



**PESTANA**  
HOTEL GROUP

# 2021 Sustainability Report



**PLANET GUEST**  
PESTANA SUSTAINABILITY





## PLANET GUEST

PESTANA SUSTAINABILITY

The PLANET GUEST, Pestana Sustainability Program, is an aggregating concept that conveys the Pestana Group's position as an organization that respects and values the environment, people, and corporate ethics.

These were the principles that, in 2009, led to the publication of the 1<sup>st</sup> sustainability report, as a voluntary accountability exercise to all the Group's stakeholders.

The 2021 sustainability report achieves the objective of disclosing the Planet Guest initiatives implemented this year, in the 6 focus areas that the program undertook in recent years. This report includes information from an ESG perspective, (E-Environmental; S-Social and G-Governance), which reflects the Group's approach to the disclosure of these 3 criteria of non-financial information. Therefore, within this scope, we present the management approach for the ESG topics that we consider relevant, as well as the 2021 performance, with a set of indicators that are part of our monitoring system.

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# 1. Message from the President





## 1. Message from the President



In 2021, the COVID 19 pandemic continued to have an enormous impact on life in society around the world and, of course, determined, among other effects, the suspension of activity of most establishments of the Pestana Group for almost the entire first half of the year.

Despite the pandemic, Pestana Group continued to support the activities of third parties, in the habitual terms, and even increased the actions developed in partnership or independently.

In fact, support was maintained within the scope of the “Obrigado por Ajudar” (Thank You for your Help) program, with special relevance to the Santo António Kindergarten, in S. Tomé e Príncipe, to EPIS and to Make a Wish, and also, for example, partnerships were secured with the João.13 Association, with the Estímulo NGO and with GRACE.

May I also mention the performance of such important actions as were the cases of energy efficiency projects, the reforestation of a portion of the Group's agricultural property, the Pestana Volunteering Day, the volunteering of Portuguese Doctors at the Maputo Central Hospital, as well as the welcoming of 5 homeless people at the Pestana Amsterdam Riverside Hotel.

It is also important to highlight the health care professionals welcoming program within the scope of Pestana Group. In fact, this program aims to thank the medical and nursing staff for their excellent and intense contribution during the pandemic period, thus allowing them to benefit from prices and services under preferential conditions.

In this way, the Pestana Hotel Group, and especially its Planet Guest project, maintained its commitment to promoting people's well-being and respect for the environment because, after all, “we are just guests of the planet”!

A final note to mention that, from a methodological point of view, this Report is already presented in a context of harmonization with the “ESG” factors (Environmental, Social and Governance) in anticipation of the criteria and the non-financial information roadmap that, in the long run, will necessarily be imposed on companies.

Dionísio Pestana

## 2. About Us

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With a path that is completing five decades of success, the PESTANA HOTEL GROUP is the largest multinational group of Portuguese origin in the Tourism sector. It is present in Europe, the Americas and Africa, with more than 100 hotels and 12,000 rooms under direct management.



3 Continentes

100 Mais de Hotéis

12000 Mais de Quartos



In the Hospitality industry, its core business, the Group operates with four brands: Pestana Hotels & Resorts, Pestana Collection Hotels, Pestana Pousadas de Portugal and Pestana CR7 Lifestyle Hotels; With the objective of offering complete and attractive products, the Group also operates in several business areas complementary to the hotel industry, namely tourist real estate, tourist entertainment and golf.



## Hotels & Resorts

### **Pestana Hotels & Resorts – Cosmopolitan Hotels & Paradise Resorts**

Fantásticos resorts em sítios únicos e localizações centrais e singulares nas cidades mais cosmopolitas do mundo. Portfólio com mais de 50 hotéis sofisticados, de quatro e cinco estrelas, localizados em 3 continentes: Europa, África e América.



## Pousadas de Portugal

### **Pestana Pousadas de Portugal – Únicos hotéis do Património Português**

As Pousadas de Portugal do Grupo Pestana, oferecem a experiência imersiva de estar nas propriedades mais históricas e icónicas do país, sejam elas castelos, palácios, fortes, mosteiros ou conventos. Autenticamente portuguesas de coração, a gestão destas 34 Pousadas foram concebidas ao Grupo Pestana, pelo governo português em 2003.



## Collection Hotels

### **Pestana Collection Hotels – Seleção de Luxo**

Uma premiada seleção de 7 Unidades que apresentam o melhor da hospitalidade em Portugal, Holanda e Espanha. Localizadas em Lisboa, Cascais, Porto Amesterdão e Madrid todas as propriedades estão inseridas em luxuosos edifícios e monumentos, todos eles situados em locais privilegiados. Tesouros escondidos, agora descobertos, que oferecem experiências únicas e enriquecedoras em propriedades históricas e surpreendentes.



## Lifestyle Hotels

### **Pestana CR7 Lifestyle Hotels – Vibrante. Exclusivo. Urbano. Único**

A nova marca Lifestyle é a combinação perfeita entre a experiência hoteleira do Grupo Pestana e o estilo de vida de Cristiano Ronaldo (CR7). Individual, elegante e situado em locais excecionais, o Funchal e Lisboa foram as primeiras localidades escolhidas pela marca, seguindo-se pela abertura dos hotéis em Madrid e em Nova Iorque. Estão anunciadas próximas aberturas em Marraquexe e Paris.

# 3. Key figures for 2021



## 3. Key figures for 2021

### Provision of services

Number of countries where Pestana Group is present:	15
Number of hotels units:	105
Number of rooms:	12 000
Number of customers:	248,402
Number of PPG customers:	80,946
Total sales volume:	€ 295,421,144
EBITDA:	€ 96,190,552

### ESG Context

Environment (E)	
Electricity consumption:	40,864,174 Kwh
Electricity consumption per m <sup>2</sup> :	49.0 Kwh
Electricity consumption per customer:	19.3 Kwh
Water consumption:	680,291 m <sup>3</sup>
Water consumption per m <sup>2</sup> :	0.9 m <sup>3</sup>
Water consumption per customer:	0.3 m <sup>3</sup>
Natural gas consumption per m <sup>2</sup> :	2.5 m <sup>3</sup>
Natural gas consumption per customer:	1.0 m <sup>3</sup>
Butane gas consumption per m <sup>2</sup> :	1.8 kg
Butane gas consumption per customer:	0.7 Kg
Fuel consumption per m <sup>2</sup> :	1.3 L
Fuel consumption per customer:	1.4 L



### 3. Key figures for 2021 (continued)

#### Social (S)

##### Internal dimension

Employees with management positions:	39% <small>(16% of the total number of employees)</small>
Accident frequency rate:	1.88
Employees with a salary above the national minimum wage:	94%
Average seniority of employees:	11 years

##### External dimension

Amount paid in taxes:	€ 42,761,197
Amount paid to suppliers:	€ 142,891,420
Costs with employees:	€ 60,476,545
Funding received from public entities:	€ 7,911,085

#### Governance (G)

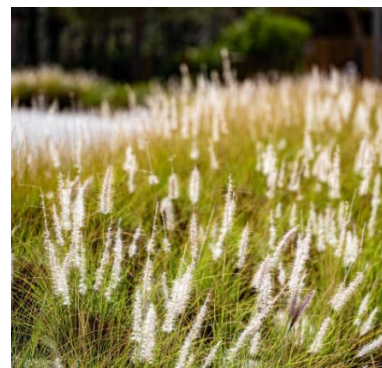
Number of women on the Executive Committee:	2
Number of lawsuits for legal infractions:	0
Number of cybersecurity incidents or data protection breaches:	0

# 4. Some of the iconic establishments for their activity in the field of sustainability

## 4. Some of the iconic establishments for their activity in the field of sustainability

### Pestana Tróia Eco-Resort (Portugal)

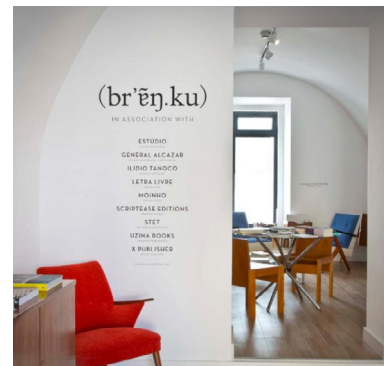
The infrastructures are integrated into the landscape and native vegetation, promoting the well-being of users and the conservation of the natural habitats of fauna and flora. Representatives of the local community and public bodies participated in the installation process and participated in the determination of the architectural style, integration of the constructions in the topography of the soil and landscape as well as in the type and colour of the materials used, with the acoustic, thermal and energy solutions being integrated and optimized. Preferential use was made of native and traditional local vegetation.





