CITYSUITES

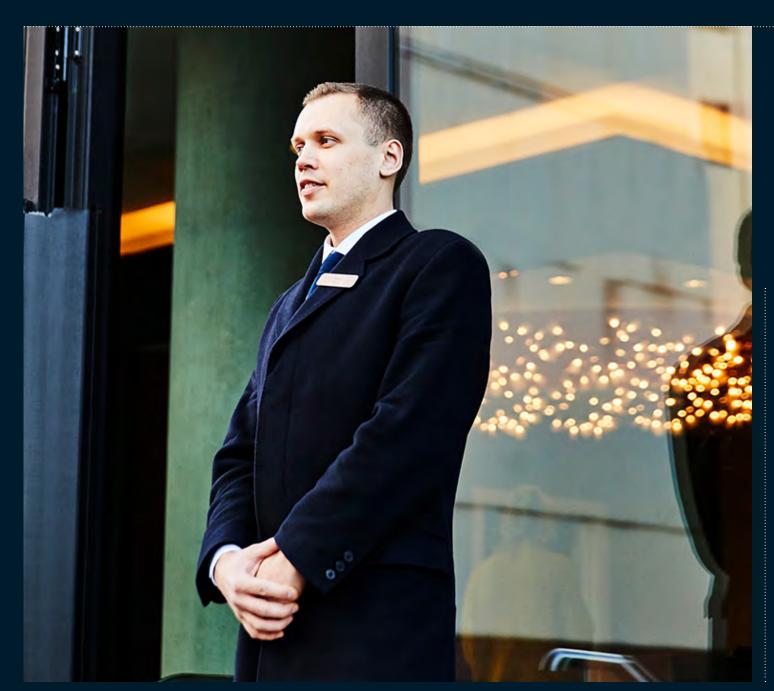


MAY 2022



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ABOUT THIS REPORT

Welcome to CitySuites' second Environmental, Social and Governance (ESG) Impact Report. In 2021, we made the commitment to report annually on our ESG impact, reflecting our dedication to building a more sustainable business. Our 2022 report showcases our progress so far to improve the sustainability of our operational activities and lays out next steps to help us achieve our ESG goals up to 2024. All our efforts support both national sustainability agendas, as well as international programmes, such as the United Nation's (UNs) Sustainable Development Goals (SDGs). All CitySuite's emissions data published in this report has also been prepared in line with statutory Streamlined Energy and Carbon Reporting (SECR) standards.



Welcome ! HOSPITALITY OPERATOR, CITYSUITES

ESG is rapidly shifting from being a 'nice to have' to a core part of every company's short and long-term strategy — and rightly so. Accordingly, I am delighted to welcome you to CitySuites' second ESG Impact Report, building on the lessons and goals of our inaugural report in 2021. Last year, we outlined our roadmap to be an increasingly responsible and sustainable business. The team's consistent and hard work over the last twelve months means we have achieved exactly that — despite ongoing personal and professional pressures caused by the COVID-19 pandemic. I am deeply proud to be part of such a team.

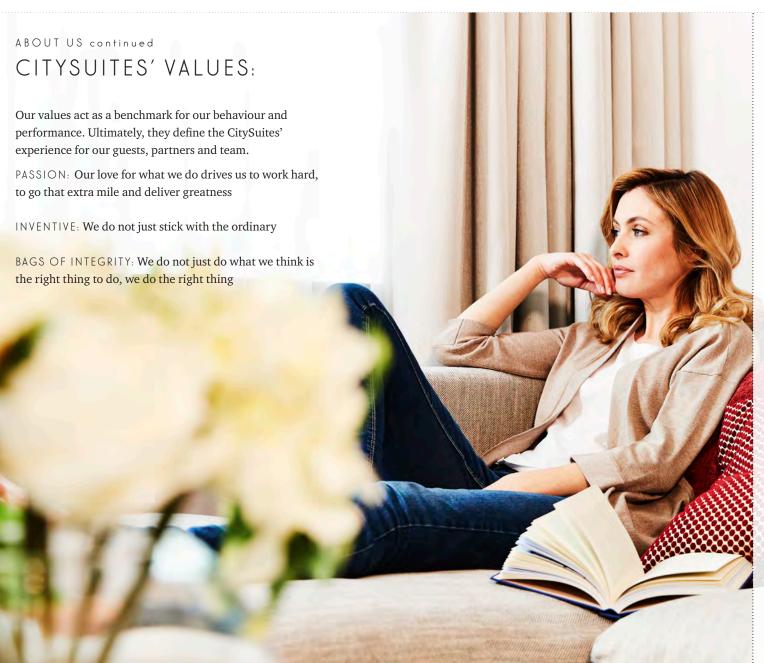
I am also honoured to lead our newly-formed ESG Committee, spurring CitySuites' sustainability agenda. We are more passionate than ever about embedding ESG into every aspect of our culture and operations, from responsibly managing our energy resources to cultivating a fulfilled workforce — and everything in-between. We must also keep proactively flexing to meet guests' changing needs, as well as those of our team, supply chain and partners. This means our efforts to transition our business model to focus more on leisure will gain even more momentum this year. We have also engaged closely with consultancy Sustainable Advantage

throughout 2021 to ensure that we continuously bridge the gap to meet our ESG targets. Suffice to say, it has been a busy year of growth, learning and innovation — something we should all celebrate, even as we focus on our next goals.

We are still learning and growing as a team, so we are in the first few miles of our marathon. Yet we are already extremely proud of the progress every single member of our staff has made and we are grateful for the support of our suppliers and partners. Without their skills and dedication, the achievements of 2021 and our goals for 2022 detailed in this report would simply not be possible. Together, we will keep pushing the goalposts to ensure we improve every day — therein lies the ethos of our ESG journey.

Gavin Bailey OPERATIONS DIRECTOR





How do our customers feel?

"THE HOTEL WAS BEAUTIFUL—
the service, the rooms, the leisure and
the city. Absolutely beautiful! I highly
recommend going if you want to get away
from reality for a while and relax! It is
literally like a holiday home!"

