02

Sustainability report 2024

Responsible Hospitality by Design

In recent years, the evolving economy and society have consistently highlighted the importance of adaptability in navigating new challenges. During such times of change, the principles of sustainability and wellbeing have become even more vital, guiding our actions, strategies and decisions. We are dedicated to upholding our commitment to supporting local communities, promoting employee wellbeing, and protecting the environment. In the years ahead, we aim to fulfil our plans and meet customer expectations with steadfast focus and purpose in growing sustainably.
This report contains information about Arena Hospitality Group's Sustainability strategy, performance and sustainability report in accordance with European Sustainability Reporting Standards.

Reuel ('Reli') Slonim

President of the Management Board

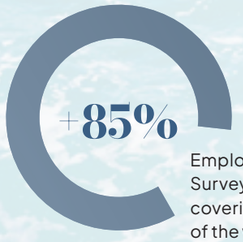
Our Vision

As we strengthen and expand our hospitality portfolio, we know that the success of our business is intrinsically linked to our ability to change, evolve, and grow sustainably. We recognise the importance of looking after our people, local communities and our planet.
Our aim is to establish Arena Hospitality Group d.d. (the "Group") as a leader in responsible tourism across the regions in which we operate, centred around quality, excellence, stakeholders' participation, local community inclusion and high-level green and social competitiveness.

Sustainability Framework

Through consistent engagement with our stakeholders about responsible operations, we are able to best understand their priorities, and this is helping us to develop our products, services, and investments in a more sustainable and social manner.
Our sustainability framework represents our holistic approach to balance people, planet, and our long-term business strategy. We prioritise environmental and social concerns, and through policy we clearly define the methods and measures that we use to assess the Group's environmental and social impact, as well as its governance practices on the communities in which it operates.
Our Sustainability strategy, initiatives and goals are closely linked with the Group's vision, values, and growth strategy. Whilst we can relate our activities to most of the 17 UN Sustainable Development Goals (SDGs), there are 13 that most closely align with our purpose and values. These goals have been reviewed and approved by our Board.
We established our Responsible Business Programme in 2016, and we continually evolve and adapt our Sustainability strategy to support the changing landscape and to ensure engagement at all levels of the Group's operations. In support of this aim we will consider, measure and report against Sustainability factors, the methodology of which is set out below.
The Group remains committed to its strategic objective to strengthen and expand its hospitality portfolio within Croatia, Germany and CEE region and we recognise the importance of developing our products, services, and investments in an increasingly sustainable and social manner.
Our aim of generating long-term competitive advantage through our sustainable approach is at the heart of our organisation, and we strive to go well beyond our compliance obligations.

2024 Key highlights, awards & recognitions



Employee Engagement Survey (Let's Talk) covering more than 85% of the workforce.

3,000 native trees were planted in Croatia by employees who volunteered for a reforestation initiative.

art'otel Zagreb received the **Green Building and Sustainable Built Environment Award in the Building of the Year – Reconstruction category**. This award, presented by the Croatian Green Building Council, recognizes energy-efficient building reconstructions completed between January 2023 and July 2024. The Croatian Green Building Council is Croatia's largest organization promoting sustainable construction and is a member of the World Green Building Council and the European Regional Network.

Arena Hospitality Group received **Special Recognition at the 7th annual Zagreb Stock Exchange and PwC Building Public Trust Awards** for outstanding advancements in transparent reporting. The award highlights the Group's achievements in corporate governance and its exemplary 2023 Annual Report, which set new standards for transparency and stakeholder engagement.

Arena Hospitality Group secured **third place among 36 companies in AmCham's ESG Maturity Assessment**, announced at the "Business Sustainability through Sustainability Principles" conference in November 2024. The study, conducted with consultancy firm Kearney, evaluated Sustainability standards in business operations, reaffirming our dedication to sustainability.

Park Plaza Histria Pula and TUI Blue Medulin were awarded **The Travelife Gold Certificate**, reflecting their high standards of sustainability, while Blue Flag status was awarded to Ambrela Beach and Yacht Beach.

Pulski filmski festival · Rocks & Stars · 7TH PULA MARATHON

Key **supporter of various culture and sports events** such as Pula Film Festival, Rocks & Stars Festival, and Pula Marathon.

Supporting the community through donating neonatal care device to Pula General Hospital.

Green Key

Arena Hospitality Group completed recertification for all properties in Croatia and Germany and obtained the **Green Key certificate** for Radisson RED Belgrade and Arena Franz Ferdinand Nassfeld in Austria.

2025 Croatia's Best Campsite · ADAC Superplatz 2025 · Kongresna zvezda Meeting Star

In 2024, Arena Hospitality Group received multiple prestigious awards, including **Croatia's Best Campsites** for Arena Stoja, Arena Grand Kažela, and Arena One 99 Glamping (Croatian Camping Association); **ADAC Superplatz** for Arena Grand Kažela; and **Meeting Star Awards** by Conventa for Grand Hotel Brioni (Resort Meeting Hotel category) and art'otel Zagreb (City Meeting Hotel category).

Accreditations and memberships

Group is the member of the following industry associations, membership organizations, and national or international advocacy groups:

1. Croatian Tourist Board
2. Istria Tourist Board
3. Medulin Tourist Board
4. Pula Tourist Board
5. Croatian Tourism Association (HUT)
6. Association of Croatian travel agencies (UHPA)
7. Croatian Chember of Economy (HGK)
8. Croatian Camping Union (KUH)
9. Association of Employers in Croatian Hospitality (UPUHH)
10. AmCham
11. Croatian Meeting Professionals Association
12. Association of Unique Croatian Hotels – Impressia
13. Stories, Experience Premium Croatia by Croatian Chamber of Commerce
14. Wirtschaftskammer Österreich - Austrian Chamber of Commerce
15. DEHOGA- Deutscher Hotel- und Gaststättenverband
16. Deutsch-Niederländischer Businessclub Berlin
17. SKAL International, professional organization promoting global Tourism and friendship
18. Serbian Chamber of Commerce Serbian Chamber of Commerce
19. Magyar Szállodák és Éttermek Szövetsége – Hungarian Hotel Association
20. Business Association of Hotel and Restaurant Industry Serbia
21. VDR – Germany's business travel association
22. Österreichische Hoteliervereinigung - Austrian Hotelier Association

Sustainability Statement

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General information

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BP-1

GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

Preparation basis

The sustainability statement is prepared on a consolidated basis including subsidiaries of Arena Hospitality Group d.d ("the Group"). This includes the Groups operations in Croatia, Austria, Germany, Hungary and Serbia. The Group's primary activities include accommodation and food services across all regions. The Group's materiality assessment process applies the principles of double materiality (DM) and includes information related to material Impact, Risks and Opportunities (IROs) throughout its value chain.

Consolidated statement clarifications

The scope of the consolidated sustainability statement is aligned with the Group's financial statements for the same reporting period. Additionally, the sustainability statement includes joint venture entities that are accounted for under the equity method in the statement of financial position for the same period.

Joint ventures are included in the consolidated sustainability statement to reflect their impacts, risks, and opportunities across both the upstream and downstream value chain. This approach aligns with the principles of double materiality and ensures compliance with value chain-related requirements under the European Sustainability Reporting Standards (ESRS).

A detailed list is provided in the Appendix of the Annual Report 2024 page 253.

Value chain coverage

The value chain of the Group encompasses both upstream and downstream activities, which are an integral part of strategic planning of core business operations and considers sustainability matters directly or indirectly throughout such activities.

Our upstream value chain involves the sourcing of raw materials, goods, services and labour required for our primary business activities including but not limited to the provision of accommodation services, food and beverage, recreational services and other associated services in the leisure and tourism sector.

This also includes support activities such as technical services, financial services, leasing, Information technology, human resources, procurement, real estate management and infrastructure development activities such as refurbishing and repositioning of our leisure facilities.

Our downstream value chain involves the provision of services to our guests in our hotels, resorts and campsites including accommodation, food and beverage, meetings and events and other recreational services. Additional activities include sales and marketing, advertising and promotions, customer loyalty programs and after-sales customer care.

Material direct and indirect business relationships in our value chain considered in our sustainability reporting are product and raw material suppliers, labour agencies, service providers, our customers, tour operators, travel agencies, conference and corporate clients, employees engaged in production and delivery of service. We also engage with regulators and the local community as important stakeholders in our value chain.

We aim to have visibility and engagement with our suppliers upstream, and with our customers and end-users downstream due to practicality for the first ESRS reporting year. However, the extent of our coverage may vary depending on the specific context and the nature of our relationships with different suppliers and customers.

Geographical coverage of our value chain is comprised of multiple countries where we operate our hotels, campsites, and resorts, as well as the countries where our suppliers and customers are based. We aim to ensure that our sustainability standards are applied consistently across our value chain, regardless of location.

Omissions due to sensitive information

The option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation has not been used.

Exemption as per articles 19a(3) and 29a(3) of Directive 2013/34/EU

The exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU has not been used in the preparation of the Sustainability Statement.

BP-2

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Time horizons

The sustainability report time horizons are consistent with the Group's financial statement and in accordance with ESRS 1 section 6.4. including the assessment, identification and management of IROs. Therefore, the short-term time horizon is the period adopted by Group's financial statement i.e. up to one year in a way to facilitate connectivity between two reports. The medium-term time horizon can be defined as up to five years, long term as more than five years.

Value chain estimation

The Group has carried out an extensive double materiality assessment and identified material and non-material IROs. This process is ongoing due to its extensive nature, especially information and metrics pertaining to the supply chain. The Group has identified metrics for all material IRO's based on drivers of the activity in the value chain. The metrics have been calculated for the whole Group on a consolidated basis. We believe the level of accuracy is appropriate for its first year of reporting and will improve over the next two years. The Group is incorporating the data gathered periodically throughout the year, ensuring cohesion and accuracy. The Group is also striving to gather data from third parties and partners through proactive engagement.

Individual metrics are disclosed under the relevant individual topic sections.

Sources of estimation and outcome uncertainty

These are provided in the individual topic sections, a generic or wholesale estimation of any and all estimations made is not available, nor is it considered of value for the reader to be presented with this information separately from the reported material IRO in topical context.

Changes in preparation or presentation of sustainability information

Disclosures are not required for any period before the date of initial application which is 2024 the first year of reporting.

Incorporation by reference

The Sustainability Report has included references to the Group's Annual Report for the same period, which is in the same reporting language and published together.

→ The Group's Annual Report containing the Management Report

- → The Group's Annual Report containing the Group Financial Statement and notes to the financial statements
- → The Group's Annual Report containing Corporate Governance Report

Use of phase-in provisions

The Group through its double materiality assessment applying IROs, has assessed topics ESRS E1, ESRS S1, ESRS E3 and ESRS E5 in accordance with Appendix C of ESRS 1 and clearly identified topics that are material IROs and non-material IRO's.

The link to the Groups strategy, policies, actions and metrics are disclosed in the relevant individual material topics and where relevant referenced by incorporation.

		Omitted (Yes/No)	Material (Yes/No)
ESRS E1	E1-9	Yes	Yes
ESRS S1	S1-7 S1-11 S1-12 S1-13 S1-15	Yes	Yes
ESRS E3	E3-5	Yes	Yes
ESRS E5	E5-6	Yes	Yes

Use of phase-in provisions

GOV-1

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

REFERENCING GOV-1 & SUB SECTIONS

Information on the Company's governance structure, Management and Supervisory Board (highest governing body) composition, gender, diversity, roles and skills, can be found in the Governance section of the 2024 Annual Report pages 153 - 157.

The Company has a two-tier board structure with the Supervisory Board as the highest governance body, which oversees the Management Board and exercises direct oversight of strategic risks, their impact and opportunities pertaining to the Group as a whole and in specific in matters of sustainability.

The Management Board oversees the direct management of the Group's daily business operations, both short term and long term.

The Supervisory Board is supported by independent board members and four committees, each consisting of at least three members. These are namely the Audit Committee, Sustainability Committee, Remuneration and Nomination Committees. Details of these can be found in the Governance section pages 153 - 157.

The Company confirms the independence of the Supervisory Board at the time of issuing of this report. There are no other significant positions or commitments held by the Supervisory Board members that could compromise their ability to perform their duties in the Company.

Top-level body diversity

	VALUE
Number of executive members - Supervisory Board members	7
Number of non-executive members	-
Percentage of male members	57%
Percentage of female members	43%
Board Gender (F:M) Diversity ratio	0.75:1
Percentage of other members	0%
Percentage of total members who are independent	43%

Percentages and ratios have been rounded to nearest whole number

The Supervisory Board has seven non-executive members and no executive members. One member of the Supervisory Board is appointed by the Worker's Council, who acts as a representative for all the employees and workers.

Employees are represented by the Worker's Council across the organisation, and they provide periodic feedback to the human resource department and Worker's Council representative on the Supervisory Board.

In terms of gender composition, the Supervisory Board has four male members, three female members and no non-binary members. Women represent 43% of the total composition of the Supervisory Board. There are no Supervisory Board members representing underrepresented social groups or stakeholders.

Identity of the administrative, management and supervisory bodies

The identity of the Management Board and Supervisory Board, including the members of the Sustainability Committee and the Audit Committee responsible for the oversight of impact, risks and opportunities pertaining to the Group, can be found in the Governance section of the Group's Annual Report 2024 on pages 153 - 157.

The Sustainability Committee was established in 2022. It is responsible for overseeing the impacts, risks and opportunities in relation to environmental and social considerations to both the Group, as well as the community and environment.

Management's Governance role

The Supervisory Board oversees and monitors the Group's progress in relation to impacts, risks and opportunities through both the Sustainability and the Audit Committee. These Committees meet quarterly to ensure proper monitoring and review. The rules and procedures governing such committees are available on the Company's website under www.arenahospitalitygroup.com.

The Group has a dedicated Sustainability Manager, who is responsible for the management and regular reporting to the Sustainability and Audit Committees on sustainability-related impacts, risks and opportunities.

The Company further adopted an Enterprise Risk Management Policy and Framework that outlines its approach, processes and controls to identify, assess, manage, and monitor risks that could impact its operations and objectives.

Sustainability skills and expertise development

The Group has access to the appropriate skills and expertise to appropriately execute and oversee its sustainability strategies.

Mrs Lorena Škuflić, member of the Supervisory Board and chair of the Sustainability Committee, has specific competencies and experience relevant to the sustainability impact of the Company. Mrs Škuflić is also a member of the International Association for Sustainable Economy and an advisor for International Sustainable Business affairs. She completed training as a lead auditor for the ISO 14001 certification in Environmental Management Systems.

In addition, Mrs Ivana Matovina, who in her role as Chair of the Audit Committee is responsible for reviewing sustainability reporting, has specific competencies as required by mandatory laws in terms of audit and sustainability matters.

The Group ensures team members dealing with sustainability have access to workshops, training and skill-building programs, enabling them to enhance their skills and contribute effectively to sustainability and impact management goals.

GOV-2

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Group has a long-established sustainability governance and framework as part of its sustainability strategy. The Group established a Responsible Business Programme in 2016 to ensure engagement at all levels of the organisation covering all regions and business operations. The programme helps evolve and adapt our Sustainability strategy to support the changing business landscape through continuous review of impact, risks and opportunities. The programme enables the implementation of sustainability related operational plans, policies, business processes and standards that align business strategy to the Group's Sustainability strategy.

The Supervisory Board offers strategic direction pertaining to the Group's sustainability strategy and ensures the implementation of due diligence, review and oversight through its Sustainability Committee.

