

Policy Control

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Statement of Intent

Environmentally and socially sustainable practices are not only important but are also quickly catching up to every industry.

As Von der Heyden Group (“the Group”), we have an increasing responsibility to operate in a sustainable manner, with regulations and best-practice recommendations pushing us to reassess operations and mitigate negative impacts. These pressures are not only exerted by investors and government bodies, but also by guests and consumers. On the hospitality front, the environmentally and socially responsible consumer wants to stay at an establishment that is not only transparent about their finances but also about their environmental and social footprint.

Apart from that, we are all aware of the increasing pressures of climate change itself. The combination of all these factors has made it imperative for us as a Group to start assessing how we can reduce our footprint, and even create a positive impact with our operations. This is why we are taking certain measures to start reporting on the sustainability factors of our activities, which will inform a plan for the kind of measures we need to take to improve our sustainability profile.

The following policy outlines sustainability actions and a Supplier Code of Conduct to be applied Group-wide. It is the responsibility of the on-site managers to implement and help monitor these measures and ensure the successful implementation of this policy.

1. Energy consumption reduction

One of the main sustainability goals set out for the Group is the active reduction of our energy consumption, entailing both our electricity and gas consumption. The following outlines measures that should be taken wherever possible:

- Setting heating limits: Wherever relevant, to set heating limits on heating systems to use the operating entity’s heating system in the most efficient way possible. The general rule for this is to switch off the heating in rooms that are not being used and set a temperature limit in rooms and public spaces between 18-21 degrees.
- Reduce settings on hot water tanks and switch off individual hot water tanks (if the case) when rooms are not in use.
- Reduce settings on air conditioning units to optimize HVAC use and turn off AC units when rooms are not in use.

2. Water waste minimisation

- Set shower and tap flow to less than 10 minutes.
- Only run dishwashers and washing machines on full load & minimise rinse cycles. - Cover pools in summer months where relevant.



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3. Waste management

3.1 Food waste management

Measuring food waste:

- Separate bins in kitchens and offices: Food waste, non-recyclable plastic waste and recycling bins.
- Weigh the bins before they are taken out/picked up & record the values in a provided data sheet.

Food waste minimisation:

- Meal preparation efficiency: Making use of as much as possible from the produce supplied.
- In the hotels, it may be worth considering switching to à la carte instead of buffet.

Food waste diversion:

- Composting and diversion from landfill: We want to be able to divert at least 50% of our food waste Group-wide.

3.2 Recycling practices

Measuring waste:

- Set up separate recycling bins in kitchens and around the hotels (rooms, bathrooms and reception), restaurants and offices. This may be different in every country due to local recycling practices but by general rule, there should be a separate bin for glass, paper, recyclable plastic, and other items such as cans and metal containers.
- Weigh the bins before they are taken out/picked up & record the values in a provided data sheet.

Waste minimization:

- No single-use plastic & individual containers.
- Only recyclable and/or bio-degradable containers.
- In offices, only print when necessary and reuse paper as much as possible.

4. ESG Reporting

As of the beginning of 2023, different parts of the Group are required to report on certain ESG topics. It is the responsibility of local managers to gather all the relevant data and report monthly and/or yearly on the required topics.



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On the hospitality front, General Managers are required to report on the following topics monthly:

- Labour practices
- Food management
- Waste & food waste management
- Food safety

The following are topics that General Managers are required to report on once at the beginning of the ESG reporting roll-out:

- General questions on waste & food waste management
- Ecological impacts
- Climate change adaptation
- Packaging
- Nutritional content

As of 2022, the Group has also implemented an ESG data collection and analysis software that creates reports on energy and water consumption.

5. Training

The Group Head of Sustainability will conduct yearly sustainability training sessions in the different locations in which the Group operates. In terms of hospitality, the General Managers of hotels are responsible for regular staff training on sustainability matters within the hotels. A separate training handbook will be provided.

6. Guest & customer involvement

Staff should actively involve guests and customers in our water consumption goals. Notices around hotels and office spaces should be set up to encourage best practices around water usage.

- Water saving:

Guest/customer-facing notices to be set up in all the hotel rooms and room bathrooms.

In our hotels, it is VERY important that the housekeeping team is informed about the change of sheets/linen, as we will ONLY change them if requested by the client. It is of vital importance that guests are informed during the check in process that we will ONLY change sheets if they leave the relevant notice on their bed. This information is also to be added to the ESG sections of all our web pages.



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- Food waste:

Guest/customer-facing notices should be set up in visible places on buffets, encouraging guests to not overfill their plate and only take as much as they can eat.

It is the responsibility of each hotel to inform the marketing team if they run out of notices to reorder them. The marketing team must be informed at least two months before the hotel runs out of the notices in question.