"CANNOT FAULT MY VISIT, from start to finish. Location is perfect if you want to be close to the centre. Staff were friendly and very accommodating. Facilities were perfect. Décor and ambience were amazing. Definitely coming back."

"CITYSUITES gives you all the freedom of having your own private space to relax and spend quality time together, while providing assets — like the well- equipped gym, beautiful pool and jacuzzi. It felt like a spa weekend. Great service, friendly staff and a brilliant location. Could not have asked for a better stay!"

OUR highlights and OBJECTIVES

Highlights in 2021

- · Achieved carbon neutral status
- Maintained our target to procure 100% renewable energy
- Maintained our target to divert 100% of waste from landfill
- Formed an ESG Committee to drive our ESG agenda
- £4,965.00 donated to charitable initiatives
- Conducted a survey to better understand our supply chain





Objectives in 2022

'E' OBJECTIVES

- Conduct a baseline assessment of Scope 3 emissions
- Lower our carbon intensity ratio by 5%
- Maintain 100% of waste diverted from landfill
- Continue to procure 100% renewable electricity
- Conduct a Stakeholder Materiality Assessment
- Assess impact of energy reduction initiatives against monthly consumption data

'S' OBJECTIVES

- Develop a Supplier Code of Conduct and integrate ESG criteria
- Understand workforce demographics and create an employee-led Diversity and Inclusion (D&I) Council and Charter
- Conduct a staff engagement survey and track performance metrics and targets, i.e., Net Promoter Scores (NPS)
- Develop a formal wellbeing policy and strategy and select wellbeing champions to reinforce initiatives
- Develop a formal career development framework for all employees

'G' OBJECTIVES

- Publish a Gender Pay Gap report for the last financial year
- Establish a strategy to address gender pay gaps
- Create a Corporate Criminal Offence Policy

UN's Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted in 2015 by the United Nations (UN) as part of the 2030 Agenda for Sustainable Development. Last year, CitySuites pledged our alignment with four of the seventeen goals. This year, we have added a fifth pledge for SDG13, which supports the UN's goal to take urgent action to combat climate change and its impacts.

GOAL 3: GOOD HEALTH AND WELLBEING



Ensure healthy lives and promote wellbeing for all at all ages
We are committed to protecting our workforce and taking care of
the health of our staff. In 2021 we continued to take precautions in
line with recommendations around the COVID-19 pandemic and

provided ongoing support for our staff. We already have a number of mental health initiatives underway, offering counselling sessions through our employee assistance programme and providing mandatory mental health and wellbeing courses for all staff. We plan to build upon this in 2022, setting ourselves the action to develop a formal wellbeing policy and strategy, and appointing wellbeing champions to reinforce initiatives. We also have a robust Health and Safety (H&S) programme and an established H&S Committee, which meets monthly to monitor and mitigate potential risks.

GOAL 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all.

We have several initiatives to manage our water usage responsibly. During the national lockdowns caused by the COVID-19 pandemic in 2020 and 2021, we turned off the water supply to our swimming pool and spa. We have yellow water restrictors fitted in our properties to reduce water flow. We are

also in the process of upgrading these to blue water restrictors in bathrooms to further improve water savings.

GOAL 7: AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable, and modern energy for all

We procure 100% of our electricity from renewable sources and monitor our energy usage to increase efficiency. We have also implemented reduction initiatives across the business, such as replacing our higher energy lighting with low energy LED lights and installing passive infrared sensor (PIR) sensors to further reduce energy waste.

GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns.

We are dedicated to reducing our consumption where possible. We use minimal plastic across our operations and have removed all bottled water from guests' apartments. We refill all our shower gel,

shampoo and conditioner bottles to minimise waste. In our restaurant, we only use glass bottles and eco-friendly coffee cups.

GOAL 13: CLIMATE ACTION



Take urgent action to combat climate change and its impacts
We are determined to take climate action. This year, we will assess
our energy consumption in order to set targets and reduce our
emissions. We have also pledged to lower our carbon intensity ratio

by at least 5%; recalculate our carbon footprint and intend to include Scope 3 categories.

Environment

Our ambition to be at the forefront of sustainability in the hotel industry reflects how seriously we take environmental matters. Proactive change has never been more vital. The hotel industry represents approximately 1% of the world's total CO, emissions — and this percentage will climb as the industry expands. This percentage may seem small at first, but it is extremely meaningful amid the world's demanding climate goals by mid-century, as per the Paris Agreement. Within this, we fully intend to play our part to support the UK's climate journey to be Net-Zero by 2050. We are recognising our responsibility to reduce our environmental footprint while embracing guests' growing appetite for sustainable options. Our environmental programme spans energy efficiency, water reduction, waste reduction and resource efficiency — all equally essential to meeting our goals. Our efforts are implemented via our Environmental Management System (EMS), which provides our team with a practical blueprint to measure progress and continually enhance our performance.



Getting to Net Zero

Every organisation has a responsibility to support the transition to Net-Zero. To keep global temperatures below 1.5C, we must act quickly to reduce our greenhouse gas emissions and ensure that ongoing emissions are balanced by removals. In 2021, CitySuites attained its target to become carbon negative through the procurement of 100% renewable electricity and the offsetting residual emissions. While we're pleased with the progress we've made so far, we want to begin stepping up our ambitions to minimise our emissions output.

In 2022, we will begin this work by delving into our Scope 3 emissions and conducting a baseline assessment across relevant Scope 3 categories in order to gain insight into our broader emissions areas. We have also set ourselves the 2024 target to develop a carbon reduction glide path, setting annual targets to hit Net-Zero emissions.

CARBON FOOTPRINT

Last year, for the first time, we calculated our carbon footprint to provide a benchmark for our emissions output and gain an insight into our major emissions areas. This year, we recalculated our carbon footprint for all our Scope 1 and Scope 2 emissions. This looked at our total gas consumption (Scope 1) and total electricity consumption (Scope 2).

