in 2025
- The methodology used for calculating the above metrics

Our carbon footprint assessment follows the Greenhouse Gas Protocol, using region-specific emission factors. Emissions are reported across Scopes 1, 2 and 3.

**Scope 1** emissions cover direct emissions from the combustion of gaseous and transportation fuels by the Company.

- **Scope 2** emissions include indirect emissions from purchased electricity and district heating and cooling used in our hotels and offices.
- **Scope 3** emissions account for indirect emissions from the products and services we procure. While we do not have direct control over these emissions, we actively collaborate with our value chain partners to develop strategies for reducing them as part of our goal to achieve net zero by 2050.

Following on from the work carried out in previous years, in 2025, we continued with the established approach to calculating our carbon footprint. This includes clear ownership of input data across various teams and continuous checks on this data throughout the year, as well as on the final calculations. This process requires the involvement of the ESG, Engineering, Data, Finance and Procurement teams, together with external consultants, all working together in ensemble to ensure that the results are as accurate as possible.

Scope 2 emissions can be calculated using either a location-based or market-based approach. The location-based method uses the average emission factor of the local energy grid where the electricity is consumed. In contrast, the market-based method reflects specific contractual arrangements for energy procurement, such as renewable energy agreements and on-site renewable generation.

Carbon footprint calculations were carried out by Zero Carbon Services (ZCS) for PPHE and by Code Gaia for AHG. ZCS then consolidated the results to produce the Group-wide figures. The reported figures include all hotels under management, regardless of ownership structure. This means that emissions from Park Plaza County Hall London and art'otel London Battersea Power Station are fully accounted for.

The tables below present our carbon footprint and energy consumption data for both the UK and the entire Group for the years 2025 and 2024.

Table 3 Carbon footprint of PPHE Hotel Group – 2025

	tCO <sub>2</sub> e (market-based)	% of total (market-based)	tCO <sub>2</sub> e (location-based)	% of total (location-based)
Scope 1	9,404	12%	9,404	10%
Scope 2	2,063	3%	16,503	18%
Scope 3	67,274	85%	67,274	72%
<b>Total</b>	<b>78,741</b>	<b>100%</b>	<b>93,181</b>	<b>100%</b>

Table 4 Carbon footprint of PPHE Hotel Group – 2024

	tCO <sub>2</sub> e (market-based)	% of total (market-based)	tCO <sub>2</sub> e (location-based)	% of total (location-based)
Scope 1	9,661	11%	9,661	9%
Scope 2	1,887	2%	17,654	17%
Scope 3	74,744	87%	74,744	73%
<b>Total</b>	<b>86,292</b>	<b>100%</b>	<b>102,059</b>	<b>100%</b>

The tables above show that the Group's Scope 1 emissions have decreased year on year, which is due to two contributing factors:

- Some gas equipment was replaced with newer and more energy efficient electric equipment.
- Most hotels had lower refills of refrigerant gases, reducing related emissions.

Gas use reductions were mostly achieved in the UK and Netherlands across many hotels, with Park Plaza Westminster Bridge and Park Plaza Riverbank being the largest contributors to this decrease.

Scope 2 emissions were maintained at similar levels to 2024. With new hotels in the portfolio (art'otel Rome Piazza Sallustio) and others no longer part of it (Park Plaza Berlin Mitte), electricity consumption is expected to settle at new levels. Furthermore, the increased electrification of our properties means that to lower gas use corresponds higher electricity use. At the same time, higher energy efficiency of newer equipment allows us to run the same level of operations with lower energy use overall. All these factors combined contribute to the Scope 2 emissions reported above.

As of 2025, electricity consumption in all our regions is covered by RECs (Renewable Energy Certificates). The remaining market-based emissions are largely due to district heating use in some properties, which is not yet considered renewable.

Table 5 UK-only energy consumption (kWh) – 2025 vs 2024

Source	2025	2024 <sup>1</sup>
Natural gas	<b>26,657,256</b>	27,542,200
Electricity, district heating and cooling	<b>35,585,884</b>	34,811,760
<b>Total</b>	<b>62,243,140</b>	62,353,960

<sup>1</sup> The 2024 figure for Electricity, district heating and cooling is different compared to what was stated in the 2024 Annual Report. Due to billing issues on the supplier side, data reported in the 2024 Annual Report was overstated and this has now been amended in the current figure.

Table 6 PPHE Hotel Group energy consumption (kWh) – 2025 vs 2024

Source	2025	2024 <sup>1</sup>
Natural gas, petrol, diesel, heating oil and liquid gas <sup>2</sup>	<b>43,214,898</b>	42,109,398
Electricity, district heating and cooling	<b>73,206,021</b>	79,915,706
<b>Total</b>	<b>116,420,918</b>	122,025,104

<sup>1</sup> See note 1 in previous table.

