

ANDRONIS | Hotel Group

**EMBARKING ON OUR SUSTAINABILITY
JOURNEY**

1. Overview

Guided by the Greek term “Philoxenia”, we are passionate about creating moments and memories that resonate long after they have passed. We achieve this by ensuring our guests truly enjoy the simple pleasures. Each property is inspired and informed by the landscape and the culture it resides within. We have charged ourselves with the task of redefining and reimagining hospitality, with a focus on space, peace, and unparalleled service. Cosmopolitan life at its best & authenticity is what lies at the heart of the Andronis Hotel Group.

At Andronis we are aware of the issues that the environment as well as society is facing in the last few years and in the following pages, we outline our Group’s approach to sustainability. Unless otherwise mentioned, the information provided focuses on our Andronis Hotel Group and covers our material sustainability topics and our activities and commitments as well as the targets we set going forward.

To identify our material topics, we performed research and collected information on a wide array of the environmental, social and governance topics that are most relevant to our sector as well as mentioned in international sustainability standards and guidelines. After identifying an initial list of topics, we performed an internal materiality assessment to select the ones that are most relevant to our business. For our materiality assessment we accounted for each topic’s individual relevance to sustainability, as well as our existing and future policies, commitments, actions and targets.

Based on the above, we have compiled the following list of environmental, social and governance topics that are most material for our Group:

Environment	Sustainable raw materials and Zero Plastic
	Carbon footprint reduction
	Responsible energy, water and waste management
Social	Support local employment
	Safeguard occupational health & safety
	Training & career development
Governance	Business ethics & compliance

We will be updating and reviewing this list bi-annually and applying any corrective actions based on the needs of our stakeholders and overall business context.

Note from Director of Operations, Mr. George Giourtzidis

Being part of a greater ecosystem we at the Andronis Hotel Group feel the need and the obligation to address the very important subject of sustainable growth. The COVID-19 pandemic provided the hospitality industry and the entire world with a stark reminder of the importance of adaptability, resiliency and connection as a global community. At the same time, the need to address systemic inequalities has become clearer than ever.

Our business and people are healthy and growing. In the upcoming years we have planned a corporate expansion in Santorini, Milos and Italy with a total budget of more than 50 million euro. In all these new projects we will implement the latest sustainable construction and operation methods. It is becoming ever more important to our organization to adopt a more sustainable way of operating and doing business. Especially since most of our properties are located on such a unique place as Santorini, we are trying harder and harder to help preserve its' physical beauty as well as the beauty of its people, culture and tradition. Among their many challenges, the last couple of years have provided us with an opportunity to rethink the way we do business and plan our way forward being more environmentally friendly and people-oriented. We recognize that our people are our most valuable asset and thus we made sure early on that our staff had the knowledge, equipment as well as psychological support to go over this difficult time. We appoint a COVID-19 case manager, provided the option for hybrid working as well as specific training on focusing on topics such as case definitions and care pathways, infection preventions, respiratory and hand hygiene, etc.

Environmentally, we see the need for transitioning to a low-carbon economy in harmony with the environment as an important imperative for both businesses and society. As a business that is directly linked to the natural environment, we are intent on supporting this transition and help where we can on its preservation and restoration.

Post-pandemic, we look forward to the challenges and opportunities posed by this new era!

Vision

Our vision is to offer unique hospitality experiences and be the guests' first choice, by aiming to create everlasting memories through an unrivaled personalized service. At the same time offering growth to our brand, our people and the locations in which we operate.

Company Presentation

Andronis Hotel Group is a luxury collection of Hotels, Restaurants & Fashion boutique stores in Santorini & Athens. We operate 7 hotels in Santorini & Athens with 160 rooms in total. Each hotel offers a different adventure. Our philosophy is to live to provide our guests with the holiday experience in full, in every way, every moment of their stay.

Milestones

Our first major step in our sustainability journey was the conception and construction of Andronis Concept Wellness Resort in 2017. Andronis Concept is the first property that we created entirely from scratch and we were able to implement some of the more modern building techniques especially regarding heating insulation, lighting and energy efficiency. Most of the materials used to construct Andronis Concept (such as concrete and bricks) were produced locally which helped reduce the impact of transporting these materials from the mainland while helping to support the local economy.