Following last year's calculation, we set ourselves the target to reduce our overall emissions by 5%. This year, we have adjusted our target to align with our expanding operations by applying a carbon intensity ratio to compare our energy efficiency performance over time. An intensity ratio allows a more useful comparison of energy efficiency year on year, by defining emissions data in relation to a relevant business metric, for example annual turnover. An intensity ratio is calculated by dividing total emissions by the business metric. We chose number of rooms as our business metric, looking at the total carbon emissions per room to compare our energy usage. This means that while we have seen a slight increase in our carbon footprint this year (from 188.7 tCO₂e to 280 tCO₂e) - due to the acquisition of our new property and increased

business- our carbon intensity ratio has decreased dramatically. Our switch to 100% renewable electricity has meant that we have seen an overall 56% reduction in our carbon intensity ratio. Maintaining our objective to procure 100% renewable electricity, we have now set ourselves the target to lower our carbon intensity ratio by a further 5% in 2022.

| HIGHLIGHTS IN 2021 | |
|--------------------|--------------------------|
| 2021 DATA | |
| SCOPE 1: | 282.O +CO ₂ E |
| SCOPE 2: | O + C O ₂ E |
| CARBON FOOTPRINT: | 282 + C O ₂ E |
| CARBON OFFSETS: | 290 tCO ₂ E |









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Our Carbon Offsets

While CitySuites' core focus is reducing the carbon emissions we are directly responsible for in the first instance, some emissions output is unavoidable. Last year, we offset 250 tCO₂e of our residual emissions, and this year, we have attained our target to become carbon negative by offsetting more carbon than we emit. We have offset 290 tCO₂e by investing in two independently verified projects that support the global transition to Net-Zero, in line with CitySuites' environmental objectives and SDG commitments.

KARIBA FOREST PROTECTION, ZIMBABWE

The Kariba Forest Protection project is a community-based project that works to protect almost 785,000 hectares of forests and wildlife on the southern shores of Lake Kariba, Zimbabwe. The project is managed by the four local Rural District Councils (RDCs), connecting four national parks and eight safari reserves. It helps to protect an expansive forest area and numerous endangered species, including the African elephant, lion, hippo, lappet-faced vulture, and southern ground hornbill.

In addition to protecting the environment and biodiversity, the project enhances and supports the independence and wellbeing of its local communities. This includes better healthcare, infrastructure and school subsidies for the poorest in the population. It also generates job opportunities across community gardens, beekeeping training, fire management, conservation agriculture and ecotourism, boosting the region's economy.





GOAL 1

Brings better health and greater economic opportunities –

85,000 people benefit from project activities.



GOAL 3

Supports health infrastructure – 19 health clinics have been supported by the project since 2011.



GOAL 5

Empowers women -40% of project participants are women, involved in areas including agriculture, education and project management.



GOAL 6

Improves access to safe drinking water -85,000 people have benefitted from borehole maintenance.



GOAL 8

Trains local people – 215 sessions have been delivered local people including improved agriculture (143), beekeeping (38) and tree planting (34).



GOAL 13

Mitigates emissions -3,000,000 tCO₂e mitigated on average annually, from 2011 to 2016.



GOAL 15

Promotes biodiversity and protecting local wildlife – 784,987 hectares of land have been conserved or protected.



BRASCARBON METHANE RECOVERY PROJECT, BRAZIL

CitySuites have also chosen to support the Brascarbon Methane Recovery project in São Paulo state, Brazil. We recognise the environmental impacts of mass animal agriculture, and while we have taken steps to reduce the meat on our menu, we want to further minimise our overall methane footprint.



The Brascarbon Methane Recovery project captures biogas produced by decomposing manure at animal feed operations for combustion, using an anaerobic reactor (digester). The reactor utilises the manure previously treated in anaerobic open lagoons to produce biogas, which is measured and destroyed throughout a flaring system. The result is a significant reduction in GHG emissions.



GOAL 3

Ensures an adequate level of protection for human health through proper handling of animal waste



GOAL 8

Provides jobs and economic opportunities for the local population.

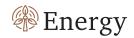


GOAL 13

Reduces emissions – achieved a $43,033 \text{ tCO}_2\text{e}$ reduction in emissions during the monitoring period.



Energy, Water and Waste



Highlights in 2021

PROCURED 100% RENEWABLE ELECTRICITY

FITTED LED LIGHTING AND PIR SENSORS THROUGHOUT OUR PROPERTIES

HELD TRAINING TO BOOST ALL EMPLOYEES' ENERGY AWARENESS

ENERGY REPORTING NOW AVAILABLE PER GUEST ROOM

SET TIMERS ON CERTAIN DRINK FRIDGES

Whether it is heating our indoor pool or cooking guests' delicious meals, we depend on energy to power our business. Equally, we know that this energy use impacts the planet. So, we are delighted that we have hit our target to procure 100% renewable energy, having moved to a 100% renewable energy contract with our providers in September 2021. This means both our properties are now completely powered by clean electricity.

Every month, we track, monitor and report consumption across our operations. Our fitted Automated Meter Readings (AMR) also provide us with granular data to keep atop of our energy usage — right down to guests' bedrooms. Over the next year, we want to further investigate our energy usage and assess the impact of our energy reduction initiatives against our monthly consumption data.

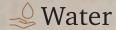
PROACTIVELY PLAYING OUR PART

We have been reducing energy usage wherever possible, especially during the national lockdowns in 2020 and 2021. This included intentionally operating

from a reduced number of floors, not heating our swimming pool and pool spa, replacing all our lighting with low energy LED lightbulbs, and installing PIR sensors. We also installed set timers on the fridges in our bar area, so they turn off automatically when not in use. Plus, all our employees undertake an environmental awareness course when they join us, which encompasses responsible energy usage. We also try to promote positive energy consumption practices among our guests. We have screens displayed around our properties promoting energy awareness and have implemented a 'Switch Off' policy, encouraging guests to switch off their appliances when not in use. As the saying goes, every bit counts.