The Management Board is accountable for delivering the Group's sustainability strategy through its Responsible Business Programme. This programme is managed by the Sustainability Steering Group and chaired by the Sustainability manager and a designated Management Board member who is responsible for sustainability matters.

The progress and assessment of this programme is reviewed by the Sustainability Committee each quarter to ensure it aligns with the Group's strategy and Supervisory Board's expectations.

The Sustainability Steering Group is comprised of Group-wide cross-functional members of varying specialisms who are responsible for driving our Sustainability strategy goals and targets. They are responsible for delivering Company's responsible business programme, which includes representatives from various departments throughout the organisation, such as procurement, human resources, legal, information technology, technical services and operations. The progress of this programme is assessed and independently certified by Green Key.

The list of IROs addressed by the Management Board and the Supervisory Board, including members of the Sustainability Committee and the Audit Committee, were active participants in the double materiality process in determining the IROs detailed under SMB3.

GOV - 3

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

REFERENCING GOV – 3

Details on integration of sustainability-related performance in incentive schemes is covered under this report section ESRS E1 page 94.

GOV-4

STATEMENT ON DUE DILIGENCE

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	Sustainability report sections GOV-1 and GOV-2 pages 64–66
b) Engaging with affected stakeholders in all key steps of the due diligence	Sustainability report sections GOV-1, GOV-2, GOV-4 and GOV-5 pages 64–67
c) Identifying and assessing adverse impacts	Risk Management section Principal Risks pages 146 - 151
d) Taking actions to address those adverse impacts	Risk management section Principal Risks pages 146 - 151
e) Tracking the effectiveness of these efforts and communicating	Risk management section Risk Governance pages 142 - 143. Also, sustainability report sections GOV-2 and GOV-5

Statement on due diligence

GOV-5

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

REFERENCE GOV-5 – RISK MANAGEMENT

Details of the Enterprise risk management are outlined in the Management Board's Report of the Group's Annual Report 2024 on page 140-144.

The Group has an extensive and comprehensive enterprise risk management (ERM) strategy and a risk governance framework. The ERM strategy identifies the principal risks and risk categories, including matters relating to Sustainability. The ERM clearly defines the risk appetite levels, the objectives of risk management, the enterprise risk assessment process, risk description, residual risk and mitigating internal controls and processes to manage these risks.

The Group maintains a risk register, which is reviewed quarterly by the Audit Committee and managed by the Group's internal control officer under the oversight of the Management Board.

In 2024, the Group established the Risk Forum that comprises Group Internal Controls Officer, Group General Counsel, Chief Information Security Officer, Data Protection Officer, Regional General Manager, and Group and Regional Fuctions Heads. The Risk Forum helps implement the controls associated with risk management.

SBM-1

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Description of products, services, markets, and customer groups

Our primary objective is to become a dynamic hospitality company in the CEE Region that creates and realises shareholder value and further contributes to the development of the upscale, upper upscale and lifestyle market hotel segments in this part of Europe.

As we strengthen and expand our hospitality portfolio, we know that the success of our business is intrinsically linked to our ability to change, evolve, and grow sustainably. We recognise the importance of looking after our people, local communities, and our planet. We aim to establish the Group as a leader in sustainable and responsible tourism across the CEE region, centred around quality, excellence, stakeholder engagement, local community inclusion and environmental, economic and social impact.

Our purpose as a business is to create memories for our guests in premium destinations. We aim to exceed their expectations through excellent service in locations they will remember, and to which they will return. Within this, our sustainability purpose encompasses the well-being of all our partners, essentially our employees, our guests, and our local communities.

Our Sustainability strategy underpins how we operate our business and is guided by our embedded principal values:

- **Outstanding services and guest experience** - we continually strive to deliver service excellence and memorable experiences to all our guests.
- **Minimal impact** - we seek to operate with minimal impact on the environment within which the Group operates
- **Trust** – with our stakeholders, established through the considered way we undertake our business
- **Long-term sustainability and viability** – a focus on reducing our consumption of natural resources through operating sustainably and undertaking efforts to protect the environment around us.
- **Integration with our local community** - as well as respecting and promoting heritage and culture.
- **Transparency and integrity** – ensuring this is instilled across the business and implementing best practice corporate governance.
- **Employee development and growth** - to create a desirable and safe workplace, encourage a learning culture and deliver positive employee engagement that together ensure strong overall employee wellbeing.

The Group has conducted a double materiality assessment considering key stakeholders and from this has identified material IROs.

Headcount of employees by geographical areas

GEOGRAPHICAL AREA	COMPARATIVE YEAR (N-1) 2023	CURRENT REPORTING YEAR (N) 2024
GERMANY	251	257
HUNGARY	47	44
AUSTRIA	39	64
SERBIA	24	42
CROATIA	821	738
Total	1182	1145

Headcount of employees by geographical areas (including JVs)

Breakdown of total revenue

ESRS SECTORS	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	EC has not adopted a delegate act specifying the list of ESRS sectors, undertakings are not required to disclose the information referred to in ESRS 1 paragraph 40 (b)	
Total		

Breakdown of total revenue

Sustainability-related goals

Our sustainability targets are based on three pillars:

1. ENVIRONMENTAL - our consumption of natural resources, our impact on the environment and how we manage associated environmental risks. These can have a significant impact on the tourism sector as whole. The Company is committed to its climate action goals.

2. SOCIAL - how we maintain connections with our workforce, suppliers, customers, and the communities in which the Group operates, and what impact it has on people at each stage of the value or supply chain.

3. GOVERNANCE - leadership, executive remuneration, transparency, audits, internal controls, and shareholder rights.

We have identified 17 goals to achieve within the above three pillars based on our approach.

Assessment of products and services

The Group's products and services are linked to its primary activities and include the provision of accommodation services, food and beverage, recreational services and other associated services in the leisure and tourism sector. Majority of our customers and guests visit us from Germany, Austria, Hungary, Italy, Slovenia and Croatia and their reasons for travel span leisure, corporate, groups, government, transient, tours operators and meetings and fairs and events guests and delegates.

We operate in Croatia, Germany, Austria, Serbia and Hungary and therefore have both impact and influence within these markets, their local communities and the environment through the Group's business operations.

All the above have been factored in our double materiality assessment in establishment of our material and non-material IROs.

Elements of the undertaking's strategy with impact on sustainability matters

As part of our double materiality assessment, we have identified the following key sustainability matters that remain key for our industry and the Group's efforts to mitigate its impact.

Given the scope and scale of our business operations, we view climate change, resource use and the circular economy, employee engagement, and engagement with the local communities within our operating markets as priority areas for all our stakeholders.

More details can be found in SBM-2 on pages 70-73.

Description of the business model and value chain

REFERENCING

Outlined in SBM-1 section Strategy, business model and value chain of the sustainability report page 68 above.

SBM-2

INTERESTS AND VIEWS OF STAKEHOLDERS

The Group has engaged with stakeholders by undertaking the aforementioned double materiality assessment, which aims to align the Group's business operations with Sustainability (Environmental, Social, and Governance) standards. Key points include:

1. **Stakeholder categories:** Identification of groups includes suppliers, employees, guests or customers, local communities, regulatory institutions, financial institutions, and investors. Our employees and PPHE Hotel Group are recognised as key stakeholders.
2. **Stakeholder analysis:** In-depth analysis using three types of questionnaires to evaluate mutual relationships and influences in Sustainability areas.
3. **Long-Term engagement:** Ongoing communication and collaboration with stakeholders to align business goals with Sustainability principles and achieve mutually beneficial outcomes.
4. **Workforce priority:** The workforce is a primary focus, with its engagement and development highlighted in Annual Reports.
5. **Service quality & roader communication:** Continuous communication with stakeholders, especially to maintain service standards for end users (including the local population), is integral across all organisational levels.
6. **Internal Sustainability coordination:** Internal communication across the Group and PPHE Hotel Group plays a key role in developing and implementing Sustainability strategies.

The company emphasises collaboration, transparency, and shared value creation to meet stakeholder needs and uphold Sustainability standards.

Stakeholder engagement

A summary is outlined below of the Group's Stakeholder Engagement process, its findings and influence on business processes. This was undertaken during 2024:

- → **Stakeholders identified:**
  - Categories: Suppliers, employees, end users, local communities, financial institutions, and investors.
  - Key stakeholders: Employees and PPHE Hotel Group.
- → **Engagement methods:**
  - **Employees:** Meetings, surveys, and Green Key team (Nominated team members in each business unit responsible for sustainability initiatives).
  - **Customers:** Market research and feedback channels.
  - **Suppliers:** Assessments, audits, and regular communication.
  - **Investors:** AGMs, presentations, and reports.
  - **Local communities:** Consultations and meetings.
- → **Coordination:** Led by the Sustainability Team with collaboration from relevant departments.
- → **Principles:** Inclusive, transparent and respectful engagement, alignment with sustainability goals.

Double materiality assessment and influence on company actions

- → Stakeholder engagement directly influenced:
  - Identification of key wellbeing and learning and development areas (employees).
  - Prioritisation of supply chain risks (suppliers).
  - Communication of sustainability performance (investors).
  - Building of beneficial relationships and addressing concerns (local communities).

Survey Implementation for 2024

- → **Purpose:** Assess the impact of sustainability practices on stakeholders and mutual influences, aligned with CSRD standards.
- → **Coverage:** Stakeholders representing 52–54% of turnover (as at October 31, 2024) across four regions.
- → **Response method:** Multiple formats (choice-based, rating scales, and open-ended).

Survey Findings

1. Local Communities:
   - Strong relationships in Croatia, particularly in Pula and Medulin, intensifying during summer.
   - Opportunities and risks include workforce employment and economic impact on local communities.
   - Positive feedback on waste, water, and energy management but flagged as risk areas.
2. Financial Institutions:
   - Strong Sustainability knowledge and positive relations.
   - Concerns include bribery, corruption, gender equality, and pay equity.
   - Green financing is seen as a key enabler for transition efforts.
3. Suppliers:
   - Varied Sustainability knowledge necessitates tailored support, especially in Serbia and Hungary. Greater focus on Croatia due to proportionally large number of suppliers present in the Group.
   - Most highlighted environmental goals as risks and opportunities.
   - Significant cooperation challenges in Serbia (outside the EU) and Hungary (despite EU membership).
4. Own Workforce
   - An annual employee engagement survey is conducted each year throughout the organisation, covering employee wellbeing and related matters.
   - Results of the survey design future strategies.

Challenges and Actions for 2025

→ **Challenges**:
- Limited Sustainability awareness among some stakeholders, particularly in non-EU regions.
- Resource constraints for survey administration and follow-ups.

→ **Proposed Actions:**
- Expand survey coverage to all stakeholders.
- Enhance engagement with Serbia and Hungary through tailored meetings.
- Increase team capacity for regional surveys and stakeholder education.

To conclude, while the first survey highlighted gaps, future efforts aim to yield higher-quality insights to meet sustainability goals. The process is considered ongoing and will evolve and improve over time.

Relationship between the stakeholder interests and views and the undertaking's strategy and business model

The Company aligns its strategy and business model to address the diverse interests and expectations of its stakeholders. Below is the relationship between stakeholder interests and the Group's approach:

1. Customers:
- **Interests:** Affordable, high-quality products/services; excellent customer service; ethical practices.
- **Alignment:**
  - Focus on delivering cost-effective, high-standard offerings.
  - Strong emphasis on ethical operations and customer feedback systems to enhance trust and loyalty.

2. Employees:
- **Interests:** Safe work environment, fair compensation, career development, value-aligned culture.
- **Alignment:**
  - Investment in workplace safety measures and training programs.
  - Commitment to fair wages and fostering an inclusive, supportive organisational culture.

3. Investors:
- **Interests:** Financial performance, growth potential, risk management, sustainability initiatives.
- **Alignment:**
  - Transparent financial reporting and strategic risk management.
  - Integration of Sustainability goals to drive long-term value creation.

4. Suppliers:
- **Interests:** Fair business practices, timely payments, collaboration, human rights, environmental standards.
- **Alignment:**
  - Transparent procurement processes and prompt payment policies.
  - Engagement initiatives to promote sustainability across the supply chain.

5. Local Communities:
- **Interests:** Economic impact, employment opportunities, environmental sustainability, community development.
- **Alignment:**
  - Active participation in community development programs.
  - Minimising environmental footprint through sustainable operations and resource management.

6. Non-Governmental Organisations (NGOs):
- **Interests:** Social and environmental performance, human rights, stakeholder dialogue.
- **Alignment:**
  - Collaborating with NGOs to address societal and environmental challenges.
  - Prioritising transparency and engagement on human rights and sustainability efforts.

7. Government Regulators:
- **Interests:** Legal compliance, public policy contributions, transparency.
- **Alignment:**
  - Ensuring full regulatory compliance and ethical interactions with government entities.
  - Actively supporting policies that align with public interest and sustainable development goals.

Strategic Impact

The Company's strategy integrates stakeholder expectations by emphasising ethical practices, sustainability, transparency, and community development. This alignment not only supports long-term business success but also strengthens relationships with stakeholders, fostering mutual trust and shared value creation.

Amendments to the strategy and/or business model

The Group's sustainability strategy and business model have taken into consideration all material IROs to ensure a clear alignment to the overall strategy and business model. The Group has been operating a sustainability programme since 2018, therefore the level of amendments has been moderate. The process is continuous improvement therefore we will take a view on this over the coming years.

Information about views and interests of affected stakeholders

The Board and management actively participated in the double materiality process, which also includes the implementation of stakeholder engagement. The management has approved the methodology and procedures for implementing the stakeholder engagement and is familiar with the results of the engagement process. All business managers, including the Sustainability Steering Group, actively participated in the implementation of the process. The Supervisory Board is informed about double materiality activities and stakeholder engagement through Sustainability Committee meetings.

SBM-3

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

27
Impacts

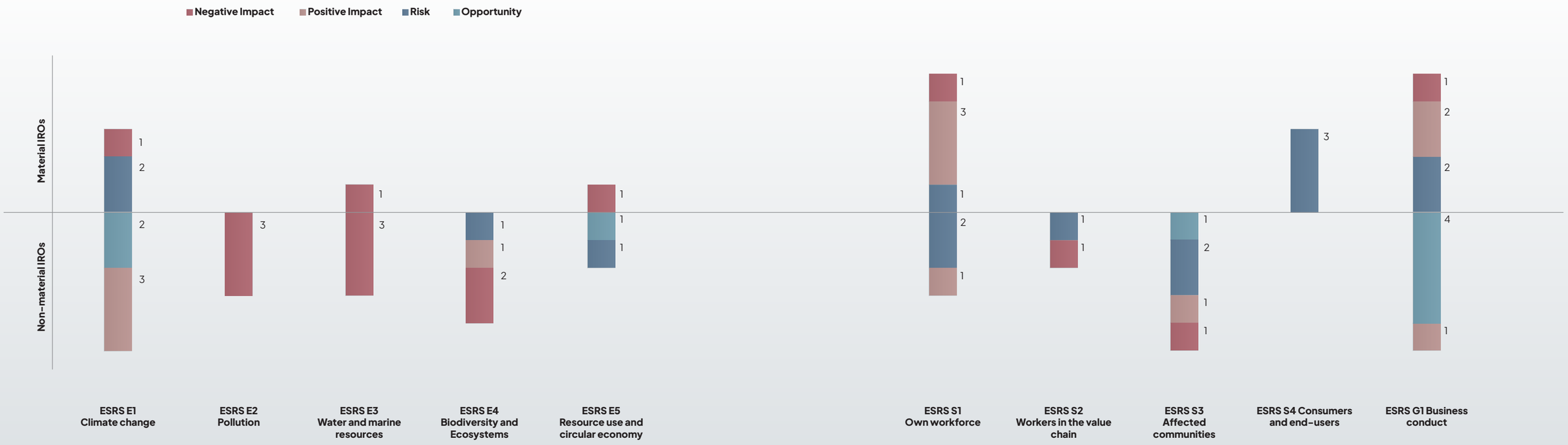
10 material | 17 non-material | 0 unassesed

15
Risks

8 material | 7 non-material | 0 unassesed

8
Opportunities

0 material | 8 non-material | 0 unassesed



Description of material impacts, risks and opportunities

CLIMATE CHANGE (E1)

INCREASE IN GHG IN THE ATMOSPHERE RESULTING FROM OUR DIRECT AND INDIRECT EMISSION – NEGATIVE IMPACT

This impact is considered to be Negative. The impact is the result of emissions throughout the business model and our value chain. Given that GHG persist in the atmosphere for many years, the impact is considered or expected to persist over the long term. The material sources of emissions whether located in our own operations of our value chain are grouped according to the categories of the GHG Protocol. This information is detailed in the metrics section of ESRS E1, which covers climate Change.