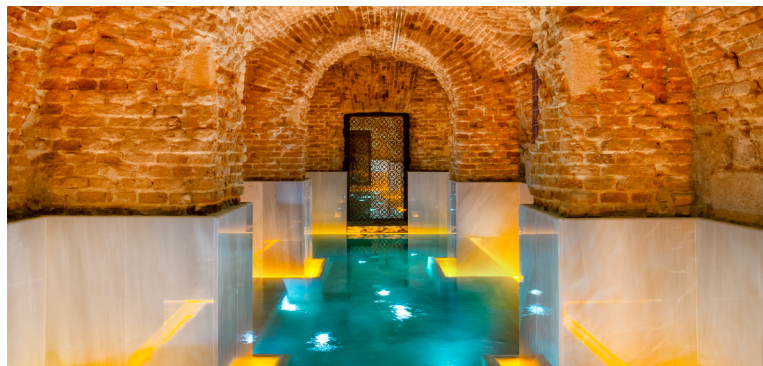
## Cidadela de Cascais – Pousada & Art District (Portugal)

It includes within its scope a space dedicated to the arts, which has been promoting the operation of workshops, bookstores, galleries, several artistic residencies and even the installation of the so-called “author's rooms”. The active studios, open to the community and some of them with live painting activities, allow guests and visitors to watch the creative process.



## Pestana Plaza Mayor (Espanha)

A Hotel was installed in the Plaza Mayor, in Madrid, based on the restoration of two historic buildings over 400 years old: the Casa de la Carniceria and the Fire Station. The original construction was designed by the Architect Juan Gómez Mora, in 1617, and its restoration and adaptation to hotel and tourism purposes demonstrates the Pestana Group's commitment to the restoration of classified heritage, regardless of its location.





## Pestana Bazaruto (Moçambique)

Given the needs of the nearest local community, Machulane, namely access to drinking water, electricity, or health care, through the “we are together” project, the Hotel helped create and supports the operation of a community centre where locals sell their handicrafts to tourists. In the same community centre, English classes are taught in order to allow the inhabitants to gain the necessary skills to perform as tourist guides.





## Pestana Equador (S. Tomé e Príncipe)

The Hotel Pestana Equador maintains a nesting area for turtles, where thousands of turtles have already bred, of the hawksbill turtle species, which, moreover, is on the verge of extinction. We oversee egg collection and night surveillance to protect turtles in partnership with a local NGO, later conducting turtle release activities with customers.



## Pestana Miramar (S. Tomé e Príncipe)

At the Hotel Pestana Miramar, a medical clinic and respective equipment was installed, for free medical appointments for our employees and their families, by doctors on vacation, on a voluntary basis. In partnership with the Ministry of Health, and in order to combat the lack of medicines on the island, Hotels in S. Tomé established contact with several ethics committees of pharmaceutical companies, for the importation of medicines, under the patronage law.





## Pestana Palace (Portugal)

During the most acute phase of the COVID 19 pandemic, this Hotel had its hotel activity suspended, but its kitchen has always worked to prepare around 200 meals a day for homeless people and other people in need in the cities of Lisbon and Amadora.



## Pousada do Palácio de Queluz (Portugal)

In the context of the pandemic, it adapted its spaces and allocated 8 rooms to the Fernando da Fonseca Hospital (Amadora-Sintra) for temporary accommodation for health professionals who could not use their homes to avoid the risk of infection or because there was no transport. During this period, the Inn operated solely to accommodate these professionals.



# 5. Planet Guest's key initiatives in 2021





# Respect for the Environment

This is the only Planet we have, and it is our obligation to reduce our “footprint” as much as possible.

## Social and environmental responsibility seal

In 2021, AHP (Portuguese Hotel Association) once again awarded the Pestana Hotel Group the Social and Environmental Responsibility seals that certify the good practices it implements in this area.



## Pestana volunteering day

The Pestana Volunteering Day was celebrated at the Pestana Tróia Eco-Resort through the placement of signs asking for respect for the dunes and forest cleaning actions.

Environmental awareness actions were conducted in the same establishment, coordinated by Xico Gaivota.

## Green key

All Pestana hotels in the Madeira region have been certified with the Green Key Seal.

## National sustainability award

Jornal de Negócios promoted the National Sustainability Award that distinguishes companies and organizations for good sustainability practices in the different ESG areas and awarded the Pestana Group an Honourable Mention in the Sustainable Finance Category for subscribing to “green bonds” for the Pestana Tróia and Pestana Blue Alvor projects.

Pestana Group was the first hotel company worldwide to issue “green bonds”, which clearly demonstrates its commitment to Sustainability and the nature of its projects.



## Reforestation and forest improvement of herdade da pereira and associated properties – Pestana Algarve

Due to the destruction caused by the fire in August 2018, there was an intervention in 391 ha, of which 156.4 are cork oak plantations and 234.6 are the use of existing vegetation. 24,500 cork oaks have already been planted out of a total of 70,380 planned, which led to the creation of a Priority Area within the scope of the Program for Reorganizing and Managing the Landscape of the Monchique Mountain Range and Silves Mountain Range (76% financed by the PDR 2020 (rural development program)).

This action allows for a better landscape of the future resort, protection of the property against fire and maintenance of that protection in the long term and increase of the forest productive potential (cork and arbutus).



## Energy efficiency and renewable energy projects

### M&J pestana projects

#### Pestana Promenade:

Replacement of 1 chiller.

#### Pestana Royal:

Replacement of 2 chillers.

Thermal insulation of the Thermal boiler piping.

Biomass Installation for DHW production.

Consumption monitoring and photovoltaic installation.

Energy audit and studies.

The actions indicated above will translate into an estimated reduction of 324 tons of CO<sub>2</sub>/year.

### Madeira beer company projects

#### Steam production:

Biomass burning boilers.

#### Mashing:

Recirculation of hot wort from the wort kettle.

Installation of thermal insulation for pipes and tanks.

90 KW Engine replacement of ammonia compressor No. 1.

45 KW Engine replacement of ammonia compressor No. 2.

15Kw engine replacement, water purification pump no.1.

15Kw engine replacement, Glycoated Water pumps nº 4 and nº 6.

15Kw engine replacement, Glycoated Water pump nº 1.

New air compressor with automatic speed variation.

Energy recovery from overheated ammonia.

Improved energy audit/ energy studies/ assessment.

Within the scope of “Empresa de Cervejas da Madeira”, it is estimated that the actions indicated above will reduce emissions by 2,116 tons of CO<sub>2</sub>/year.

# Restoration and preservation of heritage sites

In 2021, the Pestana Hotel Group continued the restoration and preservation of classified heritage sites for the installation of Pestana establishments.



## Restoration of property and Adaptation for hotel purposes

In 2021, the projects of Pestana Douro (former Floral Factory), Pousada Porto (Palace in the historic centre), Vila Real de Santo António (Pombaline historic centre), Fisherman, (former Torrebelas – Câmara de Lobos), Pestana Vintage Lisboa (Lisbon), Pestana CR7 (Madrid) and the projects of Rua Augusta and Alfama, in Lisbon.

### Pousada do Porto



BEFORE



AFTER

### Pousada de Vila Real de Santo António



BEFORE



AFTER

### Pousada de Alfama



BEFORE



DURING

## Support and relations with the local community

Given the context of the pandemic and the conditions verified during the year 2021, our commitment to the well-being and quality of life of the local communities where our hotels are located was strengthened, promoting development and greater social equity.

## Thank you for your help

For every euro donated by guests, the Pestana Hotel Group matches the same amount.

### Portugal:

Casa da Alegria (Lisbon)  
Crescer Ser (Porto)  
Lar Bom Samaritano (Alvor)  
Criamar (Madeira)  
AFACIDASE (Manteigas)  
S. C. M. Vila Franca do Campo (Azores)

### São Tomé e Príncipe:

Santo António Kindergarten (São Tomé)  
– funds collected in São Tomé and Príncipe,  
Germany, the Netherlands, Spain,  
the United Kingdom, and the USA.

### Other countries and institutions:

South Africa – Siya Buddy  
Argentina – Nilus  
Brazil – Teto  
Cabo Verde – Maracanã  
Morocco – Oeuvre de la Goutte de Laït  
Mozambique – Casa do Gaiato



## Santo António kindergarten – São Tomé

Although many units were closed due to the pandemic, we maintained our commitment to this work, financed by the Group, under the protocol signed with the Ministries of Education and Labour of São Tomé and Príncipe.

## Donation of toys

Planet Guest obtained and redistributed around 50 boxes of new or in good condition toys.



## João.13 Association

The weekly collaboration of workers continued, in partnership with “Colégio Pedro Arrupe”, in the provision by the Pestana Hotel Group of 70 dinners and 70 breakfasts, to the homeless in the city of Lisbon, through the João.13 Association.

## Health professionals and Amadora Sintra Hospital

The Pestana Hotel Group has developed a program dedicated to Health Professionals and another aimed especially at Hospital Amadora Sintra, promoting an improvement in prices, and booking conditions, recognizing their service during the pandemic.

## Hospes program

Collaboration with AHP in the Hospes program, through the donation of goods to social solidarity institutions.



## MAKE a WISH

Partnership with MAKE a WISH to help fulfil the wishes of children with terminal illnesses.



## Estímulo NGO

Support for displaced people from Cabo Delgado through the collection and shipment of 2 containers of clothing intended for displaced people from Cabo Delgado which, in partnership with the Estimulo NGO, was delivered to them in Beira.



## Vaccination centres

Inns of Vila de Óbidos, Viseu, Cidadela de Cascais and Convento de Beja were made available to function as Vaccination Centres.



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## Dream/Santo Egídio Community

Support for the diagnosis of cervical cancer, in Maputo, Mozambique, through the donation of surgical tweezers to the DREAM Association/Santo Egídio Community.