Since the construction of Andronis Concept we have made further leaps towards making an ever more sustainable hotel by changing the infrastructure and operation of the hotel as well as undertaking several sustainability actions:

2018	<ul style="list-style-type: none">• Replaced all plastic water bottles with glass bottles• Replaced the doors of the rooms in order to improve heat insulation• Implemented psychological support hotline for all employees• Started training seminars for all managerial staff members• Recycled more than 5 tons of materials
2019	<ul style="list-style-type: none">• Replaced the oil boiler and installed high efficiency heat pumps instead in order to provide heat for the swimming pools• Organized a clean-up of the famous hiking path a day before the "Experience Santorini" race• Multiple staff members participated in a blood donation organized by the Blood Bank of Santorini• Recycled more than 6 tons of materials
2020	<ul style="list-style-type: none">• Abandoned the use of all single plastic food containers and straws• Replaced all lighting with LED lights and motion sensors to reduce electricity consumption• Installed food waste processing equipment• Installed a battery collection point in collaboration with AFIS battery recycling company• Replaced plastic room key cards with wooden ones

Certifications & Awards

Throughout our operation, Andronis Concept Wellness resort has received several awards. Among these, the most important are:

- *Travel & Leisure Magazine (2018,2020, 2021)*
- *FNL Star for Throubi Restaurant 2019, 2020*
- *Gold Badge US news and world report 2020*
- *Conde Nast Traveler 2020, 2021*

gaining the Regenerative Travel Sustainable Collaboration certification.

2. Environment

2.1. Sustainable raw materials and Zero Plastic

We are serious about removing single-use plastic in our resorts. That's why, we aim to have the Andronis Concept Hotel become Zero Plastic by 2025 while aiming to recycle up to 75% of all our waste and further replace all non-sustainable materials.

To that end, we started in 2018 by replacing the plastic water bottles delivered to the guests during turn down with glass ones, using bamboo or paper straws, recyclable Nespresso Coffee Pods inside the rooms and the restaurant as well as recycled 150kg of plastic bottle caps during 2019. Additionally, we have implemented a strategy to reduce paper usage throughout the hotel and our proud to say that most of the paper products used in Andronis Concept are sustainably produced or recycled.

We have stopped issuing paper-printed receipts and instead we send an email with the guests' receipts. One more action we took was to reduce the paper material inside the suites by replacing the paper copy of menus with the usage of our application. Our printed collaterals, cards and papers have been certified from FSC and for the recycling program with have a Hellesi certificate. Additionally, as an alternative to plastic toiletries, we started using reusable glass bottles in every bathroom. Furthermore in 2021 we replaced our plastic card keys with bamboo ones in order to further reduce the use of plastic.

Last but not least, we strongly encourage our guests to return their card keys at the end of their stay so that we can reuse them multiple times and we have placed recycling bins inside every suite in order to make the guests feel that they are part of this effort to reduce waste!

2.2. Carbon footprint reduction

Recognizing the extent to which climate change can affect our lives, we are aware of our carbon footprint taking on efforts to reduce it. That's why we made a first pilot estimate of our Andronis Concept carbon footprint for 2020 utilizing the World Travel & Tourism Council's hotel carbon methodology. The methodology was developed by the hospitality industry to create a consistent methodology for all hotels to measure and communicate their carbon impact and is being used by over 25,000 hotels globally.

For the estimation we have accounted for all energy used 'on site' (including fuels such as natural gas, oil and other fuels, purchased electricity, and mobile fuels from vehicles and other equipment). We also included an estimation of greenhouse gas emissions from outsourced laundry and AC systems refrigerants. Our ambition is that, through widespread application of the measurement, we will improve understanding, transparency and accuracy to cover all Group activities.

2.3. Responsible energy management

We closely monitor our energy consumption, comparing it year per year with the aim to reduce it as much as possible. In 2019, we undertook a big project in this direction by replacing all lamps with LED lights throughout our Andronis Concept property. The next big step came in 2020, where we replaced our oil boiler with heat pumps in order to produce hot water for the guest rooms and the swimming pools. This action significantly helps reduce our total energy consumption as well as our carbon footprint.