ASSET DAMAGE (PHYSICAL RISKS) ASSOCIATED WITH SEVERE CLIMATE CHANGE RELATED EVENTS – RISK

There is a considerable physical loss risk associated with climate change, both to Group's ability to deliver its leisure proposition to customers without conducive weather conditions, thus impacting revenues. On the other hand, severe climate change-related perils such as floods, drought, forest fires and strong wind can impact operations and infrastructure, leading to losses including those of physical damage. This risk may influence our supply chain through any disruption including that of climate change on agricultural production. The risk and impact persist through the value chain.

REVENUE LOSSES ASSOCIATED WITH ADVERSE WEATHER CONDITIONS DURING THE HIGH SEASON, AN EMERGING RISK

Changing temperatures and weather patterns can impact guest comfort (downstream). Unfavourable weather effects such as fires, floods, increased temperatures, and rising sea levels can negatively impact the attractiveness of the Group's destinations and can impact agriculture, which leads to an increase in procurement costs (upstream). There is also an indirect impact on energy costs due to the need to switch to other sources, including the possibility of increased costs due to regulatory changes. All of the above has a direct impact on all operations as well as financial results.

WATER AND MARINE RESOURCES (E3)

WATER CONSUMPTION FOR INDUSTRIAL/ ECONOMIC PURPOSES– NEGATIVE IMPACT

Water is used for used rooms, food services, landscaping and recreational purposes throughout the Company (own operations). Such consumption carries the potential to compete for scarce water resource.

RESOURCE USE AND CIRCULAR ECONOMY (E5)

GENERATION OF WASTE WHICH REQUIRES TREATMENT, RESULTING IN PRESSURE ON TREATMENT SYSTEMS– NEGATIVE IMPACT

The company generates waste from its operations, including non-hazardous and potentially hazardous waste. Through the supply chain, the selection of waste disposal companies, continuous improvement of separation processes, recycling and reuse, the Company manages the process of reducing the amount of waste (upstream) resulting from its operations. The consequence may be an increase in operating costs. This waste requires collection and treatment via potentially restrained or stressed local waste handling systems.

OWN WORKFORCE (S1)

LOSS OF WORKER HEALTH AND SAFETY DUE TO ANY RELATED INCIDENTS – NEGATIVE IMPACT

Any workplace injury or loss has a negative, actual impact. Manual working activities tend to have a higher risk profile, on average, than office work and administration (own operations). It can also have financial consequences.

MAINTENANCE OF WORKFORCE EQUALITY VIA ZERO TOLERANCE TO ALL FORMS OF DISCRIMINATION– POSITIVE IMPACT

The Company (in all own operations) is determined in its commitment to fostering respect, fairness, and equal opportunities, with zero-tolerance to any form of discrimination. The Company champions equal opportunities for team members, students, and guests, regardless of various factors such as age, disability, gender, race, religion, and more. The Company operates in accordance with the Law on Suppression of Discrimination of the Republic of Croatia and has endorsed the Croatian Charter of Diversity, promoting diversity, anti-discrimination, inclusiveness, and equal opportunities.

PROTECTION OF GENDER EQUALITY DUE TO REPRESENTATION OF WOMEN AT ALL COMMERCIAL LEVELS – POSITIVE IMPACT

This impact is considered positive. The impact is considered to contribute towards the UN-SDG 5: Gender Equality. The impact tends to be realised or concentrated throughout the business. The impact is a consequence of our core business model. The impact is considered or expected to persist over the long term.

INCREASE IN EMPLOYEE SKILL AND KNOWLEDGE – POSITIVE IMPACT

The Company is committed to investing in its employees and cultivating a dynamic workplace that fosters the development of the skills and knowledge of its team members. The Company offers diverse training programmes and university tuition payments, emphasising its core values to create a culture of engagement and value for its team members. Additionally, valued team members have successfully completed various learning and upskilling programs, including the lifelong learning programme in Camping Resort Management and the "Specialist in Food and Beverage Department" programme.

AGGREGATED REPUTATIONAL AND LIABILITY RISKS ASSOCIATED WITH A DATA BREACH OF OWN WORKFORCE INFORMATION– RISK

Employee data can be leaked by either a malicious actor or an insider through both intentional and accidental actions. Such breaches expose sensitive employee information, leading to regulatory, financial, and reputational consequences.

CONSUMERS AND END-USERS (S4)

AGGREGATED SUSTAINABILITY–PERFORMANCE REPUTATIONAL RISK

Customers expect a high standard of corporate conduct and Sustainability-related performance across all topics and matters. Significant failures of Sustainability-related conduct can pose a reputational risk which might result in changes in customer preference, particularly corporate and public body customers (own operations & downstream).

FINANCIAL PENALTIES ASSOCIATED WITH CUSTOMER DATA PRIVACY BREACH (CUSTOMER DATA)- RISK

The Group could experience a serious data privacy breach which could result in investigation, significant fines in accordance with GDPR and subsequent reputational damage.

Customer data can be leaked by either a malicious actor or an insider through both intentional and accidental actions. Such breaches expose sensitive customer information, leading to regulatory, financial, and reputational consequences (own activities & downstream).

LOSS OF REVENUES ASSOCIATED WITH SYSTEM DOWNTIME- RISK

System downtime can occur due to technical failures or cyber-attacks, disrupting critical operations in the hospitality sector. This disruption not only leads to immediate financial losses but also affects customer satisfaction and long-term reputation (own operation; downstream & upstream).

BUSINESS CONDUCT (G1)

INCREASED TRUST AMONG ECONOMY-PARTNERS DUE TO ETHICAL AND RESPONSIBLE BUSINESS PRACTICES- POSITIVE IMPACT

The Company adopted a Code of Conduct which establishes ethical guidelines that promote responsible business practices, fostering trust with stakeholders and supporting social responsibility. By setting standards for employee behaviour and business conduct, the Company mitigate risks related to unethical practices and strengthens compliance with sustainability commitments (own operations; downstream & upstream).

INCREASE IN WHISTLEBLOWER PROTECTION AND TRANSPARENCY- POSITIVE IMPACT

The Company adopted a Whistleblowing Policy that provides a secure channel for reporting unethical or non-compliant behaviour, supporting a culture of transparency and accountability. It mitigates risks by enabling detection of issues, strengthening trust with stakeholders and reinforcing ethical standards across the Group.

PROMOTION OF ETHICAL BUSINESS VIA ANTI-CORRUPTION AND INTEGRITY MEASURES- NEGATIVE IMPACT

Anti-Bribery and Anti-Corruption Policy establishes guidelines to prevent, detect and address bribery and corrupt practices, promoting a culture of integrity and compliance. It reduces the risk of legal and reputational damage and aligns the Group with international standards for responsible business conduct.

RISK OF FAILURE TO MEET BUSINESS CONDUCT EXPECTATIONS FROM INVESTORS AND NON-GUEST STAKEHOLDERS

Sourcing capital and the impact of regulatory action can be adversely impacted by Sustainability performance across all topics and matters. This is particularly evident with certain Sustainability-based institutional investors and regulators, whose remit relates to labour and environmental performance.

RISK OF LOSS OF FINANCIAL ASSETS DUE TO CORRUPTION

The Company is aware of the general risk of corruption and reports no such violations of the rules to date.

Effects of the material impacts, risks and opportunities

Subsequent to the Group's double materiality assessment and after careful consideration of all material and non-material topics in particular regard to material impacts, risks and opportunities we have made all endeavours to elaborate them in SMB-3 Description of material impacts, risks and opportunities section above.

It is clear that the resulting IRO's whether positive or negative have and will continue to have a considerable and wide-ranging influence over Groups business strategy, its operating model including its value chain over short, medium and long term. It is therefore our intention to align our approach in the current year and continue to evolve our business strategy to align with our sustainability plan and targets for year 2025 and onwards.

We aim to undertake further alignment in business processes over the coming years in particular decision making during our operating and capital investment planning accounting for reuse, recycle and GHG emissions, building supply chain relationships with sustainable partners, amending our product offering to be more sustainable, continuously evolve our employee wellbeing and retention and implement responsible business policies and procedures to ensure robust corporate governance.

We have elaborated the alignment already achieved in our 2024 sustainability report and will continue to update on its progress over the coming years.

Impacts affecting people and environment

CLIMATE CHANGE (E1)

INCREASE IN GHG IN THE ATMOSPHERE RESULTING FROM OUR DIRECT AND INDIRECT EMISSION

The impact is considered to delay the transition to the green economy; therefore, it is considered negative. The impact tends to be realised or concentrated throughout the business. The impact results from our core business model. The impact is considered or expected to persist over the long term.

WATER AND MARINE RESOURCES (E3)

WATER CONSUMPTION FOR INDUSTRIAL/ ECONOMIC PURPOSES

The Company's operations consume water resources, which affects the availability and quality of water for people and ecosystems. These impacts, considered as negative, can lead to scarcity of water resources. The impacts originate from the Company's services across both short-term and long-term periods, as water scarcity can have immediate and lasting effects on people and the environment. The undertaking is directly involved with this impact through its own activities.

CIRCULAR ECONOMY (E5)

GENERATION OF WASTE WHICH REQUIRES TREATMENT, RESULTING IN PRESSURE ON TREATMENT SYSTEMS

The Company generates waste, including non-hazardous and potentially hazardous waste, through its own activities and its business relationships with suppliers and other partners. The reasonably expected time horizon of this impact is ongoing. The Company implements a global waste management policy that follows the "reduce, reuse, and recycle" policy, aiming to achieve low material consumption and small disposal volumes. This impact is considered negative.

OWN WORKFORCE (S1)

LOSS OF WORKER HEALTH AND SAFETY DUE TO ANY RELATED INCIDENTS

Negative impacts related to health and safety primarily stem from workplace injuries, which are a risk inherent to manual working activities, particularly in operational roles. These injuries directly affect employees' physical well-being and mental health, potentially leading to long-term physical ailments or psychological stress.

To mitigate these risks, the Company implements occupational health and safety measures, which include risk and hazard management, preventive education, health monitoring and hierarchical accountability
These initiatives aim to foster a safer working environment, reducing the frequency and severity of negative impacts on employees while safeguarding operational sustainability.

MAINTENANCE OF WORKFORCE EQUALITY VIA ZERO TOLERANCE TO ALL FORMS OF DISCRIMINATION
A zero-tolerance approach to discrimination mitigates negative social impacts by promoting fairness, respect, and inclusivity within the organisation. This policy positively impacts employees' mental well-being by ensuring a respectful and supportive work culture. It prevents potential discriminatory practices that could harm individuals' careers, emotional health, or access to opportunities.

GENDER EQUALITY AND REPRESENTATION OF WOMEN
The Company's initiatives to increase the representation of women across all levels of operations positively impact societal norms by promoting gender inclusivity and reducing systemic inequality.
These efforts encourage equal opportunities by focusing on gender equality, helping to break down traditional barriers and ensures equitable representation. Additionally, it fosters positive social change and sets a precedent for fairness, inspiring broader societal shifts toward gender inclusivity.
The impact extends throughout the Company's value chain and contributes directly to the United Nations Sustainable Development Goal (UN-SDG) 5: Gender Equality, reinforcing the company's role as a socially responsible entity
.

INCREASE IN EMPLOYEE SKILL AND KNOWLEDGE
Investing in the skill and knowledge development of our employees yields substantial positive impacts, benefiting both employees and the organisation. The impact is multifaceted: employees gain enhanced skills and access to educational opportunities improve job satisfaction, career prospects, and personal growth, whilst the Company benefits from a skilled workforce with boosted productivity, innovation, and operational efficiency. This impact aligns with UN-SDG 4: Quality Education, as it emphasises lifelong learning opportunities and inclusive education. It also supports economic sustainability by preparing employees for evolving market demands, ensuring long-term resilience.
The impacts identified in ESRS S1 Own Workforce are enduring and integral to the Company's business model. Positive impacts like gender equality, skill development, and the zero-discrimination policy contribute to societal well-being and are persistent throughout the organisation's operations. Negative impacts, such as workplace injuries, are mitigated through ongoing measures, with continuous efforts to minimise their occurrence and severity.

BUSINESS CONDUCT (G1)

INCREASED TRUST AMONG ECONOMY-PARTNERS DUE TO ETHICAL AND RESPONSIBLE BUSINESS PRACTICES
The Group's Code of Conduct statement fosters trust and promotes responsible business practices by setting ethical standards for employees. It mitigates risks of misconduct, enhances compliance with sustainability commitments, and aligns with UN-SDG 16 by promoting fairness and social responsibility.

INCREASE IN WHISTLEBLOWER PROTECTION AND TRANSPARENCY
The Group's Whistleblowing Policy supports transparency and accountability by providing secure channels for reporting unethical behaviour. The 2024 updates, along with the Anti-Bribery and Anti-Corruption and the Gifts and Entertainment Policy, strengthen governance, enhance stakeholder trust, and ensure timely risk detection, contributing to UN-SDG 16.

PROMOTION OF ETHICAL BUSINESS VIA ANTI-CORRUPTION AND INTEGRITY MEASURES
The Group's Anti-Bribery and Anti-Corruption Policy prevents bribery and corruption, reducing legal and reputational risks. It fosters a culture of integrity, aligns with international standards, and supports UN-SDG 16 by promoting ethical governance.
These impacts, considered as positive, embed ethical governance into the business model, ensuring long-term trust, compliance, and resilience, while aligning with global standards for responsible business conduct.

Financial impacts of the material risks and opportunities
The material risks and opportunities identified during the double materiality assessment process have had a significant impact on the financial position, financial performance, and cash flows of the undertaking. Specifically: a) The risk of climate change and its potential impact on the undertaking's operations has resulted in increased costs to adapt and mitigate its effects. This may lead to a decrease in net income and cash flows. b) The opportunity to invest in renewable energy and energy efficiency measures has resulted in increased capital expenditure but is expected to generate significant cost savings and revenue opportunities in the future. This has led to a decrease in the undertaking's current financial performance and cash flows but is expected to have a positive impact in the long term.

Resilience of the strategy and business model
The Group's sustainability governance is a comprehensive approach, which involves periodic review and assessment of risk and associated impacts and opportunities. The business model is adaptive and with medium to long term planning in place the overall strategy is deemed resilient.

IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Methodologies and assumptions applied in the process
A primary methodology, as developed and supported by Code Gaia, is used to identify and assess impacts, risks and opportunities and assess which are material. Each of the key activities in this methodology is outlined below and covered in greater detail in the remainder of this disclosure. The entire methodology is iterative, in so far as that any one of the activities might result in the adjustment of the findings of another. For this purpose, the processes within the methodology are largely conducted simultaneously, involving many of the same internal teams and expertise.

ACTIVITY 1: IDENTIFYING STAKEHOLDERS AND DETERMINING POTENTIAL IMPACT ON "KEY" STAKEHOLDERS FOR THE PURPOSES OF ENGAGEMENT
Potential stakeholders are identified to (1) include all existing communications with known stakeholders on sustainability matters, (2) to prioritising critical business relationships and

(3) to identify any additional stakeholder which might be "key" stakeholder in so far as they emerge from the impact identification and assessment process as potentially negatively impacted.
The stakeholder identification activity occurred during April and May 2024 and was conducted by the Group's Chief Financial Officer, Sustainability Manager and her team, Technical Department Manager, Purchasing Manager, Human Resources Manager, Legal Department, Group Financial Analyst and Senior Managers from German Region and their teams.

ACTIVITY 2: IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

The methodology identifies IROs based on (1) a review of existing company documentation such as sustainability related standards, financial reports process descriptions and reports, (2) internal experience and expertise and (3) workshops with internally responsible persons and external experts. For impact identification specifically, the methodology assumes that previous sustainability related reporting and internal documentation (relating to HR processes, environmental management, assets and energy, supply chain dependencies) can act as an initial filter to scope the likely range of impacts that are then expressed in terms of ESRS-relevant characteristics.
The IRO identification assumes that an exhaustive list of every single impact cannot be known, and that judgement is required to scope the identified impacts which will then be assessed. Furthermore, it is also assumed that in future reporting years the increased availability of published impacts (from other Sustainability Statements) will assist the identification of impacts.

ACTIVITY 3: THE ASSESSMENT OF IMPACTS RISKS AND OPPORTUNITIES

All IROs, once identified, are either combined (where multiple impacts of the same nature have been identified and to avoid duplication or the oversight of cumulative impacts) or are assessed individually according to the materiality criteria set out in ESRS 1. No IRO is exempt from the assessment process, there is no intermediate filtering or prioritisation. The assessment criteria and assumptions which relate to specific criteria, "scoring" tests and thresholds that are applied for IRO assessment are described in further detail in the remainder of this disclosure. The IRO assessment activity occurred during April and May 2024 and was conducted by the Group's Chief Financial Officer, Sustainability Manager and her team, Technical Department Manager, Purchasing Manager, Human Resources Manager, Legal Department, Group Financial Analyst and Senior Managers from German Region and their teams.

Process to identify, assess, prioritise and monitor the potential and actual impacts

Description of process to identify, assess, prioritise and monitor potential and actual impacts on people and environment, informed by due diligence process:
As alluded to in the description of the methodology above, the process to identify and assess impacts is iterative.
The IRO identification activity occurred during April and May 2024 and was conducted by the Group's Chief Financial Officer, Group Director Corporate Finance, Sustainability Manager and her team, Technical Department Manager, Purchasing Manager, Human Resources Manager, Legal Department, Group Financial Analyst and Senior Managers from German Region and their teams. All participants possess good knowledge and understanding of the ESRS framework, actively engage in all processes related to Sustainability and follow updates as new directives and regulations emerge. Also, all participants were involved in the preparation of the 2023 Annual Sustainability Report.

2024 Our Assessment process:

To identity IROs we use a four-step process:
1. Stakeholders' identification and stakeholder impact identification - we have identified categories of Stakeholders based on the criteria of the upstream and downstream chain, regions of business, volume of mutual transactions, and influence in certain parts of business (criteria set out in the ESRS). Subsequently each identified stakeholder was actively engaged with through a specific survey to receive feedback on the nature of these impacts in accordance with the materiality tests specified in the ESRS.
2. Own Impact Identification - In this step, we determined internally identified Impacts based on the criteria set out in ESRS utilising experience of sustainability-related issues across our business as well as in our internal experiences of our processes in previous years. The identified impacts are linked to the survey completed by stakeholders. The following characteristics are identified for each impact: positive or negative; actual or potential; scale; scope; likelihood; irremediable character and human rights relevant.
3. Identification of financial risks and opportunities:
The process, for all impacts includes the explicit identification of the following attributes of each impact: this identification is based on the criteria set in the ESRS, combined with the results of the previous two steps as well as experience with sustainability-related issues and internal experience and expertise within the organization. The characteristics that we identified for each risk and opportunity were duration (the same Time Horizons which we used for impact irremediability - ESRS1 Section 6.4), Magnitude relative to a financial materiality threshold (ESRS 1 App. A AR14; we used the recommended McKee Single Rule of Thumb, choosing a variable of 0,5% of pre-tax income) and likelihood (we used binary approach ESRS 1 App. A AR15(b)).
4. Collation of IROs, materiality assessment and documentation: once all IROs had been collected and mapped to the relevant sustainability matters, the relevant natural scale, scope irremediable character, direction and likelihood of impacts were used to determine the materiality of any impact. The test for financial materiality was applied to ROs in coordination with the undertakings financial and accounting functions. Any IROs determined to meet the criteria for materiality were accepted as material and the subsequent topics and matters were included in the scope of the Sustainability Statement. During this phase, we applied the EFRAG guidance that defines No-netting of positive and negative impacts across own operations and the value chain.
A detailed description of the entire process is available in the document 'A Code Gaia Whitepaper' and all data and documents are available in the working application. The entire process took place through internal workshops during 2024 using the Code Gaia application.
With respect to the thresholds for determining materiality, where impact severity is required to be considered (where the impact is negative), the following formulation is used to determine how Scale, Scope and Irremediable character contribute, where the three categories for scale, scope and irremediability are expressed as numerical values for the sake of simplification (e.g. where "de minimis but cumulative" scope is 1. Severity is assessed prior to accounting for likelihood (including the precedence given to it with respect to human rights related impacts).

The Negative Impact Severity is not severe if:
1. Irremediability is 1:
- The scale is 1 and the scope is 1, OR
- The scale is 1 and the scope is 2, OR
- The scale is 2 and the scope is 1.

2. Irremediability is 2:
- The scale is 1 and the scope is 1.

Within the Code Gaia approach, the following thresholds are applied in order to determine the materiality of impacts:

FOR ACTUAL POSITIVE IMPACTS:

An Actual Potential Impact (API) is not material under any of the three conditions below:
- → The scale is 1 and the scope is 1, OR
- → The scale is 1 and the scope is 2, OR
- → The scale is 2 and the scope is 1.

FOR POTENTIAL POSITIVE IMPACTS:

A Positive Potential Impact (PPI) is material under either two conditions below:
- → If the likelihood is 50% or more:
  - The scale of the impact is 3, OR
  - The scope of the impact is 3, OR
  - Both the scale and scope of the impact are 2.
- → If the likelihood is less than 50%:
  - The scale is 3 and the scope is either 2 or 3, OR
  - The scope is 3 and the scale is either 2 or 3.

FOR ACTUAL NEGATIVE IMPACTS:

A Negative Actual Impact ("NAI") is Material when it is Severe (i.e. when severity = 1)
For potential negative impacts:
A potential negative impact is material:
- → When it is NOT a human rights impact AND it is SEVERE and More than likely, OR
- → When it is a human right impact, and it is SEVERE (Severity takes precedence over likelihood).

Risks and Opportunities are assessed based on the Magnitude and Likelihood.
The combination of both the Financial Amount relative to the financial limit and the persistence of the RO combines to provide an overall assessment of the Magnitude of the RO. This is expressed in three categories, Low Magnitude, Medium Magnitude and High Magnitude.
If the monetary amount is NOT greater than the financial limit (MA ≤ FL), then Magnitude is always Low.
If the monetary amount is greater than the financial limit (MA > FL):
- → Magnitude is Medium if Persistence is Short Term or Medium Term.
- → Magnitude is High if Persistence is Long Term.

An RO is considered material if and only if one of the following conditions is met:
- → Likelihood is less than 50%, then the RO is material only if the Magnitude is High.
- → Likelihood is 50% or more, then the RO is material if the Magnitude is either Medium or High.

Process used to identify, assess, prioritise and monitor risks and opportunities with financial effects

Identification of Financial Risks and Opportunities
The rule for measuring the magnitude
Company will consider **0.5% of the total revenue** based on Annual Report 2023 (pag.158/159 EUR 126.498.000) = EUR 632.490 because:
Revenue is directly proportional to the business activity levels, which is driven by the number of guests that we serve throughout our business operations. Our employee levels are aligned with the volume and scale of the Group's operations. The majority of expenses and costs are the result of business activity, guests, number of employees and eventually the revenue generated.

Decision-making process and related internal control procedures

The decision-making process and related internal control procedures in our Sustainability implementation plan reflect a structured governance framework designed to ensure accountability, collaboration, and progress monitoring. Details of the sustainability governance decision-making is covered in in ESRS 2. The internal controls process and framework is described in the risk management section of the 2024 Annual Report.
The Group has a number of feedback and review mechanisms in place, including the periodic review by the Sustainability Committee, which allows for the assessment and improvement of strategies and initiatives, providing continuous improvement. In summary, the decision-making process ensures a top-down alignment with the Group's strategic Sustainability goals, while internal control procedures maintain operational integrity, transparency, and accountability throughout the organisation.

Integration into the undertaking's overall risk management process

> *These have been well integrated into the Groups overall strategy and in specific sustainability. Details of this can be found in the Management Board's Report, Risk Management section page 168.*

Integration into the undertaking's overall management process

> *These have been well integrated into the Groups overall strategy and in specific sustainability. Details of this can be found in theManagement Board's Report, Risk Management section page 168.*

IRO-2

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

Lists of Disclosure Requirements and datapoints

A list of the Disclosure Requirements complied with in preparation of the sustainability statement based on the results of the materiality assessment, including page numbers, is presented in the form of the table of contents.

A table of all data points that derive from other EU legislation as listed in Annex B of the ESRS 2 is provided in the appendix. This indicates where the relevant data points can be found in this sustainability statement. Data points assessed as "not material" are labelled accordingly.

Materiality of other topical ESRS

NON-MATERIAL TOPICS

During the double materiality process the Group has assessed all ESRS topics. Some of them were found to not be material, however the IROs were considered during the process. These are the main findings:

E2 POLLUTION

a) Reduction in local air quality due to emission of particulates (PM10) and non-GHG gases from fuel combusting for heat (I) – this impact is only for three hotels in Medulin (Croatia). Based on legal regulations, the Group submits annual data to the Ministry of Environmental Protection and Green Transition, to the Institute for Environmental and Nature Protection, which maintains the Register of Environmental Pollution, and based on the submitted data, calculates monetary compensation for pollution.

In 2023, Group did not exceed the legal minimum and was therefore not charged for the payment of monetary compensation for pollution.

b) Reduction in air quality mobile local air pollution impact from diesel vehicles + machines (I) - This impact accounts for the mobile sources of air pollution that the Group operates both on and off-site. This impact refers to diesel road vehicles in our operational fleet, mostly transport vehicles in the horticulture department. There we no new purchases of the new transport vehicles in 2024.

c) Contributions to the migration of micro-plastics into the environment from plastics use (I) - The Group is in the process of reducing the amount of plastic in its operations so that single-use plastic products are not used in its F&B and accommodation divisions (replaced with paper, glass, metal and wood). As a positive example, in 2024 in the accommodation division, dispensers are used instead of single-use toiletries packaging (except in PPH & Radisson branded properties). The use of returnable packaging and packaging made of recycled plastic is agreed with suppliers whenever possible.

E4 BIODIVERSITY AND ECOSYSTEMS

a) Guest-induced loss of marine environmental quality environment (I) - The most significant indicators of sea pollution with faecal waste water are microbiological indicators, so their presence indicates a potential risk of infectious diseases - microbiological pollution. The tests were carried out in 14-day intervals, according to the framework plan of the Ministry of Environmental Protection, Spatial Planning and Construction - Department for Sea and Coastal Protection. In 2024, as in previous years, no incidents occurred.

b) Unintended provision/ increase of on-site Biodiversity (I) - The Company aims to maintain biodiversity in its managed properties. This is considered a positive impact as it contributes towards preserving natural habitats and promoting sustainable land use. The impact is realised in the specific locations where the Company operates and is a direct consequence of its operations.

c) Marine habitat disturbance resulting from various activities (I) - Due to seasonality, potential marine habitat disturbance would occur during summer months only, which allows nature to restore itself. There is no indication from any institution or authorised organisation that significant marine habitat disturbance occurs.

d) Lost revenue associated with declines in eco-system services (R) - The loss of winter-sport amenity values (snow and ice) in Austria, and/or the loss of marine ecological value in Croatia, would also represent risks of future revenue losses.

S2 WORKERS IN THE VALUE CHAIN:

a) Disparate working conditions for agency workers (versus own employees) (I) - Agency workers are often migrant workers, from less developed countries. Such workers might be exposed to working conditions which might be different from the Group's staff depending on the practices of the agencies and their agents. This is a potentially negative impact. The Group offers the same conditions and standards for all employees, including salary, benefits and accommodation.

b) Risk of reduced key supplier delivery resulting from workforce incapacitation (R) – The workforce of certain suppliers might be sensitive to working conditions. In the event of significant failures, these suppliers might temporarily be unable to deliver on their agreed output. Although in our long-term practice with existing partners, we have not had such experiences, this scenario is possible, but it is immeasurable and unpredictable. Through a supplier compliance questionnaire, general information may be obtained that is not sufficient for risk assessment. The prevention method is a continuous relationship with the supplier to gain an understanding of their ongoing ability to deliver in line with their obligations to the Group.

S3 AFFECTED COMMUNITIES

a) Overtourism (I) - Over-tourism is a cumulative series of nuisance-type impacts that can affect specific geographic areas. This type of impact is usually associated with unplanned (not subject to urban planning or traditional tourism regulation), ad hoc or sudden-and-large-influx tourism, the nature of which is not engaged in.

b) Increase in local cultural expression and community cohesion through investment in community initiatives (I) - The Group continues its investment in community initiatives to promote local culture and architectural heritage, contribute to local community infrastructure, and offer training and skills to develop the employability of local people.

c) Opportunity to demonstrate that established hospitality industry can facilitate the development of more sustainable tourism (O) - This is a market opportunity and is most relevant where local economies depend on existing established tourism, which is controlled, planned and is not ad hoc.

d) Revenue losses associated with adverse community reaction against the wider tourism sector (over tourism) - Budapest increases in tourism/ city taxes potentially reducing stays (R) - In certain geographies, local communities might react negatively to the activities of the hospitality sector and their guests/visitors. The deterrence or limiting of tourism activities could result from this negative reaction. This

is predominantly a risk for the ad hoc tourism sector and not for established hospitality infrastructure and services like the Group. The potential impact on established hospitality might be in the form of city taxes.

e) Loss of Concessions: Use of land in campsites and tourist resorts (R) – The Group has concessions to commercially operate at certain communal assets such as beaches in certain jurisdictions. There is the potential for future granting of such concessions to be restricted based on Sustainability-related (impact) performance. There is no current suggestion that this will occur.