<sup>2</sup> Petrol, diesel, heating oil and liquid gas are only used in some AHG properties.

While the year-on-year comparison does not show marked variations, there was a notable change in the calculations due to some primary data in Germany. In particular, the district heating emission factor in Germany provided by the supplier shows a significant change year on year, which skews Scope 2 emissions results for the country and is visible at the Group level as well. However, it is worth noting that this change reflects a more accurate emission factor and will allow us to have more truthful reporting going forward.

Scope 3 emissions in 2025 were lower than in 2024. This is due to the combined effect of different emission categories moving in opposite directions:

- Category 3.1 Purchased Goods and Services increased across the whole Group as a result of expanded operations (new hotel openings and increased revenues in most regions).
- Category 3.2 Capital Goods showed a marked reduction, which more than compensates the increase in category 3.1. This is because construction works for art'otel London Hoxton were completed in 2024 and those for art'otel Rome Piazza Sallustio in early 2025, leaving only routine refurbishment activities in category 3.2 in the rest of 2025. In previous years, the construction of art'otel London Hoxton was responsible for a significant amount of Scope 3 emissions, hence the observed drop in 2025.

The tables above show that overall energy consumption for the UK remained similar to levels in 2024, while for the Group it decreased, driven by a reduction in the category 'electricity, district heating and cooling'. However, this does not reflect a real drop in energy consumption and it is due to the installation of solar panels in Croatia. While solar panels started powering Grand Hotel Brioni and Park Plaza Arena in 2025, data on the energy generated by these will only be available in 2026. This leads our energy monitoring system to show a decrease in consumption of purchased energy, which is not compensated by the amount of energy generated on site. This issue will be resolved in 2026 and should no longer affect future energy reporting.

Intensity metrics

The intensity metrics we calculated are tonnes of CO<sub>2</sub>e/total revenue (£m) and kgCO<sub>2</sub>e/occupied room, both calculated using market-based emissions for Scope 2. The table below presents these ratios for each country. Please note that figures are rounded to one decimal place.

Table 7 PPHE's carbon intensity metrics for 2025 and 2024

	UK		The Netherlands		Croatia		Germany	
	2025	2024	2025	2024	2025	2024	2025	2024
Scope 1 and 2 emissions (tCO <sub>2</sub> e)	<b>5,901</b>	6,401	<b>1,166</b>	1,431	<b>2,339</b>	1,882	<b>1,046</b>	699
Revenue (£m)	<b>315.2</b>	301.0	<b>63.8</b>	66.2	<b>89.4</b>	84.1	<b>29.5</b>	30.4
tCO <sub>2</sub> e/£m	<b>18.7</b>	21.3	<b>18.3</b>	21.6	<b>26.2</b>	22.4	<b>35.5</b>	23.0
Rooms sold	<b>1,279,239</b>	1,208,901	<b>332,348</b>	339,560	<b>793,998</b>	790,695	<b>232,078</b>	228,060
kgCO <sub>2</sub> e/room sold	<b>4.6</b>	5.3	<b>3.5</b>	4.2	<b>2.9</b>	2.4	<b>4.5</b>	3.1
	Italy		Austria		Hungary		Serbia	
	2025	2024	2025	2024	2025	2024	2025	2024
Scope 1 and 2 emissions (tCO <sub>2</sub> e)	<b>8</b>	-	<b>194</b>	236	<b>275</b>	275	<b>538</b>	623
Revenue (£m)	<b>4.6</b>	-	<b>4.8</b>	4.2	<b>5.4</b>	5.3	<b>1.4</b>	1.1
tCO <sub>2</sub> e/£m	<b>1.7</b>	-	<b>40.1</b>	56.2	<b>50.9</b>	51.5	<b>391.1</b>	560.7
Rooms sold	<b>10,874</b>	-	<b>17,101</b>	16,274	<b>47,460</b>	44,597	<b>15,259</b>	10,838
kgCO <sub>2</sub> e/room sold	<b>0.7</b>	-	<b>11.3</b>	14.5	<b>5.8</b>	6.2	<b>35.3</b>	57.5

Most countries show a decrease in both metrics, with reductions in the UK, the Netherlands, Austria, Hungary and Serbia. This is especially significant considering that most of the emissions and revenues for the Group are generated in the UK and the Netherlands. In particular, the decrease of emissions in the Netherlands largely comes from art’otel Amsterdam. This is because in early 2025 we conducted a comprehensive maintenance service in the property to minimise damage to aircon system, markedly reducing breakage rate and associated f-gas emissions.

However, Croatia and Germany show the opposite trend. In Germany, this is largely justified by the change in district heating emission factor that was previously discussed. In Croatia, the increase is driven by two factors: 1) Higher gas consumption in the campsites due to operational changes; 2) Higher purchases of heating oil for storage. However, the latter is only an accounting issue, as larger than usual amounts of heating oil were purchased in 2025 and are only due to be used in 2026. Since it is not possible to determine exactly how much oil is used in a given period, the emissions are allocated to the year the oil was purchased in, that is 2025.