7. Equipment maintenance

Yearly equipment maintenance should be undertaken, not only for health & safety reasons, but also for efficiency reasons. It is the responsibility of the on-site managers to organize maintenance.

8. Health & Safety

It is important to remember that when settings on hot water tanks are reduced over longer periods of time, there is an increasing risk of Legionella, which means that the temperature should not be set below 60°C.

9. The Sustainability Award for hotels

With the ESG data collection and analysis software that we have implemented, we are able to set sitespecific sustainability targets, meaning that every hotel can be monitored for their consumption and Scope 1&2 CO2 emissions. This detailed view of our hotel collection allows us to see which hotel has improved their efficiency performance and reduced their carbon footprint the most over any given period.

This is why, every year, we award the hotel that has improved their energy & water efficiency and their carbon footprint the most over the year with an internal Sustainability Award. It will be awarded to the winning hotel's GM and their team during the Annual General Meeting and will constitute of a monetary award to be split equally amongst the entire team.

In order to judge this award fairly, direct investments in energy & water efficiency measures by part of the Group will be taken out of the equation, so this award will purely be judged by looking at the teams' local efforts.



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10. Ecological guest amenities

This may be more applicable to the hotels, but it will be mandatory to offer ecological guest amenities wherever possible such as eco-friendly soaps and lotions, toiletries made out of either biodegradable and/or recyclable materials and eco-friendly towels & bedding, all of which should be sourced from sustainable sources. For Cugó Gran, we will implement ecological containers, and for IBB hotels, all will be ecological.

11. Energy from renewables

Getting energy from renewable sources will help us reduce our carbon footprint and give us more autonomy in the future from fossil fuels. In the short-term, we can switch to green energy providers where appropriate. Any new vehicle bought should be electric and guest/customer transportation should be done with electric vehicles.

12. Supply chain management

11.1 Local, sustainable & ecological sourcing

- Source locally: Reduce food miles – suppliers should be located within a 50km radius.
- No single-use plastic/individual containers.

11.2 Supplier Code of Conduct

Von der Heyden Group recognises its obligation to manage the impact of its activities and commits to a Human Rights Policy and Code of Business Conduct and Ethics. We also respect basic human rights and work to improve the well-being of the communities in which we operate.

This Supplier Code of Conduct ("Code") establishes guidelines and expectations for how our Suppliers should conduct themselves in keeping with the principles and dedication to ethical business practices of the Group. We demand that our Suppliers operate in line with the highest ethical standards, support fair trade principles, abide by all applicable laws and regulations, defend human and employment rights, and show a dedication to minimising their activities' negative environmental effects.

For the purposes of this Code, "Supplier" refers to any business, including its consultants and subcontractors, that offers to sell products or services directly to the Group. Additionally, the Group expects its managers and employees to uphold the principles outlined in this Code and strongly encourages them to adopt policies that are similar regarding the provision of goods and services to the entities they manage for the Group as well as when acting on behalf of the Group, in their capacity as managers and employees.



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COMPLIANCE:

All applicable laws and ordinances, including those governing labour, health and safety, and the environment, must be complied with by suppliers. Suppliers must notify the Group of any claimed violations of laws or regulations or any investigations by a governmental body into possible violations involving the goods or services the Supplier provides to the Group.

Human, Labour & Animal Rights:

Fundamental human and animal rights are respected by the Group. Suppliers should accept and adhere to international animal welfare standards as well as acknowledge and be dedicated to preserving the rights of employees to be treated with dignity and respect. We demand that Suppliers adhere to global norms and regulations, including the Universal Declaration of Human Rights.

- Freely selected employment: Suppliers are prohibited from using indentured, bonded, or coerced labour, as well as involuntary jail labour. All labour will be voluntary, and employees will be allowed to leave their jobs with a fair amount of notice. Worker control of government-issued identity, passports, or work permits cannot be forfeited as a condition of employment.
- No child labour: Suppliers may not employ children to do tasks for the Group. The word "child" refers to any individual employed who is under the age of 15 or the age at which they must have finished their compulsory schooling if the minimum employment age in a jurisdiction is not specified.
- Non-discrimination policy: Suppliers must abide by all relevant federal, state, and municipal laws as well as any local ordinances that address discrimination in recruiting and employment practices. Suppliers are prohibited from discriminating against anyone in the employment process (including hiring, assigning, and promoting) on the basis of their age, race, colour, religion, gender, gender identity, or expression; genetic information; their marital status; their ancestry; their sexual orientation; their national origin; their disability; their status as a veteran; or any other basis or characteristic that is legally protected.
- No harassment or abuse: Suppliers will treat each employee with respect and dignity and will not subject any employee to any physical, sexual, psychological, verbal or other form of harassment or abuse. No activities shall contribute toward human exploitation, including human trafficking and sexual exploitation of children.
- Minimum wage policy: All relevant wage regulations, including those governing minimum wages, overtime pay, rest breaks, and legally required benefits, as well as those protecting employees' rights to a livable wage, must be complied with while paying workers' compensation.
- Compliance with maximum working hours: Work weeks are not to exceed the maximums set by applicable law and should align with internationally recognised standards. A standard work week should: i) not exceed 48 regular hours, ii) provide a rest period of at least 24 hours every seven days and iii) include no more than 12 hours of voluntary overtime per week.
- Freedom of expression: The best methods for resolving concerns with the workplace and pay are open dialogue and direct interaction between employees and management. Suppliers must allow workers to speak openly with management about working conditions without fear of retaliation, intimidation, or harassment.