Methodology of determining the material information

The Company has used EFRAG's ID 177 - links between AR16 and Disclosure requirements, EFRAG's Implementation Guidance 3 - List of ESRS Data Points, Appendix C of the ESRS 1 - List of phase-in Disclosure Requirements, Appendix D: Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, Appendix E: Disclosure of ESRS data points in accordance with EU laws and ESRS 1.

TAXONOMY DISCLOSURES

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

In 2024 the Group is disclosing indicators consistent with Delegated Regulation (EU) 2021/2139 (the "EU Taxonomy"), for the second time extended to show the portion of taxonomy aligned activities within eligible activities. We are continuously enhancing our approach to identifying, measuring, and disclosing relevant aspects of the EU Taxonomy. To ensure we stay informed, we actively participate in industry updates, training sessions, and expert discussions. Leveraging this knowledge, we perform a yearly assessment of the economic activities outlined in the regulation, mapping them against our business operations and financial activities. This evaluation allows us to recognize established links as well as potentially relevant areas for future reporting following further analysis.

The Group assessed compliance with the criteria set out in Article 3 of Regulation (EU) 2020/852 and the associated technical screening criteria included in the delegated acts and allocated a certain part of its capital expenditure ("CapEx") and operating expenses ("OpEx") to Taxonomy-aligned activities, where those activities were deemed to comply with the listed technical screening requirements after an analysis of underlying documentation.

The tables completed in line with reporting requirements as specified in Regulation (EU) 2021/2178 (the "Disclosure Regulation") can be found in Appendices. Allocation of figures to the numerator and denominator of each KPI was performed by direct allocation of supplier invoices and other items to relevant financial statement captions. Given that each item was attributed to only one activity, double counting did not occur. As required by the Disclosure Regulation, the content of KPIs to be disclosed by the Group as a non-financial undertaking is as follows:

TURNOVER

As Group's main activity is hospitality, a significant portion of its turnover relates to the EU Taxonomy activity 2.1 – Hotels, holiday, camping grounds, and similar accommodation activities, introduced in June 2023 under the objective of protection and restoration of biodiversity and ecosystems. Activities related to owned or leased hotels are taxonomy-eligible under this category.

Turnover represents the Groups' consolidated revenue, which can be referenced on page 188, within the Consolidated Income Statement and in Note 17 Revenues.

CAPITAL EXPENDITURE (CAPEX)

The majority of the Group's capital expenditure ("CapEx") is related to various investments into tangible assets in form of renovations, reconstructions, building conversion and acquisitions of hotels, apartment resorts and campsites. CapEx is the total capital expenditure for tangible and intangible assets in the Group which: is directly attributable to a particular asset at the time of the expenditure, has been attributed to a particular asset and transferred from assets under construction in the accounting period, includes additions arising from business combinations, and exclude additions classified as assets under construction in the financial period (these will be classified as CapEx in the year of activation of the particular asset and its attribution to a particular relevant asset type). This can be referenced to Financial Statements: Note 4 Property, Plant & Equipment, additions during the year classified as Land and buildings and Furniture, fittings and equipment, in the total amount of EUR 8,69 million, and Note 5 Intangible Assets, additions during the year in the amount of EUR 0.32 million. The Group conducted the following Taxonomy-eligible economic activities and within those certain not Taxonomy- aligned activities, with financial impact on CapEx:

4.16. Installation and operation of electric heat pumps The Group operates heat pumps in segments of its operations. The full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

7.2. Renovation of existing buildings Renovation of hotels and other buildings is considered an eligible activity in parts related to improvements of the building and its infrastructure. Although renovations resulted in enhancements of energy efficiency and utility consumption, the full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

7.3. Installation, maintenance and repair of energy efficiency equipment The Group uses energy efficient light sources (LED lighting) in segments of its operations. The full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

OPERATING EXPENDITURE (OPEX)

Certain operating expenses of the Group are considered to arise from EU Taxonomy eligible activities. Eligible operating expenses (OpEx) are defined as direct non-capitalised costs and other direct expenditures (research and development, building renovation measures, short-term lease, maintenance and repair) relating to the day-to-day servicing of assets of property, plant and equipment by the Group or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Consequently, the Group assesses that eligible OpEx comprises Maintenance expenses within Note 18 Operating expenses in the total amount of EUR 4.4 million. The Group conducted the following Taxonomy-eligible economic activities and within those certain Taxonomy-aligned activities, with financial impact on OpEx:

4.15 District heating/cooling distribution. The full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

6.5. Transport by motorbikes, passenger cars and light commercial vehicles In the segments of its business, the group operates with its own passenger cars and light commercial vehicles. The full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

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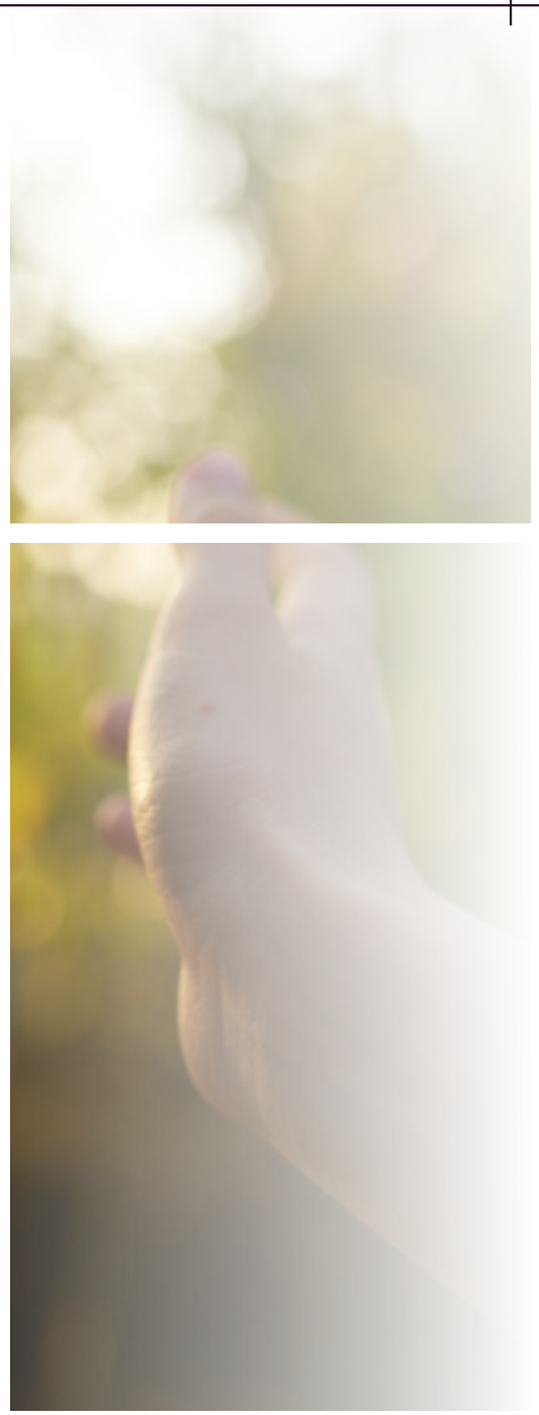
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). The full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

7.5 Energy performance of buildings, installation (maintenance and repair of instruments and devices for measuring regulation and controlling energy performance of buildings). The full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

7.7. Acquisition and ownership of buildings. The Group owns properties and cleaning material expenses have been identified as taxonomy eligible. The full extent of required technical screening criteria for demonstrating that substantial contributions criteria for Objectives 1 (Climate Change Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

As part of our commitment to responsible business conduct, we have minimum safeguards integrated into our business practices, built on four fundamental pillars: human rights, taxation, anti-corruption, and fair competition. These principles reflect the EU's dedication to fostering ethical and sustainable economic practices. Our responsibility to uphold human rights and prevent corruption extends across our entire value chain, as outlined in our sustainability due diligence process.



Environmental information

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E1 CLIMATE CHANGE

E1-ESRS 2 GOV-3

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

In 2024, the Supervisory Board of the Company adopted, and the General Assembly of the Company approved, the Management Board Remuneration Policy ("Policy") that further elaborates the previously introduced framework for the remuneration of the Management Board. The Policy ensures that the Company applies performance-based remuneration that will reward its Management Board members for their commitment to the Company's strategy in an understandable, transparent, and clear manner. The remuneration of the Supervisory Board members has been determined by the decision of the General Assembly, adopted on 30 August 2017.

Pursuant to the Policy, the remuneration of members of the Management Board consists of fixed remuneration, variable remuneration, and other benefits. Variable remuneration depends on the assessment of the performance of the members of the Management Board in combination with the overall financial and operational result of the Company on an annual basis. Various factors shall be considered as key performance indicators of success to determine the exact amount of the variable remuneration. Applicable sustainability-related performance targets, aligned with the Company's sustainability strategy, are from considered as key performance indicators of success, which in turn determine the exact amount of variable remuneration of the members of the Management Board.

The Group has considered and continues to review and assess the inclusion of specific sustainability-related targets to be incorporated as part of the Management Board's and the Group's senior leadership's incentive plans.

Both the Management Board Remuneration Policy and the decision of the General Assembly on the remuneration of the Supervisory Board members are published on the Group's corporate website (https://www.arenahospitalitygroup.com/).

E1-1

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

CLIMATE TRANSITION PLAN ADOPTION ESTIMATE

In 2021, the Group adopted a document called the Sustainability Roadmap for the transition period, in alignment with the UN SDG goals, which include achieving net zero by 2040 (alligned with PPHE goals). The document identifies material topics based on the Sustainability pillars and their alignment with the SDGs. Goals were established with corresponding timelines for final achievement together with the identification of internal departments responsible for their implementation, and key milestones. As part of evaluation efforts, metrics and annual progress tracking measures are established. The document is continuously updated and adapted to reflect business changes and requirements. It will serve as the foundation for creating the Transition Plan for climate change mitigation, the announcement for which was published by EFRAG on November 4, 2024. According to the published draft, the Tranision plan will be prepared in 2025.

E1-ESRS 2 SBM-3

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Climate-related risks

MATERIAL CLIMATE-RELATED RISK	PHYSICAL / TRANSITION RISK	EXPLANATION
Asset damage (physical risks) associated with severe climate change related events	Physical risk	This risk has a direct impact on own operations and on Group's revenue.
Revenue losses associated with adverse weather conditions during the high season, an emerging risk	Transition risk	This risk has direct impact on guest comfort and attractiveness of the destination and direct impact on the costs and revenue.

Climate-related risks

Resilience of strategy and business model in relation to climate change

Starting in 2023 and continued in 2024, the Group has engaged with a third party to conduct its climate risk assessment, which is carried out by calculating CLIMATIG Score (CS) individually for every climate hazard. The CLIMATIG Score is a composite risk index for a specific hazard, with values between 0 and 100, where values between 0-20 indicate low risk, 21-40 moderate, 41-60 high, 61-80 very high, and 81-100 extreme. A CLIMATIG Score accounts for the hazard as well as the vulnerability and exposure of the asset to that hazard.

The analysis concludes that properties in Croatia are at low to medium climate risk. The primary climate risks identified are drought, wind, fire, and heat waves, with heightened risks occurring during the seasonal operation period (April-September). Mitigation measures include compliance with regulations, regular technical supervision of green areas and facilities, fire prevention through maintenance and staff training, and close cooperation with local and national authorities for emergency planning and firefighting exercises.

Hotels in Germany, Hungary, and Serbia, as well as the Group's resort in Austria, fall into low-risk climate zones and implement regular maintenance, control measures, and educational initiatives to address potential risks.

E1-ESRS 2 IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

The Company employs a structured approach to identify and assess climate-related impacts, risks, and opportunities, integrating the guidelines of the GHG Protocol, the Global Reporting Initiative, and other established methodologies. As part of the process of preparing the transition plan in 2025, the process of identifying and assessing climate-related IROs will also be included. The process is outlined below:

(a) Impacts on Climate Change, Particularly GHG Emissions

METHODOLOGICAL FRAMEWORK:

- The Group measures and manages GHG emissions in accordance with the GHG Protocol Corporate Standard, encompassing Scopes 1, 2, and 3.
- The seven greenhouse gases covered under the Kyoto Protocol are included in the reporting, expressed as CO2-equivalents (CO2e).

DATA COLLECTION AND CALCULATION:

- Emissions data is collected from internal systems, financial records, supplier invoices, and other relevant sources.
- For Scope 1 (direct emissions), Scope 2 (indirect emissions from energy), and Scope 3 (value chain emissions), calculations are based on actual consumption where possible, and estimations are made using financial tracking data when necessary.
- Emissions factors are derived from reputable sources such as the UK Department for Environment, Food & Rural Affairs and the German Environment Agency.

EXTERNAL VALIDATION:

- Sustainability indicators and disclosures are verified with the assistance of external partner Code Gaia GmbH.

INTEGRATION AND CONTINUOUS IMPROVEMENT

The Group ensures continuous monitoring, updating, and adaptation of its processes to reflect business changes and regulatory developments. The Sustainability Roadmap serves as a foundation for tracking and reporting on these assessments, with ongoing input from industry standards and external validation partners. This structured process ensures a comprehensive understanding of climate-related impacts, risks, and opportunities, aligning the company's operations with sustainability objectives and long-term resilience.

E1-2

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The Group does not yet have dedicated policies addressing climate change mitigation, adaptation, and energy efficiency. However, the Group plans to develop a transition plan in 2025, which will serve as the foundation for future climate-related policies.

The Group has adopted the Sustainability Roadmap, in which areas, goals and time frames for the realisation of Sustainability goals are determined. Within the environmental impact, areas with goals to be achieved by 2030 and 2050 are defined.

Net zero carbon by 2040

CLIMATE ACTION:	
Reduce Scope 1 Direct Emissions of carbon intensity 50%	2030
Reduce Scope 2 indirect Emissions of carbon intensity 50%	2030
ENERGY CONSERVATION	
Reduce Electricity Consumption by 30%	2030
Renewable Electricity Sourcing 100%	2025
Produce Renewable - Solar Implementation 20% mix	2030
WASTE MANAGEMENT	
Reduce Waste Intensity by 30%	2030
Eliminate Single use plastic 100%	2025
WATER MANAGEMENT:	
Reduce Water Consumption-withdrawal by 30%	2030

The Group has been monitoring its GHG emissions since 2018 and shows its progress in its Annual Reports (see Annual Report 2023, Performance tracking, page 117) to enable its users to report as transparently as possible. To achieve the highest possible quality of management during the performance of its activities with the aim of achieving defined targets, the Group has adopted a series of procedures (SOP) for the management, monitoring and control of energy consumption within its operations, and has defined OPEX and CAPEX on an annual level with implementation dynamics. This is accompanied by a sustainable procurement policy. Individuals responsible for the proper application and implementation of processes are also described and defined in the mentioned processes. Continuous cooperation of individual departments within the Group was established to achieve the goals outlined through continuous communication. Training is continuously conducted, including training in the field of occupational safety and health protection, which are also a legal obligation of the employer. During these previous periods, the Group undertook actions to reduce electricity consumption (energy-saving light bulbs, transition to alternative energy sources) And undertook initiatives aimed at increasing energy efficiencies when refurbishing properties. In Croatia, solar panels have been installed at the Grand Hotel Brioni and the Park Plaza Arena, which have just passed the test phase of operation and will be operational in 2025. For the other two properties, Park Plaza Verudela and Central Laundry, the process of obtaining the necessary permits is ongoing.