RENEWABLE ELECTRICITY (KWH): 1,454,897 RENEWABLE ELECTRICITY (T CO_2E): O GAS (KWH): 1,539,882 GAS (T CO_2E): 282



Highlights in 2021

- 49% DECREASE IN OUR WATER USAGE IN 2021, VERSUS 2020
- FITTED WATER RESTRICTORS THROUGHOUT OUR PROPERTIES
- WATER FLOW CUT TO NINE LITRES PER MINUTE

How we all manage water matters hugely — more than 40% of the global population is already affected by water scarcity. This threat will only intensify amid climate change, rapid urbanisation and fast-growing populations. Against this backdrop, consider that a single hotel room can use an average of 1,500 litres of water per day² — equivalent to 8.3 bathtubs, filled right to the top.³ Clearly, the sooner hotels are smarter about water management, the better our collective outlook will be, as well as that of wildlife and natural ecosystems.

HOW ARE WE HELPING?

We have several initiatives aimed at bolstering our water management strategies, some of which are already having extremely positive results. Last year, we essentially halved the water usage in our CitySuites Chapel Street property, from 12,328 cubic metres of water (m³) in 2020 to 6,294 m³ in 2021 — a 49% decrease in just one year. Our initiatives included turning off the water supply to our swimming pool and spa during the national lockdowns, plus fitting yellow water restrictors throughout our property to reduce water flow to nine litres per minute. We are currently upgrading these to blue water restrictors in the bathrooms within both of our properties, potentially cutting the water flow to six litres per minute — a 33% reduction across our basin taps and showers.

2020 CITYSUITES I: 12,328 M³ 2021 CITYSUITES I: 6,294 M³

Sources: 1 United Nations (UN); 2 Sustainable Hospitality Alliance; 3 BathBarn, Sustainable Advantage



Waste

Highlights in 2021

- 100% WASTE DIVERTED FROM LANDFILL
- WASTE STREAMS SEGREGATED ON-SITE
- USED COOKING OIL CONVERTED INTO BIOFUEL
- MONTHLY REPORT PER WASTE STREAM
- FOOD WASTE WAS RECYCLED
- AWARENESS TRAINING FOR ALL STAFF

Convenience, indulgence and cleanliness are all synonymous with an excellent hotel experience. Yet, all can often lead to excessive waste. As single-use plastics, cleaning services and food waste are major contributors to waste in the hotel sector, we have pledged to reduce these wherever possible across our operations. We want to enforce a quality waste management programme, so guests have the same luxury experience — minus the unnecessary waste.



RETHINKING PLASTICS

Compared to other hotels, we already use very little plastic in our operations. For example, all our luxury apartments provide complete guest amenities — cutlery, glasses and crockery — which drastically reduces the use of single-use plastics. Some of the other small yet impactful switches we have made include:

- All bottled water removed from guest rooms
- Instilled a culture to refill toiletry bottles
- Only glass bottles are used in our restaurants
- Only eco-friendly coffee cups used in our restaurant and café
- Switched to washable laundry bags only
- Water machine in both gyms encouraging use of reusable bottles

WASTE MANAGEMENT

We are proud to divert 100% of our waste from landfill — a milestone we certainly want to maintain in 2022. Properly segregating waste is also integral to the recycling process, which is why we have a tri-separator for waste on-site to segregate all general waste, paper, cardboard and glass bottles. We extended our segregation programme to include lights, ink cartridges and batteries, which are returned to a local recycling point.

We also expanded our efforts to address food waste, as one in six meals are wasted across the global hospitality industry. To improve our impact, we now segregate all our food waste on-site before it is collected by our waste provider for recycling. We also recycle all our cooking oil. This helps alleviate the risk of pollution and it provides a green alternative to fossil fuels by producing biofuels. Our used cooking oil is collected by Olleco, whose facility can generate enough renewable biodiesel to fuel 1,632 heavy goods vehicles (HGVs) or 57,000 cars every year from all their clients.

Every month, we receive reports from our waste provider Freshwaste on both our properties. The waste report also delves into categories of waste, enabling us to effectively track each waste stream.

We also conducted an external audit and completed the BS 855 certificate through our Environmental Management System (EMS) last year. This gave us recommendations on how to improve our waste management, like the increased

WASTE continued

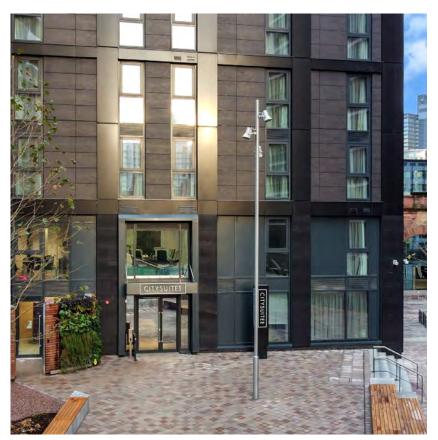
segregation that we recently implemented. In addition, all our staff receive training on best practices in waste management. This includes designating waste to the appropriate recycling receptacle, in addition to simple waste reduction practices, like printing on both sides of a piece of paper.

| Waste Stream — 2021 | |
|--|--------|
| GENERAL WASTE (KG) | 58,270 |
| DRY MIXED PACKAGING (KG) | 5,298 |
| GLASS (KG) | 2,340 |
| RECYCLED (KG) | 7,638 |
| RECOVERED FOR FURTHER PROCESSING [KG] | 17,544 |
| DIRECTED TO AN ENERGY FROM WASTE FACILITY (KG) | 48,000 |
| DIVERTED FROM LANDFILL (%) | 100 |

Environmental Management and Training

We are entirely dedicated to being an environmentally and socially responsible organisation. We want to embed strong environmental principles across all aspects of our operations and continually improve our performance. To support this, we developed an Environmental Management System (EMS) last year, which meets the requirements of BS 8555:2016, which is under yearly review. This includes an external environmental review of our current operations, followed by the creation of formalised procedures and processes to ensure compliance with the following:

- The prevention of pollution through identification and careful control of any aspect of the business which may impact the environment
- Fulfil the organisation's compliance obligations as they relate to the environmental aspects of the business, which is supported by periodic compliance checks
- Continual environmental improvement through the setting, reviewing, and updating of environmental objectives and targets which relate to our most significant aspects





SUIT



ENVIRONMENTAL MANAGEMENT AND TRAINING continued

Integrating environmental practices into our day-to-day operations means having every member of the CitySuites team on board. When joining the business, we provide mandatory environmental training for all our employees. This includes an online environmental awareness course, in addition to a training document outlining CitySuites' Environmental Policy, objectives and waste guidelines. We also encourage employees to raise any environmental concerns with management and suggest guidelines on how to elevate them.