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Health & Safety:

Suppliers are accountable for maintaining a secure and healthy workplace. In the areas in which they conduct business, suppliers are expected to adhere to all laws, rules, and regulations governing employee occupational health and safety.

If workers are given housing, suppliers must guarantee that they have access to clean, safe, and acceptable living circumstances as well as clean, safe, and appropriate working conditions.

- Health & safety of hotel guests, manager associates and general public: Suppliers are required to take all necessary and reasonable measures to protect the health and safety of hotel guests, hotel employees, and members of the general public in the areas in which they operate.
- Health & safety training: Suppliers should provide health & safety training for their employees to allow a safe and secure work environment. Employees of the Supplier shall, if necessary, receive training on safety, the right use of tools, chemicals, and personal protective equipment.
- Occupational Injury and Illness: Systems and procedures for managing, monitoring, and reporting occupational illnesses and injuries should be in place.

Environment:

The Group is dedicated to minimizing the environmental effect of its operations, the operations of the hotels it owns, and the activities of its Suppliers.

- No individual packagings/containers: Suppliers are to wrap products in the most efficient and least wasteful way possible.
- No single-use plastic packagings/containers: Suppliers are to use recyclable materials and/or packagings/containers made from recycled materials to wrap their products in.
- Environmental permits & registration: Suppliers are obliged to acquire and maintain the necessary environmental licences and registrations, as well as to adhere to the operating and reporting specifications set out by such licences.
- Product content control: Suppliers are required to abide by any laws and rules that pertain to the limitation or ban of a particular substance, including labelling laws and laws regulating recycling and disposal.
- Chemical and hazardous materials management: Identification and management of chemical and other items that pose risks to the environment should guarantee their safe handling, movement, storage, recycling or reuse, and disposal.
- Waste management: We anticipate Suppliers to reduce waste and put in place rules and practices for correctly getting rid of all kinds of waste, including water, energy, unprocessed items, and raw materials.
- Environmental stewardship: Suppliers should make continuous efforts to lessen the impact of their operations, goods, and services on the environment. Reducing energy and water use, greenhouse gas emissions, waste and pollution, influence on biodiversity and ecosystems, and environmental impact of products during various lifecycle phases are a few examples of such activities. To encourage environmental stewardship and reduce the environmental footprint of goods and services across their entire lifecycles, suppliers should create suitable environmental management systems, sustainable procurement policies, and initiatives.



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Ethics:

The Group mandates the conduct of business with honesty, integrity, and conformity with all relevant laws. As a result, we anticipate that the Group's Suppliers and their representatives to operate in line with high moral standards and ethical business practices.

- No corruption, extortion, or embezzlement: Corruption, extortion, and embezzlement in any form are categorically forbidden.
- Disclosure and privacy of information: It is expected that measures will be taken to protect customer information and intellectual property relating to business operations, financial condition, performance, and/or any other information deemed confidential. Such information shall only be disclosed in accordance with the rules outlined in any applicable nondisclosure agreement, privacy policy, and legal requirements.
- No improper advantage: Bribes and other strategies for gaining an unfair advantage are not to be given or accepted. No Supplier, or its agents or employees, will offer, seek, or accept any kickbacks or bribes, whether from third parties or from employees of the Group in connection with work done for the Group. Suppliers should follow local custom when it comes to presents, but the value of such offerings should never be deemed significant enough to sway judgement or violate legal requirements.
- Record keeping: It is expected that all relevant accounting standards and related legal and regulatory obligations would be followed while maintaining financial records.
- Community engagement: The Group is committed to the prosperity of the communities where we operate in, as seen through our philanthropic donations and several other types of community participation. Suppliers are urged to interact with their neighbourhoods in order to promote sustainability, social and economic growth.

This Policy as well as the Supplier Code of Conduct may be amended or modified at any moment by Von der Heyden Group. In accordance with the terms of the Group's contract with the Supplier, it may sever ties with any Supplier deemed to be in breach of these criteria. The Group retains the right to audit Suppliers in order to make sure that procedures are in place to do business in a way that is compatible with this Supplier Code of Conduct.