The Group continues to undertake life cycle assessments across all its properties regarding water consumption to drive a reduction in consumption while maintaining the quality of service (replacing existing fixtures with water-saving alternatives, reducing the flow of water). It also used two desalinisation plants (Pula and Medulin) in 2024 to reduce drinking water consumption for watering green areas.

The production of waste is continuously monitored in accordance with the procedures in each facility by category. There are prescribed procedures for waste reduction in individual departments, and employee training is carried out in relation to waste classification and reduction. It is carried out in cooperation with the procurement department analysis and selection of food, packaging and suppliers with the aim of reducing waste. To reduce waste, the Group introduced two food recycling machines in 2023 (Park Plaza Histria Pula) and intends to continue searching for new technologies and solutions that can be successfully implemented in other business divisions.

Since the Group is obliged to create a new transition plan document in 2025 in accordance with ESRS guidelines, it will contain annual actions and goals, based on which policies related to climate change mitigation and adaptation will be created, and will replace existing procedures. The mentioned policies will be revised and updated every year, or every five years, in accordance with individual goals.

E1-3

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In Croatia, renewable electricity generation is advancing with photovoltaic panels being installed at four sites. Two locations, Park Plaza Arena Pula and Grand Hotel Brioni Pula, are already equipped with panels and are in trial operation in collaboration with the national distributor. The remaining two sites are scheduled for installation in 2025. All locations will be live in 2025.

Financial resources in relation to climate change policies (related to actions described, Capex/Opex monetary values)

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Allocated Capex in current period	115.043,16	57.985,94
Allocated Opex in current period		
Future allocated Capex		
Future allocated Opex		

Financial resources in relation to climate change policies

E1-4

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

As already described under E1-1, the company currently does not have a Transition Plan, the creation of which will be realized in 2025. By creating that plan, the targets that the company set for itself in 2019 (see under E1-2) will be revised in such a way that the results published in this report for Scope 1, 2 and 3 emissions will be taken as initial parameters, i.e. 2024 will be the base year.

The mentioned plan will have defined new targets, implementation policies, measurements and achievements. With this, the company will continue its previous policy, which was strongly focused on reducing emissions in Scope 1, 2 and 3, which it has shown through a special section within its Sustainability report called Performance tracking (see Annual Report 2023, page 117).

In the past period, it made the transition to renewable energy sources, introduced energy-saving light bulbs, taps, showers, implemented the introduction of solar panels at four locations, which will partially show their results already in 2025.

E1-5

ENERGY CONSUMPTION AND MIX

Total energy consumption

ENERGY CONSUMPTION AND MIX	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Total fossil energy consumption (MWh)	8437,20	8983,87
Share of fossil sources in total energy consumption (%)	19,64	19,36
Consumption from nuclear sources (MWh)	--	--
Share of consumption from nuclear sources in total energy consumption (%)	--	--
Fuel consumption for renewable sources (MWh)	--	--
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	34520,92	37421,26
Consumption of self-generated non-fuel renewable energy (MWh)	--	--
Total renewable energy consumption (MWh)	15801,68	36725,01
Share of renewable sources in total energy consumption (%)	36,78	79,14
Total energy consumption (MWh)	42958,12	46405,14

Total energy consumption

Energy consumption from fossil sources

ENERGY CONSUMPTION AND MIX	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Fuel consumption from coal and coal products (MWh)	--	--
Fuel consumption from crude oil and petroleum products (MWh)	1306,44	1626,31
Fuel consumption from natural gas (MWh)	6905,45	7162,77
Fuel consumption from other fossil sources (MWh)	225,29	194,78
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	8.437,20	8.983,87

Energy consumption from fossil sources

Energy intensity

ENERGY CONSUMPTION AND MIX	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)	% N / (N-1)
Year	2023	2024	
Energy intensity per net revenue (MWh / Monetary unit)	1,4116	1,2366	-12,00%

Energy intensity

HIGH CLIMATE IMPACT SECTORS

High climate impact sectors are those listed in NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288).

The high-climate impact sectors are determined at the NACE code activity level linked to the Groups own operations and not by the Groups ESRS sectors. For 2024 these are:

F – Construction

L - Real estate activities

These two sectors are detailed in the KPI Opex & Capex tables, where, in addition to compliance with the EU taxonomy, financial indicators of maintenance costs, i.e. investments, and % share in the total cost/investment are shown.

RECONCILIATION OF THE NET REVENUE AMOUNT

To calculate energy intensity, total energy consumption (MWh) from the above table is divided by the net revenue from activities in high-climate-impact sectors. Net revenue from HCI is calculated as: Total Revenue (refer to Note 17: Revenues, page 228) - Direct Operating Costs (refer to Note 18: Operating Expenses, page 229)." The intensity hase decreased by 12% compared to year 2023.

E1-6

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

	BASE YEAR 2024	COMPARATIVE YEAR (N-1 2023)	CURRENT REPORTING YEAR (N) 2024	% N / N-1	2025	2030	2050	ANNUAL % TARGET / BASE YEAR
Gross Scope 1 GHG emissions (tCO2eq)	2.419,42	1.880,80	2.419,42	29%				
% of Scope 1 GHG emissions from regulated emission trading schemes	--	--	--					
Gross location-based Scope 2 GHG emissions (tCO2eq)	8.458,03	7.696,99	8.458,03	10%				
Gross market-based Scope 2 GHG emissions (tCO2eq)	1.295,96	3.300,29	1.295,96	-61%				
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	18.052,98	16.730,14	18.052,98	7%				
1 Purchased goods and services	14.060,84	11.162,23	14.060,84	25%				
Optional: Cloud computing and data centre services		--	--					
2 Capital goods	793,48	3.166,58	793,48	-75%				
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	2.427,67	1.592,58	2.427,67	52%				
4 Upstream transportation and distribution	13,36	12,13	13,36	10%				
5 Waste generated in operations	142,06	98,71	142,06	44%				
6 Business traveling	348,69	424,82	348,69	-18%				
7 Employee commuting	272,13	273,09	272,13	--				
8 Upstream leased assets								
9 Downstream transportation								
10 Processing of sold products								
11 Use of sold products								
12 End-of-life treatment of sold products								
13 Downstream leased assets								
14 Franchises								
15 Investments								
Total GHG emissions (location-based) (tCO2eq)	28.930,43	26.307,93	28.930,43	10%				
Total GHG emissions (market-based) (tCO2eq)	21.768,36	21.911,23	21.768,36	-1%				

Gross scopes 1, 2, 3 and total GHG emissions

Significant changes in the scope of the undertaking and the value chain

We do not anticipate any significant changes in the Group's reporting of GHG emissions pertaining to its value chain both upstream and downstream, and the report is comparable in terms of GHG emission reporting.

Contextual information on Gross Scopes 1, 2, 3 and Total GHG emissions

In our efforts to improve data quality and the total scope of our emissions, we expanded our scope 3 reporting to include a new category -Empoyee commuting, and in the Purchased Goods and Services category, we switched from spend-based data to volume based procurement data. We restated the 2023 figure, compared to this two categories. No downstream data included as not relevant for business model.

Scope 1 emissions increased by 29% compared to the previous year. This rise was primarily driven by our investment in upgrading campsites, which now operate year-round and support higher levels of business activity. As well as due to increased business activity and realignment of more granular data which resulted in moving from Scope 3 to Scope 1 emissions.

Scope 2 (market-based) emissions decreased as Croatia fully transitioned to renewable energy sources, resulting in a reduction in our carbon footprint from electricity consumption.

Scope 3 emissions increased by 7%, mainly due to the introduction of a new category, employee commuting. Additionally, we implemented a more detailed reporting approach and switched to a new calculation method for purchased goods and services, moving from a spend-based to a volume-based methodology. We also saw an increase in waste generation in our operations, attributed to a higher number of guests. A notable reduction was seen in Capital Goods emissions, as the major investment cycle was completed.

GHG emissions intensity

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)	% N / (N-1)
Total GHG emissions (location-based) per net revenue (tCO2eq/ Monetary unit)	0,00021	0,00020	-0,05
Total GHG emissions (market-based) per net revenue (tCO2eq/ Monetary unit)	0,00017	0,00015	-0,12

Reconciliation of the net revenue amounts

The net revenue amounts are referenced on page 188, within the Consolidated Income Statement and in Note 17 Revenues.

E1-8

INTERNAL CARBON PRICING

The Group does not apply internal carbon pricing.

E2 POLLUTION

E2 ESRS 2-IRO-1

The tools, including methodology used for assessment of all IROs, irrespective of topic, were the same tools used to ensure that this topic's matters were not overlooked. In some specific cases the assessment of the scale and scope of impact has been informed by geospatial tools which provide information about the value (protection level) and extent of pollution-sensitive geographic features that might be near to (and therefore potentially impacted by) our operating assets.

No specific engagement or consultations regarding pollution IROs was carried out. It was considered that all necessary information

required to assess the severity of impacts and to understand risks and opportunities that were identified in relation to this topic was available without the need for such engagement.
As a result, this topic was considered immaterial in the double materiality process.

E3 WATER AND MARINE RESOURCES

E3 ESRS 2 -IRO-1

The materiality assessment methodology did not make use of specific or special variations for matters that explicitly relate to the water and marine resources topic. The consideration of assets and activities which informed the identification and assessment of all IROs took account of sustainability matters which relate to water and marine resources as and when such matters were considered relevant. Although some of the Group's properties are located in the coastal area of the city of Pula and the municipality of Medulin, no material IROs (upstream and downstream value chain) have been identified that would specifically impact marine resources.
The tools which were used for the assessment of all IROs for all other topics were the same tools used to ensure that this topic's specific matters were not overlooked. In some specific cases the assessment of the scale and scope of impact has been informed by geospatial tools which provide information about the value (protection level) and extent of pollution-sensitive geographic features which might be near to (and therefore potentially impacted by) our operating assets, particularly those in Pula, Croatia.
No specific engagement or consultations regarding IROs was carried out. It was considered that all necessary information required to assess the severity of impact and to understand risks and opportunities which were identified in relation to the water and marine resources topic was available without the need for such engagement.

Impact, risk and opportunity management

E3-1

POLICIES RELATED TO WATER AND MARINE RESOURCES

According to the Water risk atlas **bit.ly/4aRAki6** we have determined that the regions of Croatia, Austria, Serbia and Hungary where we have accommodation facilities are not in the high stress water area. In Germany, the Berlin and Nuremberg regions are located in high stress water area. Elsewhere in Germany, Cologne does not belong to the high stress water area.

The Ministry of Economy of the Republic of Croatia published in the Official Gazette No. 84/2023 on 22/07/2023 the document The Water Area Management Plan until 2027.
The content of this complex and comprehensive document starts from the framework for water management (territorial, administrative, legal, planning, socio-economic) where, through the natural characteristics of all types of water, the current conditions, climate change and climate change adaptation strategies for the period up to 2040 with a view to 2070 are presented through the ecological framework. Various tables and maps show the management of the state of water; water load due to human activities, load according to drivers/sources of load by industry (Tourism and recreation see p.181); management objectives; economic analysis; program of measures; additional and supplementary measures; a special chapter refers to flood risk management.
The plan is available at:
https://bit.ly/3QdfgsM
Our business operates in the territory of the City of Pula and the Municipality of Medulin, which in the above plan are in the Adriatic Water Area (JVP) zone. Our facilities are located within the Natura 2000 protected area. The listed areas are not characterised as stress areas. We do not operate in areas that are high water stress – research.

Areas of high-water stress
Berlin and Nuremberg are in the high stress water area zones, according to the Water risk atlas.
To minimise the impact of any water stress risks, the Company aligns its operations with relevant local regulation in water supply management (Wasserhaushaltsgesetzt, Verordnung zum Schutz des Grundwassers, Verordnung über die Anforderungen an das Einleiten von Abwasser, Verordnung über die Qualität von Wasser für den menschlichen Gebrauch).
In addition, within its regular property investment and maintenance lifecycle process, water consuming equipment is implemented and based on shower heads, washbasin mixers, toilets and rain shower pipes with a minimum consumption level: 6 litres per minute for shower heads and washbasin mixers, 4 litres per flush in toilets and 9 litres per minute in case of rain shower pipes.
Continuous monitoring of water consumption on property level is set up, via a dedicated software. Any unusual volatility in water consumption on hotel level is immediately identified and addressed by maintenance teams to ensure minimum waste of water, which might occur due to short term maintenance issues.

E3-2

ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

The Group has implemented another water desalinisation plant which contributes to the reduction of fresh potable water usage for environment and green area maintenance.

Financial resources related to water and marine resources

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Allocated Capex in current period	767.200,00	--
Allocated Opex in current period		
Future allocated Capex		
Future allocated Opex		

Financial resources related to water and marine resources

Metrics and targets

E3-3

TARGETS RELATED TO WATER AND MARINE RESOURCES

The Group has water consumption targets linked to metric, which is driven by the customer usage i.e. guests. The Group measures water withdrawal in metric tonnes per guests served in the organisation.

The Group has undertaken numerous steps to reduce water consumption where practically possible by introducing better technology and products which dispense fresh water at a reduced rate. In accordance with the goal of reducing water consumption, the company invests in energy-saving equipment, installs controls (increasing OPEX/CAPEX), aligns its processes with Sustainability standards. Consumption of water and water resources is part of the procurement and sales process of providing quality service to the end user. (upstream & downstream).

E3-4

WATER CONSUMPTION

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Water consumption (m^3)	511344	528447
Water consumption in areas at water risk (m^3)	34469	34624
Recycled and reused water (m^3)	--	--
Stored water (m^3)	--	--
Change in storage (m^3)	--	--

Water consumption

Contextual information on water consumption

Water consumption in the hospitality industry is directly related to the number of guests.

As part of our Responsible Business Programme, dedicated teams work to reduce our carbon footprint, conserve water, and manage waste more effectively. All our properties are connected to local municipal water systems, ensuring adequate flow and pressure. We have implemented a centralized water monitoring system that provides hourly data on water consumption and pressure, alerting us to any irregularities. This allows us to promptly detect and repair leaks, preventing unnecessary water waste and guest inconvenience. For landscape irrigation, we utilize reverse osmosis systems to convert seawater into irrigation water.

Recognizing the global challenges of water scarcity, pollution, and climate change, we prioritize responsible water use both within our operations and throughout our supply chain. By doing so, we help protect aquatic ecosystems and promote biodiversity.

The Group ensures that all wastewater collected on-site is directed to municipal wastewater infrastructure, including sewage and stormwater drainage. We do not discharge used water directly into the environment, nor do we produce significant air pollutants or engage in the manufacturing or transformation of chemical substances as part of our business operations.

Water intensity

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Water intensity (m^3 / million EUR)	0,0040	0,0037

Water intensity

E4 BIODIVERSITY AND ECOSYSTEMS

ESRS E4-IRO-1

Through its operations, the Group has no direct significant impact on biodiversity and the ecosystem. Since part of its hotels in the area of Pula and Medulin (Croatia) as part of the west Istrian Coast are located in the Natura 2000 area, the Company prepared two environmental impact studies in 2024 regarding the implementation of the desalination plant, which confirmed the immateriality of this impact. The results of the study were subject to detailed analysis within the double materiality process.

E5 RESOURCE USE AND CIRCULAR ECONOMY

ESRS E5-IRO-1

The tools which were used for the assessment of all IROs, irrespective of topic were the same tools used to ensure that this topic's matters were not overlooked. For more information about the Group's materiality assessment methodology, see ESRS 2 IRO 1. Stakeholders were engaged regarding resource use and circular economy IROs, more precisely generation of waste.