SUPPORTING GUESTS' SUSTAINABILITY CHOICES

Peace of mind is priceless and so we want our guests to know they have chosen an experience that aims to help protect the planet. We also want to encourage our guests to support us in our mission toward sustainability. That is why we have set ourselves a goal to positively influence guests' sustainability choices via initiatives and campaigns by 2023 — working in tandem with guests to reshape their experience. Plus, we are going to conduct a Stakeholder Materiality Assessment to fully understand the issues within ESG that are most pertinent to our stakeholder groups this year.

What we are doing so far

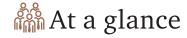
PROMOTING POSITIVE BEHAVIOURS

We encourage our guests to practice responsible consumption by displaying energy awareness messages on screens throughout our properties. We also have a 'Switch Off' policy, which encourages guests to switch off their appliances when they are not in use, thus reducing waste.

EXPANDING OUR PLANT-BASED MENU

We celebrate guests' growing preference for more sustainable dietary choices by ensuring we offer a wide range of vegetarian and vegan options. This means creating tasty dishes that appeal to our guests while reducing our carbon and waste footprint. So far, 43% of our menu consists of vegetarian options. The imminent launch of our new menu will have more plant-based dishes than ever: 64% of our selection will be vegetarian, of which 32% will be vegan.





Total number of employees:

- CITYSUITES: 78
- EMBANKMENT CAFÉ: 5
- NO. OF FULL-TIME EMPLOYEES: 28
- NUMBER OF PART-TIME EMPLOYEES: 50
- NUMBER OF MALE EMPLOYEES: 18
- NUMBER OF FEMALE EMPLOYEES: 60
- EMBANKMENT CAFÉ: 5 EMPLOYEES -FULL TIME 3, PART-TIME 2, MALE 3, FEMALE 2
- EMBANKMENT KITCHEN 31 EMPLOYEES -FULL TIME 7, PART-TIME 24, MALE 13, FEMALE 18, *AS OF 31ST DECEMBER 2021

INSPIRING AND RETAINING TALENT

Our team work hard to recruit talent across all areas and communities of society, especially those who share CitySuites' values, mindset and desire to evolve. Our policies ensure we attract a diverse talent pool, all of whom receive fair treatment throughout the recruitment process. We also have a comprehensive induction plan in place, which provides all the necessary support and training to help employees reach their full potential with us.

COMMUNICATION IS KEY

Our intranet, Yamma, is our main communications platform for sharing relevant and valuable information with our employees. This central source of information includes anything from policies to staff perks. Our usual annual staff engagement survey was postponed during the COVID-19 pandemic, but we plan on releasing one this year to all our staff. This foundation will enable us to track engagement and performance metrics and set targets to assess where we are and very importantly, where we need to be.

I FARNING AND GROWTH

We want to see every single employee reach their full potential, expanding their skillsets in tandem with the company's growth. So, we decided to enhance our strategy for internal development this year, which includes creating a formal career framework for all employees. We would also like to investigate the benefits of rolling out an apprenticeship scheme across the business, providing talent with professional qualifications and on-the-job training.

We have a thorough induction programme in place for new employees, which includes mandatory training on environmental awareness, fire safety, Health and Safety (H&S) and manual handling. Our management team also undertakes informal yet regular check-ins, and weekly and monthly meetings. Plus, we conduct annual appraisals to identify skill gaps and employees can access a range of courses if they want to upskill further.

Our training includes awareness and skills development across a range of business areas, including:

- Staff Handbook and Policies
- Social Media Policy
- Environmental Awareness
- Fire Warden
- Manual Handling
- Pool Operations
- Face Mask New Regulations
- Display Screen Equipment
- Legionella Awareness
- Food Hygiene
- Control of Substances Hazardous to Health (COSHH) Awareness
- General Data Protection Regulation (GDPR)



🛅 Health and Wellbeing

The COVID-19 pandemic has underlined the great importance of taking special care of our employees' physical and mental health, something we have always held in high regard. Flexibility is already a natural part of our business, as operating every single minute of the year means employees work on a rota basis. This allows us to easily accommodate flexible working arrangements, which feeds into helping improve our team's work-life balance as much as possible. Our flexibility also means we have a high number of part-time staff working for us.

HEALTHY, HAPPY MINDS

Promoting education around mental health is wholeheartedly ingrained in our ethos. We have an employee assistance programme in place for all staff, with this external support including counselling sessions. We try to promote open conversations around mental health across the business, checking in on staff's wellbeing during performance reviews and sharing communications on mental health awareness initiatives on Yamma, our intranet platform.

We also provide several mandatory mental health and wellbeing courses on our Learning Management System (LMS) for employees to complete, with topics ranging from how best to manage mental health at work to mindfulness training. Rewarding our employees is also paramount. All employees have access to Perkbox, a benefits and rewards platform, which offers discounts on everything from yoga classes to trips away. We encourage all employees to get involved, advertising the top monthly Perkbox offer across our intranet to promote take up. We also offer staff discounts across all CitySuites' establishments.

What is next?

We will formalise our wellbeing strategy this year, which includes a formal policy and appointing wellbeing champions from our workforce to lead our initiatives across the business.