## Maputo Central Hospital

Support for volunteer work by 11 Portuguese doctors at the Maputo Central Hospital to train 40 doctors from that Hospital and from other regions of Mozambique in the field of geriatrics, pain, and palliative care.

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## Pestana Amsterdam Riverside

For 3 months, we accommodated 5 people whose families or professional activities (small businesses or jobs) were greatly affected by the pandemic.

The Hotel also provided consultancy and support for people to find a new livelihood in Amsterdam.



# Education and culture

We continued to implement measures and support initiatives that value the cultural identity of the regions where the Pestana Hotel Group operates.

## Arte Institute

Organization headquartered in New York, whose mission is to promote Portuguese art and culture. It provides an intercultural space of inspiration, a catalyst for an innovative artistic dialogue, in the promotion of Portuguese artists. In 2021, we resumed the support of the Pestana Hotel Group, already with some activity abroad.



## EPIS

We maintained the award of 3 social grants to young people supported by EPIS as well as offering accommodation for EPIS employees. This association's mission is to train young people in need to achieve their potential throughout their lives, through education, training, and professional insertion.



## Dejá Lu

We continued to support the Déjá Lu solidarity project, by providing space for its activities at the Pestana Cidadela de Cascais. The association sells second-hand books, which are donated to it, donating the proceeds to support projects for the professionalization of children with Down syndrome.



## Art For You

Partnership with this Portuguese company that designs and performs cultural and institutional exhibitions and events of excellence at national and international level. Spaces are provided at hotel units of Pestana Group, while Art For You provides pieces of art for exhibition.



# Internal social responsibility

The well-being and support of workers continues to be one of the focuses of our activity.



## Medical mission at the Maputo Central Hospital

Partnership with Portuguese doctors at Maputo Central Hospital, who, on a voluntary basis during their stay at Pestana Rovuma, provided free appointments and training on health care to our Employees and their families.

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## Skills volunteering

Pestana Employees with specific skills (lawyers, accountants, etc.) continue to dedicate some of their time/week to help colleagues deal with situations in their personal lives.

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## Transfer of equipment

Providing computer equipment to workers to support their children's education when schools closed again in February and March.

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## Medical clinic at Pestana Miramar (São Tomé)

We maintained the operation of the medical clinic with free appointments for Pestana Hotel Group employees and their families, through the accommodation of volunteer doctors whenever necessary.

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## 2021 Christmas initiative

In addition to giving a Christmas hamper to all workers, around 50 additional hampers were distributed to improve the situation of workers and their families.

# Support for entrepreneurial projects

We believe that business initiative is a decisive factor in social development.

## Girl Move

Girl Move is an organisation that contributes to social change in Mozambique, providing young Mozambican university students with active training and mentoring at national and international level. It includes practical experience as they are given counselling opportunities for other young university students (under the BELIEVE Programme, in Mwarusi) and an international trainee course in Portugal. In 2021, we hosted Arlete, in a hybrid format (online and face-to-face sessions), with experience in areas such as Planet Guest, Communication and Human Resources.



## Support to refugees

Agreements were signed with the Jesuit Refugee Service and with the High Commissariat for Migrations with a view to welcoming refugees or migrants as workers of the Pestana Group.



## La Caixa Foundation / Johnson Academy

This partnership seeks to respond to the needs of the most vulnerable entities, such as people with disabilities, immigrants, young people, or women who are victims of gender violence. The Pestana Hotel Group supported, together with the La Caixa Foundation, the Johnson Academy project regarding the installation of a music studio (Pestana 2021 Sustainability Award).



## Commitment to inclusion – Nova SBE

Having been duly concluded, the Commitment to Inclusion was maintained during 2021, which aims to accelerate the integration of people with disabilities into the labour market, in anticipation of the legal deadlines.

# 6. ESG Approach



## 6. ESG Approach

This chapter discloses the management approach and the set of non-financial indicators that the Group monitors annually, in the exercise of its commitment towards Sustainable Development.

Organized around the ESG areas, the good practices and initiatives associated with the relevant topics, reflect the voluntary practices of the Group, and translate the non-financial aspects considered by its Policies that, in this context, have been incorporated in the operation management.

Environment (E)	Social (S)	Governance (G)
<ul style="list-style-type: none"> <li>• Energy and Climate</li> <li>• Water Resources</li> <li>• Waste and Circular Economy</li> <li>• Biodiversity</li> <li>• Heritage</li> </ul>	<ul style="list-style-type: none"> <li>• Human capital management</li> <li>• Development</li> <li>• Diversity, equality, and inclusion</li> <li>• Training</li> <li>• Security</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Conduct and Ethics</li> <li>• Compliance</li> <li>• Cybersecurity</li> <li>• Data protection</li> <li>• EC functioning</li> </ul>

The mapping of relevant topics results from the non-financial aspects included in the management of the Group, which, in general, coincide with the topics considered as critical by the ESG regulations in our sector.

In order to get closer to the new regulatory requirements on ESG, the Group will start implementing the necessary procedures to ensure compliance with the new regulatory framework in this matter, and in the following table we list the existing Policies in the Group through which the voluntary commitments in this field are expressed and implemented.

	E	S	G
Conduct & Ethics Code	✓	✓	✓
Compliance Manual	✓	✓	✓
Sustainability Policy	✓	✓	✓
HACCP Policy		✓	
Vehicle use policy	✓		

## 1. Environment (E)

Pursuing its policies in terms of energy and water efficiency, Pestana Hotel Group maintained and even strengthened during 2021 the procedures specifically aimed at combating waste, which it had in place, although in the reference period the issue did not have the same acuity due to the fact that most establishments saw, for most of the time, their activity suspended or very reduced.

For this purpose, the SIMAC (Consumption Monitoring and Alerting System) continued to be applied, which has been in use for some years in around 30 establishments and which corresponds to an automatic procedure for measuring consumption in real time and transmission of alerts whenever anomalous consumption is detected, thus allowing an immediate reaction to signs of excessive consumption, which in the specific case of water often corresponds to losses or bursts that would otherwise be difficult to perceive.

Regarding the set of establishments where this system is installed, a monthly consumption monitoring is conducted in the key areas or operating systems (HVAC systems, kitchens, and swimming pools, etc.) and its compared with the same situation in the same month of the previous year.

For all its establishments (nationally and internationally) the Pestana Hotel Group has instituted a system for recording and comparing consumptions, whose frequency is quarterly.

The data is collected by the shared services and distributed to all those responsible for operations with the specific request for analysis and interpretation, namely regarding situations of greater increases in consumption, with a aim at determining the reasons that caused such deviations and the definition of a solution strategy, either through changes in behaviour or through the introduction of changes in facilities and equipment.

### Energy and climate, a global challenge also undertook by Pestana Group

In its daily operation, the Group incorporates good environmental practices with the aim of reducing its impact in that area and promoting the continuous improvement of its performance, reducing operating costs. Our responsible attitude towards the environment makes us act in order to use natural resources more rationally and guarantee a sustainable future for future generations, also ensuring the business continuity in the Tourism Area.

### Management & performance

Pestana Group aims to reduce its ecological footprint. Therefore, it has promoted the reduction of energy consumption as well as its production from alternative sources (photovoltaic, biomass and heat pumps), combining environmental responsibility with the economic benefits. The Group has created a department exclusively dedicated to the issue, so that it can devote the attention that its relevance justifies.

The year 2021 was marked by reduced hotel activity due to the pandemic, with many units closed for prolonged periods. Despite this, the usual monitoring and analysis of consumption was maintained, following the procedure conducted in recent years.

On the other hand, in 2021, the activity of changing facilities and equipment aimed at greater energy efficiency continued, through the investment made in the Pestana Promenade and Pestana Royal Hotels as well as in the “Empresa de Cervejas da Madeira”, as will be detailed below.

Likewise, in 2021, intense reforestation work was conducted at “Herdade da Pereira”, an agricultural property belonging to the Pestana Group that was devastated by fire years ago and is now being restored, using indigenous species for this purpose. more adapted to the morphology of the terrain and the climate, which corresponds to an additional sustainability factor of the project.

### Measures adopted by hotel establishments

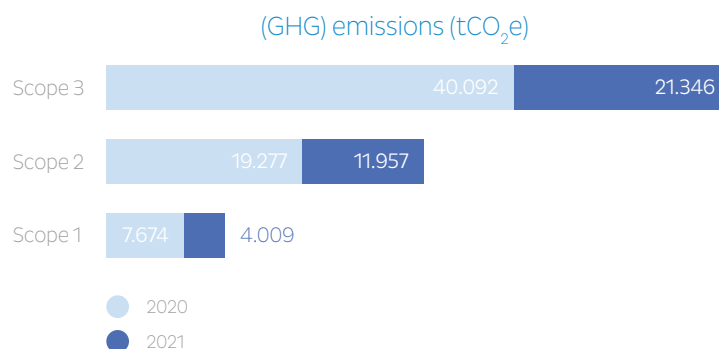
During 2021, the following key measures were adopted in the Pestana Group's hotels regarding these issues:

- a) Implementation of programs with specific measures by operational area (reception, housekeeping, laundries, F&B, kitchens, gardens, swimming pools, maintenance, etc.)
- b) Conducting training, awareness-raising, and dissemination of good environmental practices actions;
- c) Placement of signage to raise awareness of customers;
- d) Limitation of consumption, in vacant areas;
- e) Elimination of consumption in equipment whose connection is not necessary;
- f) Replacement of equipment with more efficient ones (e.g., light bulbs);
- g) Control of the operation of the electrical systems of the rooms through the room key, allowing its operation when occupied and its deactivation when the room is vacant;
- h) Control of the room temperature in the public areas of the hotels;
- i) Placement of motion sensors in passing areas and in areas with reduced stay time.