E5-1

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Company's waste management policy focuses on addressing the generation of waste that requires treatment, which in turn creates pressure on treatment systems. The policy applies across all Company activities and locations, including upstream and downstream value chains, with employees and suppliers as key stakeholders. A dedicated manager is responsible for implementing the policy, which includes waste categorisation, contracting suppliers for recycling, repurposing, and hazardous waste disposal, as well as analysing opportunities for new technologies. Employee training and supervision ensure adherence to the policy, which is aligned with relevant national institutions.

E5-2

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group's waste management strategy focuses on reducing waste, recycling, and diverting materials from landfill in line with circular economy principles. In Germany, waste is sent to energy recovery through incineration, while in Croatia, waste from our 20 properties is centrally managed, registered, segregated, and largely recycled via certified providers.

We have introduced food recycling machines (Park Plaza Histria Pula) to convert food waste into compost, complementing kitchen standards aimed at daily food waste reduction. For years, we have implemented waste sorting policies to minimise landfill disposal, partnering with local companies like "Herculanea" d.o.o. and "Med Eko Servis" d.o.o. Mixed waste is sent to ŽCGO Kaštijun, where mechanical-biological processing maximises material and energy recovery, with only 9% of waste ending in landfill. ŽCGO Kaštijun, founded in 2007, holds ISO 9001 and ISO 14001 certifications (details at www.kastijun.hr.

To reduce resource use, the Group is minimising use of plastics and replacing them with recyclable alternatives where possible, reinforcing its commitment to environmental sustainability.

E5-5
WASTE

Waste amounts

	TOTAL - COMPARATIVE YEAR (N-1)	TOTAL - CURRENT REPORTING YEAR (N)	HAZARDOUS WASTE - COMPARATIVE YEAR (N-1)	HAZARDOUS WASTE - CURRENT REPORTING YEAR (N)	NON-HAZARDOUS WASTE - COMPARATIVE YEAR (N-1)	NON-HAZARDOUS WASTE - CURRENT REPORTING YEAR (N)
Year	2023	2024	2023	2024	2023	2024
1.Total amount of waste generated (t)	2306,91	2544,2	6,01	4,06	2300,9	2510,34
2.Total amount of waste diverted from disposal (t)	528,33	613	3,26	3,18	525,07	609,82
a) Amount of waste - preparation for reuse (t)						
b) Amount of waste - recycling (t)	525,07	609,82			525,07	609,82
c) Amount of waste - other recovery operations (t)	3,26	3,18	3,26	3,18	0	0
3.Total amount of waste directed to disposal (t)	1778,58	1931,2	2,75	0,88	1775,83	1930,32
d) Amount of waste - incineration (t)	5,39	11,44	1,32	0,88	4,07	10,56
e) Amount of waste - landfill (t)	269,74	307,77	1,43		268,31	307,77
f) Amount of waste - other disposal operations (t)	1503,45	1611,99			1503,45	1611,99
4.Percentage of non-recycled waste (%)	22,76%	23,97%			22,82%	24,29%

Waste amounts in t

Composition of the waste

In alignment with national waste regulations and our commitment to sustainable waste management, our hospitality operations generate and manage various waste streams.

The primary waste categories include packaging materials such as paper and cardboard, plastic, metal, mixed, and glass packaging, along with specialized waste like packaging of dangerous substances.

Additionally, we handle chemical waste, including discarded inorganic chemicals, non-listed chemicals, and detergents. Hazardous waste streams include alkaline batteries, fluorescent bulbs with mercury, and refrigerating equipment.

Our operational processes also generate organic waste, including biowaste from kitchens, edible oils, and washing sludge from laundry services.

Other significant waste streams include municipal waste, bulky waste, textiles, wood, plastic, glass, and electric/electronic equipment.

To ensure regulatory compliance and environmental responsibility, we implement waste separation, responsible disposal, and recycling measures in accordance with national guidelines.

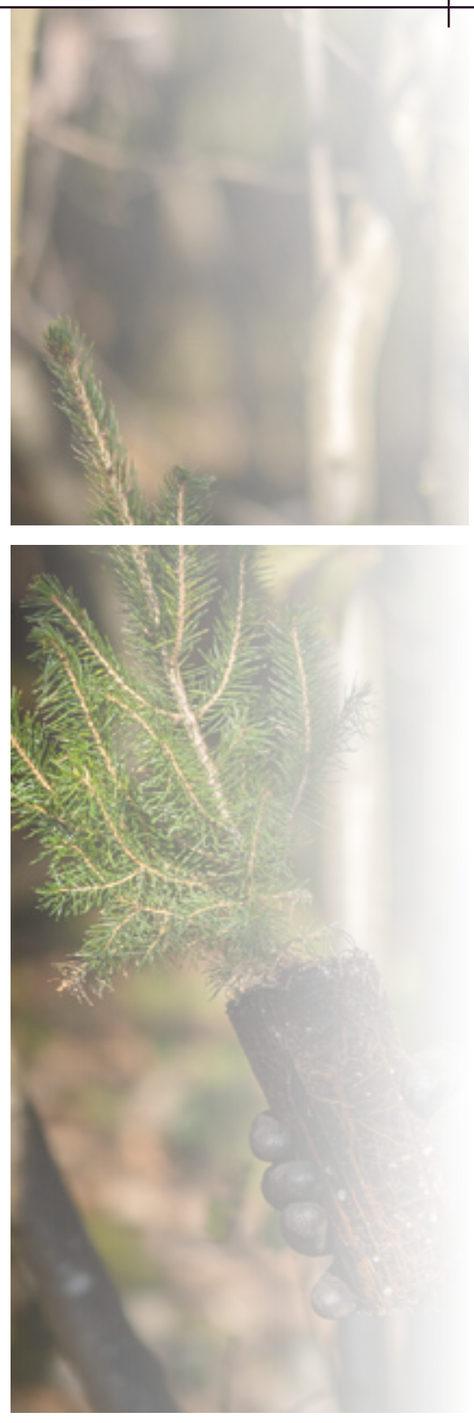
Serbia, as a region outside the EU, does not apply EU standards for waste management and recycling. In line with the Group's policies, an education initiative and an effort to separate and manage specific waste categories were launched in 2024. Significant progress is expected to be achieved in 2025.

Hazardous and radioactive waste

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Total amount of hazardous waste (t)	6,01	4,06
Total amount of radioactive waste (t)	--	--

Hazardous and radioactive waste

At the national level, specific waste categories are designated as hazardous and the amounts stated in the table above derive from these categories. These materials require careful handling, storage, and disposal in compliance with regulatory requirements. We regularly report our hazardous waste data to the relevant Ministry, which monitors our environmental impact through its regulatory instruments. Our approach prioritizes safe waste management practices to minimize environmental risks and ensure full regulatory compliance.



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S1 OWN WORKFORCE

S1-ESRS 2 SBM-2

INTERESTS AND VIEWS OF STAKEHOLDERS–OWN WORKFORCE

The Company considers its workforce a key stakeholder group. All employees' rights are guaranteed by national Labour law, which contains the main determinants of international conventions on the protection of human rights and dignity of workers. Also, all rights are guaranteed by the Collective Bargaining Agreement, which is the subject of continuous dialogue between the Company and its employees. A new contract with additional benefits was concluded in 2024.

The Company conducts an annual employee engagement survey across all employment types (permanent, temporary, full time, part time, non-employees - temporary agency workers). The survey covers various areas from working environment, leadership, wellbeing, etc. with the opportunity for each employee to share their suggestions and visions. After analysing the survey results, proposals for action plans are collected, based on which the Group's management makes decisions and updates its strategies. In 2024 the survey methodology was amended to focus on groups of employees such as permanent, seasonal and foreign workers to be able to secure more meaningful feedback and evolve our employee wellbeing strategy.

The annual engagement survey gathered employee perspectives on impacts identified during the double materiality analysis and highlighted potential new impacts. Key focus areas were development and growth, wellbeing, and recognition and support:

1. Development and growth: Action plans are in place to communicate training opportunities via multiple platforms, fostering awareness of learning options. Regular development conversations are integral, enabling employees to discuss growth needs and career aspirations for continuous personal and professional advancement.

2. Wellbeing: Accessible wellbeing support services are consistently communicated. During busy periods, additional support measures, such as extra breaks and mindfulness workshops, help maintain a healthy work-life balance.

3. Recognition and support: Managers hold frequent check-ins to foster open dialogue and gather feedback. Regular recognition of great performance promotes a culture of appreciation and continuous improvement.

Impact, risk and opportunity management

S1-1

POLICIES RELATED TO OWN WORKFORCE

The Company has implemented policies to ensure fair treatment, wellbeing and development of all Group employees.

In addition to the Code of Conduct outlining, amongst others, the Company's inclusion and diversity principles, the provision of health, safety and wellbeing as well as adequate training, Group has a health and Safety Policy, as well as a human rights and labour standards policy in place.

Freedom of employment, freedom of association and the right to collective bargaining, fair wages, prohibition of discrimination, safe working conditions and no excessive working hours are amongst main standards the Group upholds.

The Group adheres to high employee wellbeing standards and makes additional efforts in terms of providing employees with access to employee wellbeing workshops.

REFERENCE

These policies are publicly available on Arena's webpage at www.arenahospitalitygroup.com

S1-2

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

The Group is committed to fostering transparent and constructive communication with its workforce. In line with local legal requirements, a Workers' Council has been established, which plays a key role in representing the interests of our employees. The Workers' Council is an essential part of our employee engagement process, providing a formal platform for employees to raise concerns, share feedback, and collaborate on matters that affect the workforce.

In addition to the Workers' Council, we also have an active union that works closely with the organisation to ensure that the rights and interests of employees are protected. The union is involved in discussions and negotiations on key matters such as working conditions, wages, and benefits, ensuring that employee perspectives are considered in decision-making processes.

To further engage with our workforce, we conduct annual employee engagement surveys. These surveys allow us to gather valuable insights into employee satisfaction, concerns, and suggestions for improvement. The feedback received through these surveys is carefully reviewed and informs our ongoing efforts to improve workplace conditions and address potential impacts on our employees.

Together, the Workers' Council, union, and regular engagement surveys enable us to maintain an open and responsive dialogue with our workforce, ensuring that their perspectives are incorporated into the decisions of the Management Board and activities that affect them.

S1-3

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

The Group, along with good working practice, strives to professionally and responsibly establish, monitor and manage all aspects of occupational health and safety in a timely manner to identify risks and hazards in the workplace.

Furthermore, by carrying out timely and continuous education of all our employees, carried out internally and in cooperation with authorised companies, we act preventively at all levels of business, while medical examinations for almost all groups and categories of employees ensure tracking of employees' health and preventive action on the health of employees.

The Group's management is responsible for establishing and promoting the health and safety policy to lower-level management, so there are individuals responsible for health and safety across the Group in addition to the professional team in the central office in compliance with legal requirements.

Arena Hospitality Group also maintains an

occupational health and safety management system (OHSMS) and acts in compliance with legal requirements regarding the health and safety at work. This implemented system covers all workers who are our employees as well as those who are not employees but whose work and/or workplace is controlled by the organisation.

S1-4

TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

Actions in relation to the material impacts related to the own workforce

(a) Actions to Prevent or Mitigate Material Negative Impacts

Loss of worker Health and Safety due to any related incidents: Implementation of enhanced safety protocols, regular safety training programs, and mandatory reporting of incidents to reduce health and safety risks. All measures are implemented in accordance with national legislation and protocols of the profession through continuous education of the heads of individual departments. The company has an appointed Health & Safety Manager.

Maintenance of workforce equality via zero tolerance to all forms of discrimination. In accordance with UN global guidelines and national legislation, company has incorporated obligations to respect all human rights including avoiding all types of discrimination, which the company confirmed as its business principle and in the signing of the new collective agreement as well as the implementation in several of its policies that are publicly available on company's corporate website (Human Rights Policy, Children protection Policy , Code of Conduct, Whistleblowing Policy).

(b) Actions to Provide or Enable Remedy for Actual Material Impacts

Health and Safety Incidents: Deployment of immediate response teams to address incidents (internal procedure), alongside medical support and compensation schemes for affected employees. Follow-up investigations are conducted to prevent recurrence.

Discrimination Cases: The company has appointed two persons authorised to receive and resolve complaints related to the protection of the dignity of workers who act in accordance with internal procedures and national legislation.

(c) Additional Actions for Positive Impacts on Workforce

Gender Equality: In 2024, the Company signed a new collective agreement in Croatia, which continues to apply national laws that provide for respect for equality - direct and indirect discrimination based on race or ethnicity or skin colour, gender, language, religion, political and other beliefs, national or social origin, property status, membership in a trade union, education, social position, marital or family status, age, health condition, disability, genetic heritage, gender identity, expression or sexual orientation is prohibited. The Group applies this practice in all regions where it operates.

Investment in Employee Skills and Knowledge: Comprehensive learning and development programs (internal and external), including upskilling initiatives, and career progression pathways tailored to individual employee growth.

(d) Tracking and Assessing Effectiveness of Actions

Health and Safety: Continuous monitoring of incident rates and safety compliance and periodic third-party audits.

Diversity and Inclusion: Regular annual assessments through employee surveys conducted by the third party.

Skill Investment: Metrics on employee participation in training, certifications achieved, and internal promotion rates are tracked to evaluate program impact.

Mitigating Material Risks

System Downtime: Train employees on handling disruptions and provide IT support. Track productivity impact and resolution times.

Data Leaks: Enforce strict access controls and provide regular security training. Track incidents and training effectiveness.

Pursuing Material Opportunities: Engage employees in improving systems and data security. Offer professional development in IT and cybersecurity. Track engagement through surveys and implementation of employee-driven ideas.

Overall Effectiveness: Annual reviews by cross-functional teams to consolidate findings and recommend improvements (action plans).

PROCESSES TO IDENTIFY THE NEEDED AND APPROPRIATE ACTIONS

In accordance with the national legislation related to safety measures at work, an assessment of work hazards is carried out in certain places (by a third party), certain parts of the process are determined in which additional protection of the workplace or training of workers is required. For individual occupations, annual checks of employees' ability to work and professional development, or exams, are carried out (Occupational Safety and Health Act 71/14 and Regulations on Risk Assessment).

Actions in relation to material risks and opportunities

Negative impacts from the own practices

To ensure that our practices do not cause or contribute to material negative impacts on the workforce, we have implemented the following measures:

1. Health and Safety:

- → Comprehensive risk assessments are conducted across all operational areas to identify potential hazards proactively.
- → Strict adherence to safety standards is ensured through regular audits, employee training, and enforcement of corrective actions when deviations are identified.
- → Requirement for contractors and procurement partners to comply with the same health and safety standards as internal teams.

2. Non-Discrimination and Inclusion:

- → Policies are in place to uphold zero tolerance for all forms of discrimination. This includes monitoring recruitment, promotion, and daily workplace practices to ensure equitable treatment.
- → Mechanisms for anonymous reporting of discriminatory practices are accessible to all employees, ensuring timely resolution.

3. Gender Equality:

- → Recruitment and promotion strategies prioritise gender diversity, particularly in leadership roles. These efforts are monitored and adjusted regularly to align with organisational goals and societal expectations.
- → Employee data collection is governed by strict ethical standards, ensuring privacy and unbiased analysis.

4. Employee skill development:

- → Investments in training and development are distributed equitably, ensuring that business objectives do not override opportunities for employee growth.
- → Procurement practices ensure that external training providers align with the organisation's ethical and inclusivity standards.