M Diversity, Equity and Inclusion (DE&I)

Cultivating an inclusive workplace is not only the right thing to do, it also helps attract more diverse talent and directly correlates to business growth. For one, there is a greater readiness to innovate and the employee retention rate within a diverse workplace can be 5.4 times higher than in a non-diverse environment.

We are equally passionate about being an equitable employer, as a result, we work hard to create an environment based on respect and inclusivity, whereby all employees, regardless of their; race, gender, marital status, age, disability, sexual orientation, religion or, political opinion can reach their full potential. Our Diversity Policy covers all areas of recruitment, employment, training and promotion. We also provide Diversity and Inclusion (D&I) training for staff, which we plan to extend further this year by establishing workforce demographics and by creating an employee-led DE&I Council and Charter.

GENDER PAY GAP

Ensuring fair pay for all is a must-have, so we will be conducting a full Gender Pay Gap report for release later this year. Once we have collected the data, we will undertake a full analysis of the results in order to identify any gaps and further implement a strategy to achieve pay parity across the business.



CITYSUIT





Supporting our communities

Highlights in 2021

TOTAL DONATED: £4.965.00

Helping others is a cornerstone of our ethos, whether it is our guests, our staff, suppliers — and of course, communities. We are proud to share the steps we have taken to put a smile on the faces of those in need over the last year, as well as our plans for the year ahead. Overall, we have donated £4,965.00 over the last twelve months to several causes close to our hearts, including:

CHARITY ESCAPES

In 2021, we continued our partnership with Charity Escapes to donate overnight stays and raise money for a range of good causes. CitySuites donated 20 of their B&B studios for both one- and two-night stays. Charity Escapes are a not-forprofit organisation that partners with companies to donate prizes to charities hosting fundraising events.

MISSION CHRISTMAS

Our management team got stuck in helping pack presents for Cash for Kids 'Mission Christmas' initiative, donating gifts to disadvantaged young people in the community. The team managed to sort and distribute more than £1.1 million worth of gifts, which were given to 35,482 children across Greater Manchester — just in time for Christmas morning!

MACMILLAN CANCER SUPPORT MORNING

We raised £250 by participating for the first time in last year's Macmillan Morning — the world's biggest coffee morning — to raise much-needed funds for people living with cancer.

CHRISTMAS JUMPER DAY

In December, we donned our most festive Christmas jumpers to Save the Children, helping bring cheer to children in need around the world.

Our CitySuites team getting stuck in packing gifts for Mission Christmas



SUPPORTING OUR COMMUNITIES continued

What are we doing next?

We are excited to roll out support for a different charity per quarter across different departments over the coming year, which will include July

• PRETTY MUDDER FOR CANCER RESEARCH

October

- OUR EMBANKMENT KITCHEN AND EMBANKMENT CAFÉ TEAM WILL SUPPORT SAVE THE CHILDREN
- THIRD QUARTER: OUR RECEPTION TEAM WILL CONDUCT A SOUP KITCHEN FOR MANCHESTER CENTRAL FOODBANK, HELPING HOMELESS PEOPLE IN THE COMMUNITY

We will also help raise awareness of several nationwide events, including: 18th March

RED NOSE DAY COMIC RELIEF

24th September

. MACMILLAN CANCER SUPPORT MORNING

10th October

• MENTAL HEALTH DAY

10th December

· CHRISTMAS JUMPER DAY FOR SAVE THE CHILDREN

December

• 'MISSION CHRISTMAS' FOR CASH FOR KIDS

Eating cake for a good cause at our Macmillan Cancer Morning



Managing the Impact of COVID-19

Staying safe is critical for every one of us, whether we are at work or home — and this is especially pertinent during a pandemic. We sustained a robust Health and Safety (H&S) strategy to keep both our people and the public safe, resulting in our AA Covid-19 Confident certificate. We continue to roll out a high standard cleaning policy across the business — from the communal areas, guest apartments, the pool, restaurant and gym. All our cleaning products are certified to be effective against COVID-19 and other airborne and blood-borne pathogens. We ensured that signage throughout our properties encourages social distancing and the optional wearing of face coverings, as well as the installation of sneeze screen protection in reception, a virus fogging machine and hand sanitiser in all communal areas.

Supporting our staff went beyond their physical health, as management took a proactive approach to check on everyone's wellbeing. This ranged from weekly check-ins to providing practical help, such as organising deliveries or dropping off food shopping. Ensuring all employees were updated on the latest developments via regular communication with management was also crucial. For guests and external parties, we established a dedicated section on our website to share the latest information on how we are managing the impact of COVID-19.

FOOD SAFETY

We have a full cleaning and hygiene policy in place, with a specific set of processes detailing kitchen safety. This includes vigilant cleaning during opening hours, plus additional cleaning measures. All Embankment Kitchen and Café employees undergo thorough training on food safety when joining the business, which is internally reviewed to ensure full understanding. We also ensure any information on allergens is clearly conveyed to guests so that they can safely and happily dine with us.



Map of CitySuites' local supply chain

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OUR SUPPLIERS

We could not function without a reliable supply chain. Therein lies the enormous value that our responsible partners bring to CitySuites' evolution. Of course, the increased complexity of a supply chain that comes with business growth means clearer management and transparency are pivotal to sustainable success. This is especially true as hospitality operators worldwide face increased pressure from stakeholders to demonstrate their ethical and environmental supply chain management, from ensuring fair labour practices to demonstrating environmental progress.

For many businesses, the COVID-19 pandemic exposed a host of supply-chain issues. Yet we managed to navigate many of the challenges over the last two years — a testament to our longstanding relationships with our trusted partners. From linen to construction to furniture providers and more, we work closely with our broad range of suppliers, as you would expect from any hospitality provider, whilst ensuring that those relationships are nurtured so we can in turn provide luxury at the highest standard whilst ensuring a value for money experience for all our guests.

VALUE OF MANAGEMENT AND TRANSPARENCY

ESG leadership begins at home, but it must also extend beyond a business' core operations to effectively manage its environmental and social footprint. Consider that up to 90% of a company's greenhouse gas (GHG) emissions are Scope 3, or indirect emissions. Of these indirect emissions, up to two-thirds are from upstream supply chains. Clearly, a successful ESG journey requires a buy-in from the supply chain.