	Consumption per m <sup>2</sup>				Consumption per customer			
	Electricity Kwh	Natural gas m <sup>3</sup>	Butane gas kg	Fuel\ Diesel L	Electricity Kwh	Natural gas m <sup>3</sup>	Butane gas kg	Fuel\ Diesel L
Portugal	44,0	2,9	1,8	0,8	16,5	1,0	0,7	0,4
Rest of the world	70,5	1,7	2,4	1,6	34,3	1,0	0,8	3,8
Total	49,0	2,5	1,8	1,3	19,3	1,0	0,7	1,4

GHG emissions (tCO <sub>2</sub> e)	2019	2021	Variation (%)
<b>Scope 1</b>	7.674	4.009	-48%
Fugitive emissions	178	252	42%
Stationary Combustion	6.614	3.046	-54%
Car fleet	882	711	-19%
<b>Scope 2</b>	19.277	11.957	-38%
Market-based method	19.890	12.333	-38%
Location-based method	19.277	11.957	-38%
<b>Scope 3 *</b>	40.092	21.346	-47%
Category 1 – Purchased goods and services	31.118	16.419	-47%
Category 2 – Capital goods	2.916	826	-72%
Category 3 – Energy-related activities	4.256	2.508	-41%
Category 5 – Waste generated in operations	741	1.006	36%
Category 6 – Business travel	1.061	587	-45%
<b>Total Emissions</b>	67.043	37.312	-44%

\* Categories 4 (Upstream transportation and distribution) and 8 (Upstream leased assets) of scope 3 were also calculated but, since they represent less than 5% of the Pestana Group's total emissions, they were calculated based on estimates and approximations of inadequate quality, therefore these were omitted.





It should be noted that, although it compares very well and has better environmental performance than other international hotel groups of equivalent size and structure, in 2021, compared to 2019, Pestana Group reduced CO<sub>2</sub> emissions by a total of 44%, corresponding to 48% in scope 1, 38% to scope 2 and 47% to scope 3.

## Water resources, a critical resource for everyone

Water is one of the most important resources for the Planet and it is a fundamental resource for the operation of our hotel units as it is necessary for guest rooms, kitchens, general cleaning, irrigation of green spaces and swimming pools. Evidently, being such a necessary and increasingly scarce resource, good management of it is crucial.

### Management & performance

We conduct monitoring through records, on a daily basis, which allows for better management and immediate correction of errors if they occur.

	Water consumption per m <sup>2</sup> m <sup>3</sup>	Water Consumption per Customer m <sup>3</sup>
Portugal	0,8	0,3
Rest of the world	0,9	0,5
Total	0,9	0,3

### Measures adopted in our hotel units

In 2021, in the Pestana Group's hotel establishments, the following measures were adopted in this area:

- a) Implementation of programs with specific measures by area (reception, housekeeping, laundries, kitchens, gardens, swimming pools, maintenance, etc.);
- b) Conducting training, awareness-raising, and dissemination of good environmental practices actions;
- c) Placement of signage to raise awareness of customers;
- d) Placement of water-saving systems on taps and showers in accommodation units and kitchens;
- e) Calibration of toilets so that the water flush is reduced;
- f) Existence of double flush toilets;
- g) Daily monitoring of consumption in order to detect losses or waste;
- h) Use of water from irrigation channels for the gardens, in Madeira;

- i) Automatic and drip irrigation systems to make irrigation more efficient and definition of irrigation periods, in which evaporation is lower (morning and end of the day);
- j) Use of wastewater for irrigation of golf courses.

## Waste Management and Circular Economy

Waste management is a concern of Pestana Group not only for environmental reasons but also to provide our customers with a more pleasant and healthy environment. In this context, we have as a principle the promotion of waste reduction and the encouragement of recycling and reuse of waste and materials, seeking that these measures simultaneously optimize the reduction of the costs of the hotel operation.

### Measures taken in our hotel units

In 2021, the following measures were adopted in this area:

- a) Sorting of recyclable waste, namely packaging, glass, paper/cardboard, cooking oil, organic waste, light bulbs, batteries, and others.
- b) Opting for durable, recycled, and recyclable materials (whenever possible and economically viable).
- c) Gradual elimination of individual portions of products in order to reduce the production of packaging waste.

### Reduction of food waste

The Group has sought to reduce food waste and in 2021 adopted the following measures:

- a) Daily management of perishable food orders, adapting the purchase to the hotel's occupancy levels;
- b) Commitment to hygiene and food safety, implemented within the scope of our HACCP certification, extending the shelf life of food, safely, resulting from its proper packaging and handling;
- c) Reutilization of food, such as fruit, which were still in good condition, for the preparation of jams;
- d) Reutilization of meals not consumed by the guests for the internal cafeterias, where meals were served to the employees of each hotel;
- e) Meal donation, avoiding food waste from leftover meals, through the partnership with REFOOD.

## “SAY NO TO PLASTIC”

The Pestana Hotel Group (PHG) introduced in 2019 and has since maintained a set of measures aimed at reducing the use of plastic objects by its customers, focusing on the following items:

- a) Straws: elimination of plastic straws and the introduction of an ecological option, in paper, being those available only upon request. This measure allows the reduction of more than 1.5 million plastic straws per year;
- b) Cups: replacement of disposable plastic cups with reusable or paper cups, with an estimated reduction of 5 million units per year;
- c) Hygiene product dispensers: placement of liquid soap, shower gel and shampoo dispensers in bathrooms instead of small bottles, in order to substantially reduce the plastic used;
- d) Ballpoint pens: gradual replacement of pens with pencils, following the example initiated by Pousadas de Portugal;
- e) Keys: raising awareness among customers to always return their room keys and moving towards digital opening solutions that do not require a key.

The measures adopted within the scope of this project allowed a reduction of about 60% of non-reusable plastic, which only has not been more consistent and in-depth due to the pandemic and the inherent prevention and safety requirements.

## Biodiversity, an asset to our business

In Portugal, the Pousada do Infante, in Sagres, is part of a protected area, the hotels located in Mozambique and South Africa occupy respectively 6,500 m<sup>2</sup> and 50,000 m<sup>2</sup> of protected area, and the Pestana Tróia Eco Resort is a unit located in an Ecological Reserve area, where construction occupies only 5% of off-road terrain, with the remaining 95% of the eco-resort area made up of an ecological reserve (50%) and protected forest area (45%).

On the other hand, “Pousada da Caniçada-Gerês” is located remarkably close to the incredible Peneda-Gerês National Park.

The aforementioned establishments are therefore subject to rules for the preservation of biodiversity, which are supervised by the managing entities of the natural parks and, in that context, cooperate with the initiatives conducted by these entities.

## Heritage

The restoration and preservation of heritage sites is part of one of the 6 pillars defined as strategic in the Planet Guest program, which reveals the importance that the Pestana Hotel Group attaches to this aspect of its activity.

### Management & performance

With regard to this area, it is important to underline the continued commitment to the restoration of heritage and its use for hotel and tourism. It is an adequate way to avoid degradation and to rebuild or maintain buildings located in the historic centres of the respective localities, with respect for their design and other architectural characteristics and to give them a new purpose that will ensure their future activity.

Heritage buildings are the object of a restoration intervention with respect for their characteristics so that their essence can allow the creation of hotel experiences.

### Actions conducted in 2021

In 2021, works on several projects were completed or continued, thus continuing the work that has been conducted in this area for decades and which in recent years has allowed Pestana hotels to start operating in Câmara de Lobos, Funchal, Lisbon, Óbidos, Porto and Vila Real de Santo António, in Portugal, or in Amsterdam, Madrid and New York, abroad.

Thus, were completed the projects of Pestana Douro (former Floral Factory), Pousada Porto (Palace in the historic centre), Vila Real de Santo António (Pombaline historic centre), Fisherman, (former Torrebelá – Câmara de Lobos), Pestana Vintage Lisboa (Lisbon), Pestana CR7 (Madrid).

## 2. Social (S)

Human Capital is central to the Pestana Hotel Group and key to the sustainability and success of our activity, which is an activity of people for people. Bearing in mind the Group's expansion, namely through new openings, the focus on internal and external talent has been a priority and a fundamental aspect to ensure the sharing of knowledge and dissemination of the Pestana Culture in establishments that have just joined the network.

### The Pestana Culture is based on 5 values:

Be collaborative, Be passionate, Be efficient, Be conscientious and Be agile.