Additionally, in 2021 we replaced our diesel Mercedes E-class with a state-of-the-art EV Tesla Model 3. This action alone helped us save approximately 3.500 liters of diesel consumption. It was such a successful transaction from one form of transfer to the other than we already purchased two more Tesla Model 3 for the 2022 season. Our goal is to have 80% of the transportations of our guests to be carried out by EVs by 2025.

In 2022 we aim to install smart hubs and sensors in all of our suites in order to monitor the temperature and humidity of each room. This will enable us to remotely operate the AC in each room as well as turn the lights and the tv off when the guests are absent. Last but not least, we will install an on-site laundry facility which will utilize the most efficient equipment in terms of energy and water consumptions. Having the laundry facility on-site will also mean that there will no longer be the need to transfer the laundry to and from an off-site location thus helping to reduce energy consumption and associated greenhouse

gas emissions.

2.4. Responsible water management

We understand the environmental as well social impacts that can occur with regards to water scarcity and thus, we undertook a first estimate of Andronis Concept 2020 water footprint, with the ultimate aim to take efforts to reduce it. We utilize the World Travel & Tourism Council's hotel water methodology. The methodology was developed by the hospitality industry to create a consistent methodology for all hotels to measure and communicate their water impact and is being used by over 18,000 hotels globally. Our ambition is that, through widespread application of the measurement, we will improve understanding, transparency and accuracy to cover all group activities.

For the estimation we have accounted for all activities within the Andronis Concept hotel premises which comprise of both direct building uses and ancillary activities (including meeting spaces, concession shops, spas, garden space, fitness centers, and back of house). It also included, estimations of water consumption of our laundry and grounds area.

Santorini is known for having water scarcity issues and thus it is of utmost importance for us to try and preserve it. Moving towards this direction we have placed water tap aerators in all guest rooms and public bathrooms and we have set the average water output of our faucets at 6 liters per minute for the sink and 9 liters per minute for the shower. All our cauldrons throughout the property use a two-stage system to further save water. Additionally, we use a trickle water system for our gardens, and we combine that we electronically-controlled water hoses so that no water is wasted.

In 2022 we will have an on-site laundry facility which will utilize the most efficient equipment in terms of energy and water consumptions.

2.5. Responsible waste management

From the start of Andronis Concept operation we collaborated with Hellesi, a leading manufacturer of plastic injection-moulded products established in 1997 to support us in the design and implementation of integrated waste management system. By doing so we ensure that the waste of Andronis Concept is responsibly disposed.

A recycling bin has been installed, which is separately collected by Hellesi and taken to the recycling center in Santorini. By doing that we were able to recycle more than 10 tons of materials during 2018-2019 which accounted for approximately 25% of the total waste generated by our hotel. Our goal is to recycle up to 75% of all our waste and further replace all non-sustainable materials!

Regarding food waste, in 2021 we purchased food waste processing equipment which converts food waste to reusable fertilizer. We also adopted a policy for the proper disposal of cooking oil. For this reason, we collaborate with HWM (Hellenic Waste Management) who collect and recycle the used cooking oil from our restaurant.

3. Social

3.1. Support local employment

Andronis Group is one of the biggest employers on Santorini, providing direct employment opportunities to the local community of the island with an estimated workforce of over 500 people in 2022 (from 2017 to 2021 the number of employees increased from 260 to 510). We have developed an Internal Employee Referral Program. This is an organized and structured program that enables employees to recommend candidates for open positions within the local community.

Andronis Group identifies employees' skill needs and gaps and provides training accordingly. In addition, we encourage local businesses to be part of our supply chain and we work with specialized trainers, psychologists and business counselors to offer training that help build local skills and expertise through their good knowledge of Santorini island and local market. The business counselors also help the HR department with recruiting since they are very familiar with the pool of the local people searching for new job opportunities.

3.2. Safeguarding occupational health & safety

Even before the pandemic, Andronis Group paid great attention to the wellbeing of all our employees. During the outbreak of COVID-19 we went well beyond the protocols of the Greek Government in order to keep our staff and guests safe. All Andronis staff members received training on COVID-19 and how to keep themselves and the people around them safe as well as how to address a potential COVID-positive case. Our employees were also provided with all the necessary PPE throughout the season. Furthermore, they had immediate and free access to self-testing equipment as well as medical help (extending beyond COVID-19 related reasons) through our collaboration with a local physician. Vaccinations were strongly advocated for and support was provided in order to make the necessary appointments and paperwork.