MANAGEMENT

In 2021, we wanted to gain a better understanding of our suppliers' ESG performance by releasing a survey to our major suppliers — from food and catering through to cleaning supplies and linen — with approximately 33% of our suppliers responding positively. The survey results revealed where many of our suppliers already have a strong awareness of ESG and where there are areas for improvement. This year, we would like to continue engaging with our supplier base by extending the survey to our Tier Two suppliers, gaining a more comprehensive idea of the impact our extended supply chain has.

SUPPLY CHAIN continued

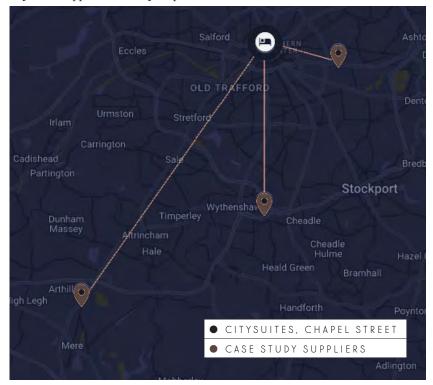
TRANSPARENCY

We are determined to ensure our suppliers adhere to the highest ethical and legal standards. We have zero tolerance for slavery and human trafficking in our supply chain, as outlined in our Modern Slavery statement. This is supported by our Anti-Slavery and Human Trafficking policy. In 2022, we plan to increase our efforts in this area by introducing a Supplier Code of Conduct with ESG criteria to further vet our suppliers.

SUPPLIERS: LOCAL CONNECTIONS, LOCAL GROWTH

The vast majority of CitySuites' suppliers are located locally, (within a 20-mile radius of CitySuites' properties). We are proud to support local enterprises and communities while reducing our environmental footprint.

CitySuites supplier case study map



Case Studies: Supporting Local Suppliers

The Linen Group

Located less than 10 miles from CitySuites, The Linen Group services laundry for both of our hotels. The group are committed to providing a more environmentally friendly laundry service by using the latest technology. All stock adheres to the Ethical Trading Initiative (ETI), accreditation ISA and the SA800 standard. This proactive approach extends to their batch washers, which save water, energy and chemicals. The Group also recycles nearly 100% of the freshwater used and has a rejection rate under 1%, which translates into fewer wasted deliveries (and the associated fuel) and wasted energy use. To achieve the most energy-efficient route, the delivery routes are plotted to be as direct as possible.

The Bread Factory

We source our freshly baked goods from The Bread Factory's Manchester branch, a 20-minute drive from CitySuites. The Bread Factory is serious about investing in, reducing, reusing, and recycling their waste wherever possible. This includes the launch of 'The Bread Room' initiative, where employees take any excess bread home. They have also launched two waste-reducing products, including cheese crackers that use cheddar offcuts and award-winning wasteless sourdough made from leftover bread. The Bread Factory sources locally whenever possible, working with smaller artisan suppliers in the local community.

Aqua Air

Eco-friendly cleaning product supplier Aqua Air is located 40-minutes from CitySuites. Toxic chemicals found in traditional cleaning products — such as solutions, soap and bleach — can be harmful to the environment and the user. Aqua Air has developed eco-friendly alternatives that are less damaging for use in sectors like hospitality, medical, education and catering.



ÔOur Policies

We have comprehensive policies in place, outlining our standards and expectations for our business and people. These include:

- ESG
- HEALTH & SAFETY (H&S)
- · DATA PRIVACY
- DIVERSITY & INCLUSION [D&I]
- . MODERN SLAVERY
- ANTI-BRIBERY AND CORRUPTION
- · COMPUTER USAGE
- GRIEVANCES
- · CODE OF CONDUCT
- MATERNITY AND PATERNITY
- · ALCOHOL AND DRUGS
- ATTENDANCE

What's next?

In 2022, we plan to develop a Corporate Criminal Offence Policy. This will be in line with the Corporate Criminal Offence Policy introduced in 2017, which is part of the Criminal Finances Act. The policy was introduced by Her Majesty's Revenue and Customs (HMRC) to crack down on tax evasion and tax enablers. This will detail:

- CitySuites' top-level commitment to preventing tax evasion
- An assessment of the risk to CitySuites and any actions that need to be undertaken

- Education and communication provided to CitySuites staff to ensure understanding and compliance
- · Processes for monitoring and review

OUR NEW ESG COMMITTEE

We are delighted to have launched our ESG Committee last year, as part of CitySuites' 2021 commitment. This committee is fundamental to helping sustain the positive momentum in our ESG journey. Led by our Operations Director, Gavin Bailey, the committee meets monthly to discuss actions internally. It also has bi-annual meetings with sustainability consultancy Sustainable Advantage, which provides further guidance and updates us on key trends.

A SAFE STAY FOR ALL

Our consistent focus on instilling a robust Health and Safety (H&S) culture at CitySuites resulted in the launch of our H&S Committee in 2021, which comprises of seven employees from different parts of our business. Monthly meetings focus on reviewing any incidents or potential risks. We also have a comprehensive H&S Policy in place, along with manuals and formal procedures for employees to follow. Every single employee must undertake mandatory H&S training, including Control of Substances Hazardous to Health (COSHH) awareness training. Plus, every staff member working with food must complete compulsory food hygiene training when they join. This training is signed off internally to ensure all staff fully understand processes.

All incidents are reported via an accident report form, which is then reviewed by a third-party provider. Once analysed, actions or amendments are made and recorded in our Risk Register. To counter the risk of fire, we conduct regular internal risk assessments across our properties, we also enlisted an external fire safety assessment provider for our latest property.