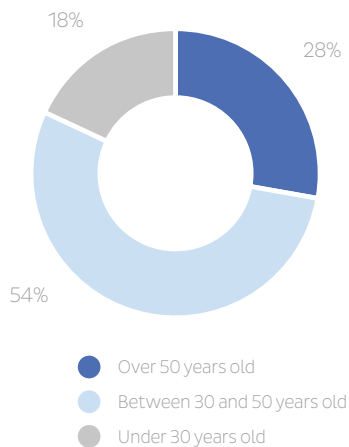
### Pestana Hotel Group team profile in 2021

Pestana Hotel Group	Portugal Hospitality	Europe Hospitality	Africa Hospitality	America Hospitality
3199	2306	243	357	293

With a total of 3199 Employees, spread over 3 continents, we are a relevant employer, especially in the Portuguese market, due to our leadership in the hospitality sector. In 2021, our team comprised 43% of women, 39% of whom in management positions (16% in relation to the total number of Employees). In a year in which Tourism was once again heavily impacted by the pandemic, we continued to contribute to employability, with 691 new jobs created and with 24 Employees with disabilities employed, thus reflecting the exercise of inclusive employability.

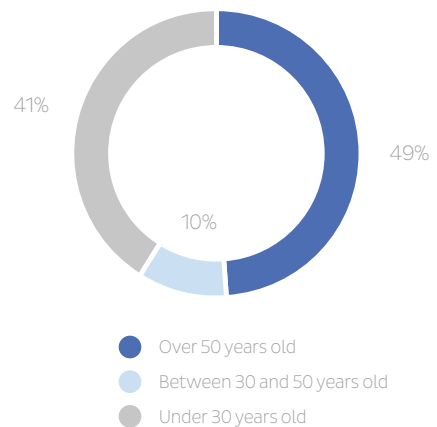
A team with room for all ages, which combines the energy and irreverence of the youngest with the experience of the oldest

#### Pestana Hotel Group employees by age group



In 2021, we continued to create employment, with the addition of 691 jobs

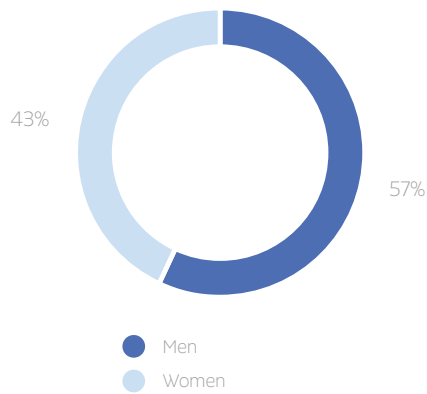
#### New employees of the Pestana Hotel Group, by age group





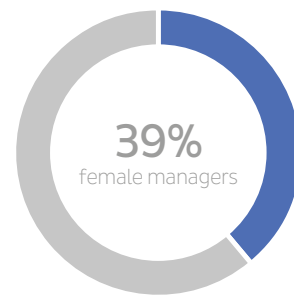
A balanced team that  
promotes equality

Pestana Hotel Grupo  
employees by gender



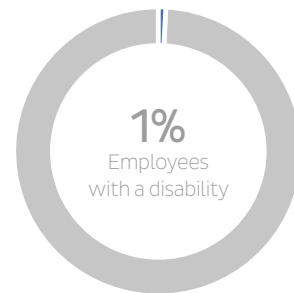
39% of our female employees  
hold management positions

% of Women with  
Management Positions



A team made up of a great  
cultural diversity

**59**  
nationalities present in the Pestana  
team. Diversity makes us more  
capable of innovating, to better  
respond to the needs of Customers



From a social perspective, the year 2021 was characterized by the adoption of rules regarding the fight against the pandemic and the adequate management of human resources in this context, and by the approval of medium to long term policies and procedures.

**Key areas of focus, on a pandemic year: safety, health, and employability of human capital through:**

- a) Protection of employees' health and safety;
- b) Safeguarding jobs and income;
- c) Maintaining team spirit;
- d) Systematic communication with Employees, including sessions with the President of the Group;
- e) Training for Employees.

## Human Capital Management at Pestana Group

The human resources department has teams allocated in several areas, with operations, which closely monitor hotel establishments in the various regions as well as other businesses (real estate, golf, tourist entertainment and Pestana Vacation Club) and with shared services, in order to support the needs of the most corporate areas. There are also resources that manage more transversal topics, namely the Payroll and Systems team, responsible for the entire management of human resources administrative processes, development, and support, as well as the talent development, training, and internal communication team.

During the 2019-2021 three-year period, the Group prioritized 10 pillars in the HR area, which served as guidelines for the initiatives developed during the period under review. Of these pillars, we highlight topics such as the strengthening of relationships between operations and shared services, the development of internal communication, the talent attraction and retention and the qualification of our teams through training.

Meanwhile, we have defined 6 strategic pillars for the 2022-2024 three-year period, in which these initiatives will continue: 1) dissemination of the Pestana Culture, 2) consolidation of the Pestana Academy, 3) continuous investment in internal talent, 4) improvement of the employee experience, 5) consolidation of an employer branding that has proven to be increasingly strong and 6) continuous improvement of data and internal processes, always with the aim of consolidating past actions and launching new projects for the next three-year period.

### Focus areas in 2021

At the beginning of 2019, the Group defined a strategy for human resources based on attracting talent on a large scale (given the growth in demand and the projected openings of Pestana hotels in several geographies), training and developing internal talent, improving internal communication and HR analytics. Despite the pandemic, which even accelerated some of the planned initiatives, namely training and communication as a way of keeping people involved with the company, at a time of little or no activity, the goals remained on talent retention with a redoubled focus. Throughout 2021, the Pestana Hotel Group implemented several initiatives in the areas of compensation and benefits, training and development, health and well-being, improvement of facilities and internal communication.

### Employment support

During the pandemic, the Group resorted to various forms of employment support with an impact on the income of its employees. In order to minimize this impact, the Group decided to compensate for the loss of income of its Employees so that, despite the lack of activity, most of its workers would not be penalized in terms of salary.

### Training and Development

Through the Pestana Academy, the Group has developed numerous initiatives to encourage the development of its employees both personally and professionally. Organized in three pillars – (i) Growing Experiences, (ii) Learning Experiences, and (iii) Sharing Experiences, the initiatives include various training courses for employees in the Operational or Shared Services areas, but also other programs that allow the development of our employees, as well as opportunities for sharing knowledge and information between departments.

### Medical and mental health support

On the other hand, as a result of the pandemic context and the growing concern with the issue of health and well-being, the Group provided medical appointments and psychological support to its Employees. A hybrid work model was also implemented for Shared Services employees in order to respond to the challenges caused by the pandemic and constant legislative changes.

### Improvement of Employees' social spaces

In 2021, we made important efforts to improve spaces for our employees, in particular regarding accommodation in Algarve and the communal areas of most establishments.

### Internal communication

Finally, the area of internal communication has been a priority, allowing for more information to be provided to all employees. Through newsletters and other communications, we share the main news from the Pestana world with our employees, contributing to a closer and more united Group. Some events held in 2021 also contributed to bringing our Operations and Shared Services teams together through sharing moments.

### Culture Project

In 2021, we also started the Culture project, with sessions involving the Executive Committee and extended brainstorming sessions involving various employees from Operations and Shared Services, contributing to the construction of this platform.

## Pestana Hotel Group New values

With the Pestana Hotel Group being spread across 15 countries on 3 continents, the definition and implementation of a common culture and the implementation of general policies and procedures consistent with it becomes absolutely essential for the internal coherence of the organization, and for the cohesion of its teams so that each worker, wherever he is, says with pleasure and pride "I'm Pestana"!

Interactive work was also conducted on the Group's culture, its vision and mission, and its 5 new values were defined: be collaborative, be passionate, be efficient, be agile and be conscientious, with the process of disseminating the new culture's values to the different functional and geographical areas of the Group having been initiated.

### 5 Pestana Group Values

- Be collaborative
- Be passionate
- Be efficient
- Be agile
- Be conscientious

Likewise, clear rules on remote work were adopted in response, not only to the legal requirements and the reality imposed by the pandemic, but also, and from a more structural perspective, as a way of reconciling workers' professional and family life.

## Remuneration Practices above the Guaranteed Minimum Remuneration

In all circumstances, the Pestana Hotel Group assumes the strict compliance with the applicable law as a presupposition of its operation and regarding the labour domain, this factor gains special acuity.

In fact, in addition to the legal and regulatory provisions and applicable collective agreements, Pestana Hotel Group has practiced a Pestana Minimum Remuneration significantly higher than the Guaranteed Minimum Monthly Remuneration. Whenever possible, including for the year 2021, and despite the impact of the pandemic, it paid additional amounts to most of its workers.

From another perspective, the Pestana Hotel Group has a set of benefits in place, namely in terms of prices to be charged, in the use by employees of hotel establishments that operate under any of its brands.

These measures have an impact on the satisfaction and retention capacity of Employees, also expressed in an average global seniority of more than 10 years.