Additionally, we believe that mental health is important for our people and therefore since 2017 we have established a collaboration with an occupational psychologist to help us operate a hotline for all our staff members and their first-degree relatives. That means that everybody is provided with easy, anonymous and free access to psychological support. Additionally, we pride ourselves in the fact that zero employee accidents have been recorded.

One of the largest issues on the island is the lack of affordable and decent accommodation for seasonal employees. We have recognized the impact this plays to our employee's wellbeing, and therefore we undertook what we consider our biggest achievement yet: the construction of a model staff apartments block which is going to be ready early March 2022. This apartments block is a unique initiative for the island and will be fully equipped with a supermarket, bar, gym, laundry services and restaurant. Besides providing a place for our employees to stay and socialize it will also help reduce travel costs and transport problems, provide better information about job vacancies, encourage employees to adapt flexible working practices as well as help us hold events to bring together employees and Andronis Group ambassadors.

3.3. Training & career development

It is surely no accident that so many Andronis Group employees stay with the company for 3, 4 or even more years. We pay great attention to properly evaluate and develop our work force. We are in favor of growth within the company and that is why we tend to give opportunities to staff members to take up managerial positions and work their way up the hierarchy. Most importantly we continuously provide training to our managerial staff by providing seminars organized by professional behavioral psychologists. The same seminars are provided by our HR department to all staff members that wish to attend.

We additionally, train our senior management by organizing company field trips in the off season. During these trips we send Hotel Managers, Front Office Managers and almost all our Directors to the best luxury hotels in the world in order for them to experience firsthand the level of service that our guests are accustomed to. Furthermore, we send our Chefs and Restaurant Managers to work at Michelin-starred restaurants all around the world for them to gain experience in world class culinary settings.

We provide approximately 50 hours of training per year per employee (that includes induction from the HR department, workshops from HR department regarding soft skills, theoretical and practical training from HODs & on the job training). In 2022 we also had learning management system implementations (40 hours per employee per year in Opera for front office department employees and 3 hours per employee per year for HR personnel). We are proud that 100% of our employees are receiving regular performance and career development reviews. Lastly, during the reporting period expenses of up to 500 euros per employee per year are covered.

3.4. Supporting local community

At Andronis we take great pleasure and consider it a big privilege as well as a huge responsibility doing business in Santorini. We strongly believe that our island is a unique place with unique people!

We strive to improve everything about this majestic island and its people. Currently, out of the 342 suppliers that we work with, 77 are located on Santorini. Local products such as local wine and agricultural products are widely used in our restaurants and we strongly encourage our guests to visit the local museums and the widely popular wineries.

Furthermore, we constantly undertake actions that improve the wellbeing of the community in general. Most notably, during the last few years we have provided housing for the needs of the new hospital, helped with the renovation of the fire department building, donated learning material to the elementary school of Oia and organized a fundraiser among our staff members to financially support the destitute families of Santorini. 2021 was a disastrous summer for Greek forests; thus, an additional fundraiser was organized during which we were able to gather enough funds to purchase a fire extinguishing device for the MAKIP Hellas forest protection volunteer team.

4. Governance

4.1. Business ethics & compliance

We base our relationships with all our business partners on the principles of mutual respect and trust. We constantly aim to build reliable, strategic partnerships, based on the values of honesty, justice, and integrity. Our stance and philosophy help Andronis Group ensure a healthy corporate and business environment for our people and partners. We are firm believers that as our industry brings together thousands of people from different cultures, tourism can act as a catalyst in the process of the proliferation of a culture of tolerance, peace and understanding.

The governance model adopted by Andronis Group aims to ensure responsive, inclusive, participatory and representative decision-making at all levels, emphasizing the importance of public access to information, protection of fundamental freedoms and the promotion of non-discriminatory laws and policies for sustainability.

At present, we are working on developing our Corporate Governance code, a set of principles and rules that will help ensure our transparent operation, and which will enable us to respond even better to the challenges faced by tourism on an international as well as local level.