The 2024 figures for Italy are not shown in the table as art’otel Rome Piazza Sallustio was not yet operational, having opened only in March 2025. The reason for the Scope 1+2 value for 2025 being very low is that the hotel is almost entirely electrified and 100% of electricity is covered by RECs (Renewable Energy Certificates), therefore Scope 2 market-based emissions are zero and Scope 1 emissions are minimal.

Radisson RED Belgrade became the last property of the Group to be covered by RECs in September 2025. Therefore, to calculate the hotel’s Scope 2 market-based emissions we have applied an emission factor of zero for the period September-December 2025, which explains the drop in Scope 1+2 year on year. While the hotel’s revenues have increased, its occupancy was still low in 2025, contributing to the high intensity metrics in the table.

**Energy efficiency actions**

In 2025, we upgraded some of the equipment in our hotels to achieve energy efficiency gains, with the key improvements made across our portfolio described in the following paragraphs. In various hotels in the UK and the Netherlands, we have installed a new kitchen extract control system, leading to substantial energy savings in these areas. In Park Plaza London Westminster Bridge, we installed more efficient room lighting controllers, replaced hundreds of showerheads with more water-efficient ones, installed hundreds of new thermoelectric minibars and replaced older ovens with the latest model.

In Park Plaza London Riverbank and Park Plaza London Waterloo, we upgraded the room control system with new generation PIR sensors (Passive Infrared) in all rooms. In Park Plaza London Waterloo, we also replaced many minibars with more energy efficient ones and installed new circulation pumps, while in Park Plaza Victoria London, we installed new undercounter fridges in the restaurant and upgraded the walk-in fridges.

**Carbon footprint quantification and reporting methodology**

Our carbon footprint assessments were carried out by Zero Carbon Services for PPHE and by Code Gaia for AHG, following the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard. The sections below outline how data was collected across different emission scopes.

**Scope 1 – Direct emissions**

- Gas usage is tracked via automatic meter readings.
- F-gas emissions are reported by our suppliers, including data on refills and recovered gases.
- Company vehicle emissions are estimated based on fuel refill records, though these emissions are minimal.

**Scope 2 – Indirect emissions from energy**

- Electricity and district heating consumption is also monitored through automatic meter readings.
- In locations where we have renewable energy contracts, we apply an emission factor of zero to electricity use when calculating market-based emissions.

**Scope 3 – Other indirect emissions**

- Where feasible, Scope 3 emissions were calculated using the volume-based method, which accounts for over a third of total Scope 3 emissions.
- The majority were assessed using the spend-based method, with a small portion estimated using average data.

Further details on each emission category are provided in the table below.

Category	Description	Calculation method
<b>1. Purchased goods and services</b>	Data comes from our procurement system and it is integrated with our financial accounting system to ensure completeness and consistency.	F&B products: volume-based Non-F&B products and services: spend-based
<b>2. Capital goods</b>	Data comes from the CAPEX reports of each individual property.	Spend-based
<b>3. Fuel and energy-related activities (FERA)</b>	This is based on energy consumption captured for Scope 1 and 2.	Volume-based
<b>4. Upstream transportation and distribution</b>	Not applicable to PPHE.	
<b>5. Waste generated in operations</b>	Data comes from reports shared by our waste management suppliers.	Volume-based
<b>6. Business travel</b>	Data comes partly from reports shared by our travel agencies and partly from invoices, depending on the provider.	Mix of volume- and spend-based
<b>7. Employee commuting</b>	Calculations based on number of employees and average emission factors for the areas in which they are located.	Average data
<b>8. Upstream leased assets</b>	Not applicable to PPHE.	
<b>9. Downstream transport and distribution</b>	Not applicable to PPHE.	
<b>10. Processing of sold products</b>	The only input data for this category is that related to cooking oil, which is sold to companies that then recycle and repurpose it into new products.	Volume-based
<b>11. Use of sold products</b>	Not applicable to PPHE.	
<b>12. End-of-life treatment of sold products</b>	Not applicable to PPHE.	
<b>13. Downstream leased assets</b>	Not applicable to PPHE. While we do have some downstream leased assets (e.g. rented office and F&B areas), we are responsible for paying the utility bills for these assets, meaning that the associated emissions fall into our Scope 1 and 2 and not Scope 3.	
<b>14. Franchises</b>	We have two franchised properties in our portfolio, Park Plaza Cardiff (Wales) and Park Plaza Trier (Germany). Data for these calculations comes from the utility reports received directly from the hotels.	Volume-based
<b>15. Investments</b>	Not applicable to PPHE.	