EVERYONE IS WELCOME

We want everyone to relax during their stay with us, which means they must feel welcome. We are proud to be accredited by Maiden Voyage, a specialist accreditation in diverse traveller safety. Maiden Voyage's mission is to make business travel safe, liberating and empowering for all, regardless of gender, sexual orientation, physical ability or ethnicity. Our guests can rest assured that

OUR POLICIES continued

our fully trained staff are on-hand every hour of the year, with thorough safety procedures in place.

SUPPORTING DISABLED GUESTS

We ensure everyone within CitySuites' sphere — be they employees, guests or others who enter the hotel — are treated equally and according to their needs. Our accessibility statement outlines our commitment to addressing some of the issues those with disabilities may face. Recognition and support are given to those with impairments, such as those relating to mobility, learning, sight and hearing, as well as any unseen disabilities. Accessibility features are provided at our facilities, including our swimming pool, gym and communal areas. Guests' apartments have lift access and are designed with wide access corridors and wide entrance doors, plus low-level light switches and power sockets by the bed. We encourage guests to contact us with any special requirements for their stay to ensure they enjoy a safe and comfortable visit.

RISK

Mitigating risk and sustainable growth are two sides of the same coin. Therefore, risk and compliance form a regular part of the agenda at our monthly H&S Committee meetings. Our comprehensive risk register also tracks all incidents on an online compliance system. Any events are reviewed by an external party and the case is closed once a recommendation has been agreed upon. A third-party audit was undertaken to assess CitySuites' exposure to potential risk, which resulted in a draft disaster recovery plan of recommended prevention measures (control) and mitigation measures (response).

In Numbers: 13 reportable health and safety incidents were recorded over the last year (all of these were minor incidents)





OUR POLICIES continued

DATA PRIVACY AND CYBERSECURITY

Keeping data safe is vital to sustaining trust among our customers, partners and employees. It is also instrumental in keeping operational fluidity. As such, we take it very seriously. Strict security measures and processes are implemented across the business to protect data assets, as well as to make sure all data is stored and disposed of correctly. All CitySuites' employees have a Disclosure and Barring Service (DBS) check and complete full training on our data policies and General Data Protection Regulation (GDPR) when they join the company.

We also have security processes and systems to safeguard our local networks and we undertake daily, weekly and monthly testing to identify potential risks or threats. We have complete V-LAN segregation between our networks for guests and staff, which is also protected by a firewall. This is reinforced by a third-party provider who covers any additional protection requirements, as well as our cyber insurance. In addition, we are Cyber Essentials Plus accredited, and we are currently having our third-party verification authenticated. We recently expanded our IT team to have a segment fully focused on security-related projects, which includes ramping up testing.

GRIEVANCES

All employees should be treated fairly and with respect. We encourage any employee who believes they are receiving unfair treatment to raise the matter. On the occasion that a complaint or grievance needs to be escalated, we have a full Grievance Policy outlined in our staff handbook. Any grievances must be put forward in writing to the Head of Department, where the issue will undergo a formal, internal investigation. A grievance hearing may be held, followed by a proposed resolution, as well as the opportunity to appeal. All employees have the right to be accompanied by a fellow worker or trade union official at any grievance meeting or subsequent appeal.

ANTI-BRIBERY AND CORRUPTION

Honesty and integrity are integral to our ethos. Accordingly, we have a strict anti-bribery and corruption policy to ensure we adhere to high ethical standards, which is in line with the Bribery Act 2010. Any breach of this policy is considered gross misconduct and is subject to a formal investigation, as per our disciplinary procedures.

MODERN SLAVERY

We are committed to stamping out modern slavery and human trafficking. We have adopted a zero-tolerance approach to any criminal offence and our Modern Slavery Statement is published on our website. This details the steps we have taken to ensure slavery and human trafficking do not take place within our business or supply chain and is reinforced by our Anti-Slavery and Human Trafficking Policy.

2021 ESG Objectives

| ENVIRONMENTAL OBJECTIVES | TARGET DATE TO ACHIEVE | OUR PROGRESS |
|---|------------------------|---|
| Assess impact of energy reduction initiatives against monthly consumption data | December 2022 | Receive monthly energy reports and monitor granular energy usage |
| Lower carbon intensity ratio by 5% | December 2022 | |
| Conduct baseline assessment of Scope 3 emissions | December 2022 | Already calculated Scope 1 and 2 |
| Maintain 100% of waste diverted from landfill | December 2022 | Achieved target for 2021 |
| Continue to procure 100% renewable electricity | December 2022 | Achieved target for 2021 |
| Influence sustainable consumer choices via sustainability initiatives and campaigns | December 2023 | Started communications around sustainability initiatives, such as environmental commitment on our website |
| Develop a carbon reduction glide path, with set annual targets to achieve net zero | December 2024 | |
| SOCIAL OBJECTIVES | TARGET DATE TO ACHIEVE | OUR PROGRESS |
| Develop a Supplier Code of Conduct and integrate ESG criteria | December 2022 | Conducted a Supplier Survey in 2021 |
| Establish workforce demographics and create an employee-led D&I Council and Charter | December 2022 | D&I Policy in place |
| Conduct a staff engagement survey and start tracking performance metrics and cargets, i.e., Net Promoter Scores (NPS) | December 2022 | Before COVID-19, staff engagement surveys were conducted annually |
| Develop a formal wellbeing policy and strategy and implement wellbeing champions to reinforce initiatives | December 2022 | Number of wellbeing initiatives in place, such as an Employee Assistance Programme (EAP) |
| Develop formal career development framework for all employees | December 2022 | |
| Appoint an external whistleblowing provider | December 2023 | |
| GOVERNANCE OBJECTIVES | TARGET DATE TO ACHIEVE | OUR PROGRESS |
| Publish a Gender Pay Gap report for the last financial year and set out strategy to address gaps | December 2022 | |
| Create a Corporate Criminal Offence policy | December 2022 | |
| ESG INTEGRATION OBJECTIVES | TARGET DATE TO ACHIEVE | OUR PROGRESS |
| Conduct a Stakeholder Materiality Assessment | December 2022 | |

CITYSUITES

Working in partnership with:



An intelligent approach to energy, waste & sustainability

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