	Pestana Hotel Group	Portugal	Europe Hospitality	Africa Hospitality	America Hospitality
<b>% of employees with a salary above the national minimum wage</b>	94%	91%	88%	100%	96%
<b>Average seniority of employees</b>	11 anos	12 anos	2 anos	10,04 anos	7 anos
Average seniority of employees – men	10,55 anos	12 anos	2,02 anos	9,91 anos	9 anos
Average seniority of employees – women	11,14 anos	13 anos	2,24 anos	10,28 anos	5 anos

## Equality of Opportunities, Diversity, and Inclusion

Aware of its inherent human nature, the Pestana Hotel Group adopts a policy and an effective practice of full position and salary equality, without any discrimination on any grounds whatsoever.

In anticipation of the legal obligations, the Pestana Hotel Group subscribed the commitment to inclusion and is now, in a context of relief from the pandemic and a certain return to normality, establishing the mechanisms that allow it to promote the entry into the work environment of people with disabilities.

In 2021, the Pestana Hotel Group's involvement with the local communities where it operates continued and was strengthened. Indeed, the time of the pandemic served to reinforce the Group's commitment precisely towards the education and well-being, in general, of "its" communities, in many cases in a true partnership with their own workers, within the scope of the respective volunteering work.



## Security & Safety, a top priority, in an exceptional year

Safety is a fundamental right for everyone and for this reason it must be promoted and preserved as such, both by companies and by citizens in general. The Group has established a Pestana Security company through which it intends to create and ensure all the conditions for its customers, employees, and establishments to be permanently inserted, 365 days a year, 24 hours a day, in an environment where well-being and safety quality are one of the most important values.

### Management & performance

As mentioned above, the topic “Security & Safety” is oriented towards the well-being of all those involved, namely for customers who seek through PHG a peaceful and safe stay, free from the worries of their day-to-day.

In this context, it is important to highlight the recent and substantial investments made by the PHG in the area of security & safety and the evolution of its organizational structure, which will undoubtedly reflect the benefit of the provision of its services, assisted by the technical and human resources within the scope of the licenses that were approved and authorized by the Ministry of Internal Affairs.

It is certain that, despite the social instability of the year under review, concerning the circumstances resulting from the exceptional situation faced by Portugal and the world, within the scope of the Covid-19 pandemic, and as a result of the strict compliance with safety rules, the Group was not subject to any incident in the matter, namely with regard to the protection of people and property.

Also, with regard to cyberattacks, Pestana Group did not have any security incidents.

On the other hand, it should be mentioned the strict compliance with the obligations in terms of occupational Health, Safety, and Hygiene, as the rate of accidents at work is exceptionally low.

Security & Safety	Pestana Hotel Group	Portugal	Europe Hospitality	Africa Hospitality	America Hospitality
Accident frequency rate	1,88%	2,17%	1,23%	0,29%	2,04%
Accident severity rate	0	0	0	0	0
% of employees with health insurance	68%	87,6%	n/a	n/a	54%
Investment in health insurance	257.743 €	132.420 €	–	–	125.323 €

The Pestana Hotel Group has provided and maintains health insurance for all its workers in Portugal, in addition to the existence in some geographic areas, on certain days of the month, of a doctor (curative care) with free appointments and, upon request, of a specialized appointment in Psychology.

## COVID Investment

In addition to the development of contingency plans and the creation of security procedures, training actions were conducted in the establishments of the Pestana Hotel Group (Mainland Portugal, Madeira Island, and the Azores Islands) with the aim of preparing all workers for the new realities of (in)security and procedures to be applied from a preventive perspective. Each establishment purchased equipment and materials, which resulted, in terms of hotels units in Portugal, in a total amount of € 137,388, essentially regarding the following items:

- a) Signage for Employees and Customers;
- b) Tests for Employees and Customers;
- c) Bins for collecting masks;
- d) Masks;
- e) Seals with clean & safe certification;
- f) Thermometers for temperature measurement;
- g) Gloves;
- h) Disinfectant gel dispensers and hand hygiene towers;
- i) Acrylic exhibitors;
- j) Goggles and protective visors;
- k) Sanitizing and drying mat;

- l) Mattress enclosures;
- m) Acrylic boxes and screens;
- n) Fan filter;
- o) Information exhibitors.

## Training, a bridge to competitiveness

The learning and development of the people who make up our teams is an essential pillar in the strategy of the Pestana Hotel Group, demonstrated by the investment made in the Pestana Academy, which encompasses the development, sharing and learning programs conducted by external and internal certified trainers. It is through training that we guarantee team cohesion, strong leadership, in-depth knowledge of safety and prevention, thus ensuring the best service to our customers. It is also training that guarantees us to continue to innovate using new methods and techniques, thus managing to remain competitive.

With regard to the training and development of our people, the Pestana Hotel Group has a Learning & Development (L&D) area, within the Human Resources department, which coordinates the training and development area for the Group at a global level. It is through this department that Pestana Academy's initiatives are developed, aimed at both Operations and Shared Services, depending on the needs identified.

This work is always conducted very closely with the operational teams and Shared Services departments, in a situation of close collaboration.

With a growing team, the objective of the L&D area is to focus on training in behavioural areas, namely interpersonal communication, training and preparation of leaders, and onboarding and integration, in addition to topics associated with hotel operations, such as training necessary for the daily activity (e.g., fire safety, first aid, etc.).

It is also worth mentioning the fact that customized content is also developed according to specific needs that are identified.

## Management & performance

Hours of training provided	Pestana Hotel Group
Hours of training provided – Safety and Prevention Measures	5 374
Hours of training provided – Technology and digitization	2 268
Hours of training provided – Leadership, Mental Health, and Well-being	5 249
Hours of training provided – Languages	72
Hours of training provided – Technical training	746
Hours of training provided – Others	1 200
Hours of training provided	14 909

## Pestana Academy

Pestana Academy offers initiatives in 3 pillars, (I) Growing Experiences, (II) Learning Experiences, and (III) Sharing Experiences.

**I Growing Experiences** – Personal and career development experiences through relevant programs. This pillar includes programs such as the Trainees programme, the Growing Together programme, or the Pestana Mobility programme, in addition to monitoring the relationship with schools and universities and various initiatives associated with welcoming new employees to the Group.

- a) **Trainees programme** – In 2021 we launched 2 classes, which completed a 9-month internship in our Shared Services. Participants are accompanied by a senior mentor throughout the internship period, have experiences in different departments and experience in hotel operations for a better understanding of the business, as well as the opportunity to have guided tours of our units, and participate in events with the CEO;
- b) **Growing Together** – The rotational program was resumed, passing through several areas of Shared Services and Operations and several geographies, with the aim of training future operational leaders. We recruited 5 internal and external participants to be part of this edition of the program, who started their journey with 6 months of corporate experience, passing through the areas of Finance, Human Resources, Marketing, Maintenance, and others, continuing on to 6 months of operational experience in rotation between the Group's departments and brands;
- c) **Mobility** – There were also several mobility experiences, in Portugal and abroad, allowing the teams to come together and the sharing of experiences between the various regions;

**d) Partnerships with Schools and Universities** – Contacts and partnerships with schools and universities were also continued, in particular the partnership with the “Escola Técnica Profissional da Moita”. In terms of welcoming new employees, several “Welcome” sessions were held in the various regions, as well as Pestana World sessions, a program that allows new Employees to get acquainted with the different areas of activity of the Group and departments.

**II Learning Experiences** – Correspond to learning moments for employees, conducted in different formats and in various operation and corporate areas, through certified internal or external trainers. Within the scope of this pillar, various training courses are developed in the operational areas, management skills, more technical skills, or customized skills based on identified needs.

In 2021, within the scope of the preparation for the reopening of the units, the topic of preventive and safety measures were the main training actions, together with the review of COVID-19 safety measures, fire safety and evacuations, occupational health and safety, and basic life support. Additionally, given the importance of the health and well-being of employees in offices, hotels/inns and in remote work, concrete actions were also implemented in the context of developing personal and team stress management skills.

**III Sharing Experiences** – These are moments of sharing internal knowledge and good practices with the aim of establishing bridges between departments. We promote interpersonal and interdepartmental relationships that help to strengthen our culture, our organization, and our spirit as a Group.

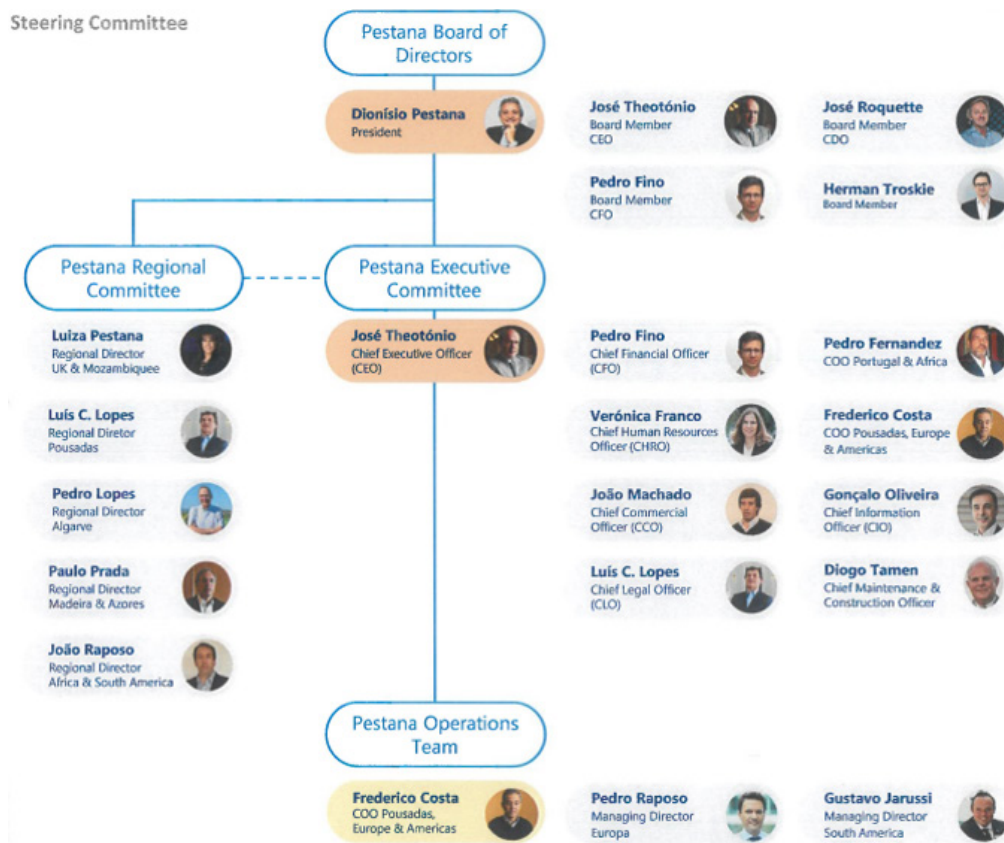
These initiatives include Pestana Sharing, Pestana Invites, Pestana Lives, Pestana Talks or the Pestana Envision program.

### 3. Governance (G)

Pestana Group's corporate management is ensured by the Executive Committee, chaired by the CEO, and also composed by directors with responsibility for the sectoral areas (operations, marketing, sales, human resources, finance, in addition to maintenance and legal), which meets weekly. The Executive Committee also adopts the extended version, as the Directors institutionally responsible for the different geographical areas participate in it, which meets once a month.



The fact that the Executive Committee meets with the regularity indicated above allows it to become the main core of the Group's strategic and tactical decisions, which are thus added to a higher level of consensus and transparency.



#### Composition of the Executive Committee

No. of Directors	16
Women	2
Men	14
No. of Directors over 50 years old	11
No. of Directors between 30 and 50 years old	5
No. of Directors under 30 years old	0
No. of Executive Directors	16

## Compliance, a structuring vector of the Pestana Group

Due to the wide spectrum of the thousands of people that make up the group, in its geographical, cultural, and social diversity, it is important that the Group adopts a structure of common principles and standards, as this demonstrates, above all, its commitment to the compliance with applicable rules, aligning behaviours. The existence of such principles and rules also creates effective conditions for the detection, communication, and repression of situations of non-compliance that, unfortunately, may take place.

In this context, the Pestana Hotel Group approved in 2017 the Code of Conduct and Ethics, which is communicated to employees right in the onboarding process through the delivery of a copy of it to each new employee, upon joining.

Based on this same Code, the Pestana Hotel Group approved the Compliance Manual which, after all, corresponds to a functional structure intended to ensure compliance with the rules, any legal regulations, and not just those regarding the fight against corruption, but also a set of control mechanisms, training of workers, always with the objective of creating a culture of compliance and adequate treatment of the infractions that are detected.

Compliance, therefore, is a strategic vector of Pestana Group as its function is to ensure and guarantee the operation and exercise of the company's activities in line with the regulations applicable to it and to prevent the practice of illicit acts of any nature, reducing the risk of occurrences of non-compliance, with legal, financial and/or reputational effects.

Indicator	2021
No. of legal proceedings for legal infractions	0
Number of fines paid for legal infractions, by area	0
Amount of fines paid	0

### Compliance Principles

As stated in the document in question, the Compliance system is based on the following principles:

- Legality
- Strict application of the law and in case of doubt, clarification must be obtained.
- Proportionality
- Companies must adopt appropriate procedures.
- Transparency
- Employees must not participate in illegal and subterfuge practices

### Compliance Committee

Appointed for 5 years, is responsible for monitoring the Group's activities in this matter, ensuring the functioning of the compliance system, and proposing the relevant changes, analysing complaints and the half-yearly reports from the Compliance Officers, and promoting training and communication actions in this matter. Meets ordinarily every 2 months.

### Compliance Director

For the effective integration of these principles, the Group appointed a Director on each Board of Directors of the respective companies with the responsibility of the compliance area in the respective scope. This Director is responsible for applying the Compliance Manual, coordinating the performance of compliance officers, and submitting to the respective Board of Directors the annual report on the analysis of non-compliance risks and prevention and mitigation procedures.

### Compliance Manual

The Group created a Compliance Manual, which corresponds to the essential core of the principles and standards to be observed in terms of compliance with the law, which must be followed by all Employees, whatever the type of contract applicable to them, and sanctions are foreseen in case any of its rules and provisions are breached.

## Cybersecurity and Data Protection, defend and ensure business continuity

The main priority of Cybersecurity and Data Protection within Pestana Group is, primarily, legal compliance– international and national – and giving due support to its mission.

Indeed, as employers, and as service providers, the entities integrated in the Pestana Group may, at times, assume the possession or control of certain non-public sensitive information belonging to their Employees, customers, service providers and suppliers (jointly referred to as "data subjects"). In such cases, they are responsible for protecting the sensitive non-public information of data subjects entrusted to them while it is in their possession or control.

In addition, all employees, contractors, consultants, temporary employees, customers, visitors, supplier's staff, or other staff who access the facilities, networks, information systems, assets or information of Pestana Group are responsible for protecting these assets and vital data for the efficient functioning of our activity.

The objective of Pestana Group's Cybersecurity and Data Protection area is to facilitate and promote information security throughout the company, as well as comply with legislation, through good practices applicable in each of the areas.

Additionally, the guarantee of good practices in Cybersecurity and Data Protection is a reputational, distinctive, and business differentiating factor, conveying confidence to all those who share their personal data with Pestana Group.

### Cybersecurity Management

At Pestana Group, the aggregating concept of cybersecurity corresponds to a set of technologies, processes and practices used to ensure the integrity of information and to minimize the risk of a cyber-attack, preventing unauthorized access to personal and business information that the Group stores, on its network and corporate devices.

Pestana Hotel Group has adopted legal data protection procedures and, since it has become mandatory, on the 25<sup>th</sup> of May 2018, follows the provisions of the General Regulation. To this end, it hired an external entity, “Sociedade de Advogados Cuatrecasas”, to guide the implementation of the procedures and to serve as Data Protection Officer (DPO), in the precise terms provided for in the legislation.

On the other hand, the Pestana Hotel Group considers that it has duly provided for a data redundancy system that allows it to maintain the memory of past activity and continue, with a short break, its future activity, and the normal operation of its hotel establishments in case of loss of any information resulting from any improper access or any incident.

Pestana Group is concerned about the possibility of attacks on the information it has on its possession, not only because this fact can translate into an effective loss of data and an inherent decrease in activity or productivity, but also because improper access to the data it has stored will correspond to an attack on its good reputation and even to the information belonging to third parties.

We consider that a successful cybersecurity involves multiple layers of protection across all its devices, programs, networks, and systems. Among others, the Group has the following mechanisms:

- Outsourced Security Operations Centre in the service model, using state-of-the-art technology, ensuring state-of-the-art cyber threat detection and incident response management. We protect the organization's systems, data, and people from new and emerging cyber threats to ensure regulatory compliance.

- The Group also has a vulnerability management solution, conducting regular internal and external scanning of its IT environment to monitor the risk of known vulnerabilities. We identify, analyse, and assess any security issues that could leave infrastructure exposed to attacks, implementing a remediation plan to mitigate the risks.

Although there is no certified management system, the Group already has a wide range of policies and procedures covering the key issues regarding data protection, infrastructure security, identity management as well as other configurations, supporting them in the best practices and in the most used standards in the sector, namely, GDPR, ISO 27001 and NIST.

In the specific area of data protection, there is a defined and approved Governance Model, with assigned powers and responsibilities and several training actions have been conducted with Employees, in order to transmit the necessary knowledge for the processing of personal data conducted on a daily basis.

#### **Key initiatives and programs implemented in 2021 to improve cybersecurity and data protection**

- **Business Impact Analysis (BIA)**

Review of the Business Impact Analysis with the objective of updating the consequences forecast of the interruption of a business function or process, gathering the necessary information to develop recovery strategies.

- **Security Operations Centre (SOC)**

Implementation of a Security Operations Centre with the main mission of monitoring and alerting about security events. Includes data collection, analysis, and correlation to identify suspicious activity and improve the organization's security.

- **Multi Factor Authentication (MFA)**

Implementation of a system that requires more than one distinct authentication factor to ensure successful authentication.

- **Vulnerability Scanning**

Implementation of a dedicated vulnerability scanning solution, ensuring an inspection of possible weaknesses on computers, servers, and networks to identify security flaws. In addition to scanning for vulnerabilities, a rating is made to support the prediction of the effectiveness of countermeasures.



- **Training for employees**

Training and webinar on data protection for all employees in terms of data protection.

- **Review of the Governance Model**

Employees with LPO functions were reviewed, and their responsibilities and competences were communicated to them, as well as training everyone in terms of personal data protection.

- **Review of Data Protection Policies and Procedures**

Update of Policies and Procedures with a view to complying with applicable legal requirements in terms of data protection and the definition of communication and action flows.

Indicator	2021
Number of cybersecurity incidents and/or data protection breaches	0
Investment in processes that promote cybersecurity	€ 35.000

# 7. Annexes

## About this Report

This sustainability report was developed considering the principles of the GRI standards, namely the principles to define the content and quality of the report.

Indeed, in a year in which the launch of European standards for the dissemination of sustainability information is expected, under the new European regulation in this field, we decided that we should prepare a document that considers, from now on, the philosophy and content of the entities' non-financial information, but that also adds other types of information such as the Planet Guest initiatives, which for more than a decade have characterized the way of being of Pestana Group in terms of social and environmental responsibility. In this context, we also wanted to highlight a number of hotel units, with their iconic sustainability initiatives.

With regard specifically to the new regulatory context, this Report includes a notebook of a more technical nature, which reflects the approximation that we are conducting towards ESG. The relevant topics identified in this section reflect the material sustainability aspects of our business sector, with the management approach, the best practices implemented, and the respective performance indicators being disclosed for each of them.

We are certain that the path we will take in the immediate future towards convergence with the new legal framework, of the European Union and of Portugal, will require the necessary adjustments with new procedures as well as the disclosure of new indicators, set by future standards.

For the information published in this report, the contribution of several functional areas of the Group was necessary, with qualitative and quantitative information, to whom we thank the collaboration.

## Scope of Information

This report presents the Pestana Group's policies and sustainability performance for the year 2021. Its scope is the Pestana Hotel Group.

## Global Reporting Initiative Table

Therefore, we present below the GRI general disclosure standards (2016). Having identified a set of relevant topics, we decided not to use the GRI performance standards for material topics. We chose to use the Group's performance indicators (KPI's), which are used to internally assess our sustainability performance. As this report is an exercise in transparency towards our stakeholders, it was our understanding that sharing these indicators would be, from the perspective of our responsibility and accountability, the most appropriate.

GRI Standard	Disclosure	Page/Direct Reply	Omission
102/ 2016 standard – General Contents	102-1 Organization name	Hotel Pestana Group	
	102-2 Activities, brands, products, and services	7,8,10,11	
	102-3 Location of the company's headquarters	Pestana Management Portugal Rua Jau, 54 1300-314 Lisboa	
	102 – 4 Headquarters Location	Information available on Homepage – Pestana Group (pestanagroup.com)	
	102-5 Type and legal nature of the organization	Pestana Group aggregates a group of companies of a joint-stock company or limited liability company legal nature, most of which are exclusively owned by Pestana, and some of them in partnership.	
	102-6 Markets Served	7,8,10,11	
	102-7 Organization size	7,8,10,11,49	
	102-8 Employees by type of work and type of contract	The Group has in Portugal the majority of its Employees on permanent contract and on a full-time basis.	Data does not include operations outside Portugal
	102-9 Supply Chain	We develop our activity based on a supply chain that reconciles global suppliers with local suppliers.	
	102-10 significant changes during the reporting period regarding the organization's supply chain	There were no significant changes, which are reflected in the indicators of this report	
	102-11 Approach to the precautionary principle	Our operations are conducted with the aim of avoiding or reducing all negative impacts on the environment and human well-being.	

GRI Standard	Disclosure	Page/Direct Reply	Omission
	102-12 Letters, principles or other initiatives developed externally of an economic, environmental, and social nature that the organization subscribes to or endorses	Commitment to Inclusion. Pestana Group is committed to the ICF towards speeding the hiring of people with disabilities before the legal dates. We are also subscribers to the Lisbon Green Capital and the Commitment to Mobility in Lisbon	
	102-13 Participation in associations (e.g., sectoral associations) and national or international advocacy organizations to which the organization is a member	In addition to being members of various associations, we are on the Board of GRACE, Governing Council of EPIS, and on the governing bodies of CTP AHP, ATL, ATC, APC, among others.	
	102-14 Statement of the Board of Directors	5	
	102-16 Values, principles, standards, and norms of conduct	41	
	102-18 Governance structure of the organization, including the committees of the highest governing body; Committees responsible for decision-making on economic, environmental, and social issues	59	
	102-40 List of stakeholder groups engaged by the organization.	Customers; Suppliers: Employees; Providers; Local Communities; Associations and organizations in the tourism sector, Media, Central and local administration	
	102-41% of employees covered by collective employment agreements	100% of our employees are covered by collective employment contracts. The information covers the operation in Portugal, excluding other geographies.	

GRI Standard	Disclosure	Page/Direct Reply	Omission
	102-42 Identification and selection of stakeholders process	Stakeholders were identified based on the following criteria: relevance to the achievement of the company's mission; impact on the company's license to operate;	
	102-43 Approach to the engagement with stakeholders, namely the frequency of engagement by stakeholder category, indicating whether there was a specific engagement process for the report	The Group has functional areas responsible for communicating and engaging the main internal and external stakeholders. A specific consultation process was not conducted for this report.	
	102-44 Main issues and topics raised by stakeholders	We have not conducted a specific sustainability listening process.	
	102-45 Entities included in the consolidated financial statements or equivalent organization documents not covered by the report	Performance reporting has a different scope than sustainability reporting. Financial information is available at Informação Financeira – Grupo Pestana (pestanagroup.com)	
	102-46 Definition of report content and limits of the topics	The report has as scope the Pestana Hotel Group, encompassing its hotel operation in 15 countries, in the region of Europe, America and Africa.	
	102-47 List of material topics	The material topics of the report, described in the notebook on our approach to ESG, result from an internal reflection process on material sustainability topics, as aspects that have been included in the Group's management processes. These topics also reflect a global alignment with the sustainability aspects considered as material in the materiality assessment process that is being conducted by Turismo de Portugal.	



GRI Standard	Disclosure	Page/Direct Reply	Omission
	102-48 Explanation of the effect of any reformulations of existing information in previous reports and the reasons for such reformulations	Not applicable	
	102-49 Changes in sustainability reporting	Not applicable	
	102-50 Period covered by the report	The information presented refers to the year 2021	
	102-51 Date of most recent previous report	2020	
	102-52 Publishing cycle	The report is published annually	
	102-53 Contacts for questions about the report	Pestana Planet Guest Marta Castelhão Costa E-mail: marta.castelao@pestana.com	
	102-54 Reference to the use of GRI Standards	This report considers the GRI standards, namely their principles, and provides information on the current management approach to the Group's relevant ESG issues. In terms of performance indicators, it was decided to disclose the results of the KPIs that are part of the system of existing indicators.	
	102-55 GRI Table of Contents	66	
	102-56 Policy and current practice adopted by the organization to submit the report to external verification	The report has not been verified by an external entity	

Material topic: Energy and Climate			
GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	42	
	103-2 The management approach and its components	42 a 44	
KPI	Electricity consumption (KWh / m <sup>2</sup> and KWh / customer)	44	
KPI	Natural gas consumption (M3/M2 and M3/Customer)	44	
KPI	Butane Gas Consumption (KG/M2 and KG/Customer)	44	
KPI	Fuel/Diesel Consumption (L/M2 and L/Customer)	44	
KPI	Greenhouse Gas Emissions (CO <sub>2</sub> e) – scope 1, 2 and 3	44	

Material topic: Water resources			
GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	44	
	103-2 The management approach and its components	44 a 47	
KPI	Water consumption (M3/M2)	45	

Material topic: Biodiversity			
GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	47	
	103-2 The management approach and its components	47	

Material topic: Heritage			
GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	47	
	103-2 The management approach and its components	47,48	

Material topic: Remuneration Practices			
GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	53	
	103-2 The management approach and its components	53,54	
KPI	% of employees with a salary above the national minimum wage	53	
KPI	Average seniority of employees	53	
KPI	Average seniority of employees – men	53	
KPI	Average seniority of employees – women	53	

#### Material topic: Security & Safety

GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	54	
	103-2 The management approach and its components	54 a 56	
KPI	Accident frequency rate	55	
KPI	Accident severity rate	55	
KPI	% of employees with health insurance	55	
KPI	Investment in health insurance	55	

#### Material topic: Training

GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	56	
	103-2 The management approach and its components	56 a 58	
KPI	Hours of training provided	57	
KPI	Hours of training provided, by training area	57	

#### Material topic: Compliance

GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	60	
	103-2 The management approach and its components	60,61	
KPI	No. of legal proceedings for legal infractions	60	
KPI	Number of fines paid for legal infractions, by area	60	
KPI	Amount of fines paid	60	

#### Material topic: Cybersecurity and Data Protection

GRI Standard / KPI	Standard/Indicator Description	Page / Reply	Omission / Comments
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	61	
	103-2 The management approach and its components	61 a 64	
KPI	No. of cybersecurity incidents and/or data protection breaches	64	
KPI	No. of employees trained in cybersecurity	64	
KPI	Investment in processes that promote cybersecurity	64	