MANAGING TENSIONS BETWEEN IMPACT PREVENTION AND BUSINESS PRESSURES

When tensions arise between mitigating negative impacts and meeting business objectives, we prioritise the long-term well-being of the workforce. Decision-making frameworks incorporate ethical considerations and impact assessments, ensuring business pressures do not compromise employee safety or equity. These practices reflect our commitment to maintaining a responsible and sustainable approach to workforce management.

Resources for the management of material impacts

The organisation employs a multi-faceted approach to manage the material impacts of working conditions. Internal functions, such as health and safety, HR, and legal teams, are integral to implementing actions that align with organisational goals and regulatory requirements. The focus on targeted training, policy enforcement, and resource investment ensures continuous improvement in addressing these impacts.

METRICS AND TARGETS

S1-5

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Loss of worker health and safety due to any related incidents- the long-term goal is to achieve the lowest number of health and safety related incidents. We try to achieve this through health and safety-dedicated team, training programs, safety audits using incident reporting systems, investigating incidents, and implementing preventive measures.

Maintenance of workforce equality via zero tolerance to all forms of discrimination- The long-term goal of the Group is to achieve the lowest number of incidents by implementing key measures. These include providing employees access to grievance mechanisms and legal support, ensuring compliance with anti-discrimination laws through the legal team, and establishing clear reporting channels and remediation processes. Additionally, systemic inequities are monitored and addressed through regular policy reviews to foster a fair and inclusive workplace. Increased cooperation between HR and senior leadership to maintain a culture of inclusivity. A new function was created within the HR department to support overseas seasonal workers who come to Croatia by helping them with language and administrative barriers.

Protection of gender equality due to representation of women at all commercial levels - The Company in previous periods had an employee gender distribution slightly in favour of the female gender (51,92% in 2023 and 50,31% in 2024). The goal is to maintain an optimal balance of represented genders in future periods. The HR teams oversee the recruitment and retention strategies with a view to improving gender balance, including creating and enforcing family-friendly workplace policies, such as flexible work arrangements and parental leave.

Increase in employee skill and knowledge – The Group provides access to digital platforms for continuous learning and professional development as well as allocation of time for employees to attend training and upskilling programs. The Company's HR team designs and implements skill-enhancement initiatives in consultation with department managers and leads on identify individual training needs. Offering tuition reimbursement or sponsorship for advanced education programs.

New annual targets will be defined within the scope of the new transition plan to be developed in 2025. In addition to the legal obligation to create a transition plan, there is a need to adapt to the new requirements of the labour market related to the import of labour, changes in the structure of professional training, the need for the inclusion of foreign workers in the local community while harmonising with the needs of the local community and the local workforce was identified.

Target setting process

The Group conducts an annual employee engagement survey to assess satisfaction, needs, and suggestions related to the work environment, processes, leadership, career advancement, and training. Based on the responses, teams and departments create action plans, which are submitted to HR for analysis and used to guide future decisions.

S1-6

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Total number of employees by gender

GENDER	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Male	567	568
Female	614	576
Other	1	1
Not reported		
Total employees	1182	1145

Total number of employees by gender

Total number of employees by country
This data can be found in SBM-1 page 68.

Total numbers of employees by contract type and gender

	FEMALE - COMPARATIVE YEAR 2023	FEMALE - CURRENT REPORTING YEAR 2024	MALE - COMPARATIVE YEAR 2023	MALE - CURRENT REPORTING YEAR 2024	OTHER - COMPARATIVE YEAR 2023	OTHER - CURRENT REPORTING YEAR 2024
No. of employees	614	576	567	568	1	1
No. of permanent employees	450	453	419	427	1	1
No. of temporary employees	164	123	148	141	0	0
No. of non-guaranteed hours employees	14	10	10	9	1	1
No. of full-time employees	447	412	429	424	0	0
No. of part-time employees	5	6	3	2	0	0

Total numbers of employees by contract type and gender

Employee turnover

	TURNOVER RATE	
	2023	2024
Croatia	56%	45,23%
Germany	57,10%	43,20%
Hungary	73,20%	69,90%
Group Average	62,10%	52,78%

Total number of employees by gender

Contextual information on employee characteristics
All employee data is collected from internal HR systems, and the provisions of the GDPR are respected during data processing. The data is regularly updated to ensure accuracy and timeliness. We decided to use the number of employees to accurately represent the demographic categories of employee data, such as gender, country and type of contract. Full Time Equivalent ("FTE") can be confusing because it includes working hours, which are not relevant to demographic data. Therefore, for the demographic data the number of employees is the head count of employees regardless of full time or part time employee.

The data is collected at the end of the reporting period, and the reported data refers to employees as at December 31, 2024, due to significant fluctuations during the season.
In the financial reports, the number of employees is expressed as FTE. The difference between headcount and FTE results from the fact that some employees work part-time which can be lower than 40 hours per week. One FTE is defined as 40 hours per week.

Total numbers of employees by contract type and region

	FEMALE - COMPARATIVE YEAR 2023					FEMALE - CURRENT REPORTING YEAR 2024					MALE - COMPARATIVE YEAR 2023					MALE - CURRENT REPORTING YEAR 2024					OTHER - COMPARATIVE YEAR 2023					OTHER - CURRENT REPORTING YEAR 2024				
Country	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S
No. of employees	141	21	413	24	15	131	27	365	30	23	109	26	408	15	9	125	17	373	34	19	1	0	0	0	0	1	0	0	0	0
No. of permanent employees	93	21	298	23	15	80	27	293	30	23	88	26	281	15	9	71	17	286	34	19	1	0	0	0	0	1	0	0	0	0
No. of temporary employees	48	0	115	1	0	51	0	72	0	0	21	0	127	0	0	54	0	87	0	0	0	0	0	0	0	0	0	0	0	0
No. of non-guaranteed hours employees	4	10	0	0	0	10	0	0	0	0	10	0	0	0	0	9	0	0	0	0	1	0	0	0	0	1	0	0	0	0
No. of full-time employees	0	0	408	24	15	0	0	359	30	23	0	0	405	15	9	0	0	371	34	19	0	0	0	0	0	0	0	0	0	0
No. of part-time employees	0	0	5	0	0	0	0	6	0	0	0	0	3	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0

LEGEND: G-Germany, H-Hungary, C-Croatia, A-Austria, S-Serbia

S1-8

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

COVERAGE RATE	COLLECTIVE BARGAINING COVERAGE - EMPLOYEES EEA	COLLECTIVE BARGAINING COVERAGE - EMPLOYEES NON-EEA	SOCIAL DIALOGUE - WORKPLACE REPRESENTATION (EEA ONLY)
0–19 %			
20–39 %			
40–59 %			
60–79 %	X		
80–100 %			X

Table for collective bargaining coverage and social dialogue

In Croatia, collective bargaining plays a key role in ensuring fair working conditions across the regions, approximately 80% of employees are covered by a collective bargaining agreement.

Employees not covered by this agreement are ensured fair treatment through alignment with industry standards. We also value social dialogue and maintain open communication channels, with employees represented by Worker's Council for regular consultations on employment matters.

In Austria, 100% of our employees in the hospitality sector are covered by a collective bargaining agreement.

In Germany, two hotels in the region (art'otel Cologne and Park Plaza Nuremberg) have a collective agreement, which at the level of the Group results in 69% of employees being covered by a collective agreement.

In Serbia, while we do not currently have a collective bargaining agreement, we comply with national labour laws. We place great importance on social dialogue and maintain open channels for addressing employee concerns, ensuring our employment practices remain competitive and fair by benchmarking against industry standards.

S1-9

DIVERSITY METRICS

Gender distribution at top management level

GENDER	NUMBER - COMPARATIVE YEAR (N-1)	NUMBER - CURRENT REPORTING YEAR (N)	PERCENTAGE - COMPARATIVE YEAR (N-1)	PERCENTAGE - CURRENT REPORTING YEAR (N-1)
Year	2023	2024	2023	2024
Male	102	112	55%	51%
Female	82	108	45%	49%
Diverse				

Gender distribution at top management level

Within the group, the Top management category by definition includes Executive members (Management Board & Supervisory Board) and Leadership (General Managers, Assistant GMs or Hotel Managers, Function heads).

Distribution of employees by age group

AGE GROUP	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
< 30 years old	261	234
30–50 years old	611	606
> 50 years old	310	305

Distribution of employees by age group

S1-10

ADEQUATE WAGES

In Croatia when speaking about employees within the entity Arena Hospitality Group d.d. we are committed to ensuring that all employees are compensated fairly and adequately according to their job position and level within the in-house collective agreement.

From January 2024, all minimum wage positions were promptly aligned with the national minimum wage changes, ensuring that our employees receive competitive compensation in line with the latest legal standards. We believe this is an important step toward supporting our workforce and maintaining a fair, equitable working environment.

For employees in other positions, wage increases were implemented following the successful conclusion of negotiations with their union in the second quarter of 2024. These adjustments reflect our ongoing commitment to maintaining competitive salaries, promoting employee satisfaction, and ensuring that compensation is always aligned with both market conditions and our collective bargaining agreements. Positions outside the collective agreement are all paid adequately.

The entity Ulika d.o.o., which operates art'otel Zagreb, is subject to the National Hospitality Agreement. All positions are paid in accordance.

In Austria, we adhere to the local collective agreement and labour laws, ensuring that all positions are paid adequately. Our compensation structure is designed to reflect the specific requirements of each job role, considering the relevant agreements and legal guidelines to ensure fairness and equity across all levels within the organisation.

Similarly, in Serbia, we ensure that all positions are paid in accordance with local labour laws, as well as industry benchmarks. This approach ensures that our employees are compensated competitively and in line with national standards, helping us attract and retain top talent while maintaining a fair and supportive work environment.

By adhering to these local regulations and industry standards, we foster a culture of fairness, respect, and equality, providing our employees with the confidence that they are valued and appropriately compensated for their contributions.

S1-13

TRAINING AND SKILLS DEVELOPMENT

The Group continuously invests in employee development through internal and external training programs tailored to their professional growth. In the reporting year, training sessions focused on workplace safety and health, Good Hygiene and Manufacturing Practices, HACCP, and the Food & Beverage department were conducted. Employees also participated in workshops and conferences on occupational safety, food and beverage, as well as ESG training at the Croatian Chamber of Commerce. Additionally, the second generation of ARENA Management Program graduates successfully completed their studies, conducted in collaboration with BHMS School in Switzerland, further strengthening leadership skills within the Group. Results from the annual employee engagement survey confirm that continuous learning is one of the most important aspects of their professional development. Therefore, the Group remains committed to proactively enhancing training initiatives.

S1-14

HEALTH AND SAFETY METRICS

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
A: Percentage of own workforce covered by H&S Management system (%)	100%	100%
B: Percentage of own workforce covered by audited H&S Management system (%)	100%	100%
C: Number of fatalities (own workforce)	0	0
D: Number of fatalities (other workers working on the undertaking's sites)	0	0
E: Number of recordable work-related accidents	29	27
F: Rate of recordable work-related accidents	14,26%	14,39%
G: Number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data (own employees);	0	0
H: Number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data (non-employees)	NO (first year)	NO (first year)
I: Number of days lost (own employees)	NO (first year)	NO (first year)
J: Number of days lost (non-employees)	NO (first year)	NO (first year)

Total number of employees by gender

S1-16

COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

Gender pay gap

	COMPARATIVE YEAR (N-2)	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year			2024
All employees			9,5%

Gender pay gap

Annual total remuneration ratio

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Annual total compensation ratio	1:36	1:35

Annual total remuneration ratio

Contextual information on the remuneration metrics

The reported ratio includes all employees, including members of the Management Board and seasonal employees. Given the size of the group, the total number of employees is large and the majority is present in the hospitality operations themselves, which results in a large disproportion in relation to the number of employed members of the Management Board (who traditionally have the highest salaries). This contributes to the fact that such large ratios occur with this method of mathematical calculation.

S1-17

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

Incidents of discrimination

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year		
Total number of incidents of discrimination	0	3
Number of complaints filed	0	3
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0
Total amount of fines, penalties, and compensation for damages	0	0

Incidents of discrimination

Reconciliation of monetary amounts

No reconciliation of monetary amounts occurred in 2024.

Contextual information on incidents of discrimination

The Group received a total of three complaints filed in relation to alleged discrimination. The Company acted in accordance with the appropriate procedures and conducted inquiries. Following the completion of these procedures, all cases were closed, and no further proceedings were instigated that could lead to fines, penalties or compensation of damages.

Severe human rights incidents

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Number of severe human rights incidents	0	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0	0
Total amount of fines, penalties and compensation	0	0
Number of severe human rights incidents - undertaking played a role securing remedy	0	0

Severe human rights incidents

S2 WORKERS IN THE VALUE CHAIN

S2-1

POLICIES RELATED TO VALUE CHAIN WORKERS

Value-chain workers represent a group of affected stakeholders who are not part of the Group's direct workforce. Through the DM process and surveys, it was determined that they do not pose a material impact or risk to the Group's operations. Before establishing a business relationship, each supplier and agency is required to review and acknowledge acceptance of the Group's business policies, including the Supply Policy and Policies of Social Responsibility, by completing the Supplier Application Form available on the corporate website. These resources are provided in both Croatian and English. All workers performing tasks within the Group who are not direct employees are entitled to the same rights and working conditions as the Group's employees.

S2-2

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

During the DM process, no impacts, risks, or opportunities related to workers in the value chain were identified. Consequently, implementing a process for engaging with value chain workers and their representatives in 2024 was not considered essential. Additionally, these workers, like Arena Hospitality Group employees, are covered by national legislation and collective agreements, which ensure protections in areas such as occupational safety, working conditions, and equality. Through future stakeholder relations and analysis, the need for further assessment processes and evaluating the impact of value chain workers on the Company's operations will be explored.

S4 CONSUMERS AND END-USERS

S4-ESRS 2 SBM-2

INTERESTS AND VIEWS OF STAKEHOLDERS – END USERS

The Company has recognised guests as one of its key stakeholder groups. In this sense, guests are primary customers of the Company's hospitality services, including accommodation, food and beverage and leisure activities. Guests are increasingly making consumption decisions based on sustainability information. Therefore, data on achievements in the field of sustainability, including Green Key certificates, are available to guests on the Company's commercial websites, OTA's pages and within the accommodation facilities themselves. Policies and annual sustainability reports are available on corporate websites.

In this reporting year, we did not directly examine the opinions and viewpoints of guests, but instead we used their reviews on online reputation channels. In the next reporting year, it is planned to create direct contact with guests during their stay to obtain information.

S4-1

POLICIES RELATED TO CONSUMERS AND END-USERS

As disclosed under SMB-3, the Group has adopted different policies to manage material impacts. These policies are applicable to the entire Group and are not limited to any particular jurisdiction. They apply to all employees and relevant stakeholders and are available to all stakeholders through the Group's website under https://www.arenahospitalitygroup.com/en/esg/governance.

The Code of Conduct sets out the ethical principles and expectations that guides the Group's business conduct and outlines the expectation from everyone who works within the Group, including our directors and leadership to conduct themselves ethically, with integrity and transparency.

The Human Rights Policy defines the basic standards of human rights that the Group respects at all times and it expects its business partners to respect at all times.

The Group's Child Protection Policy relates to the common values, principles and beliefs in the area of child protection that the Group adheres to within the scope of its business activities, which are the same principles underlying the international child protection conventions. This Policy includes a set of practical rules of conduct and actions to be followed by all employees with regard to child protection matters.

The Group's Sustainability Policy promotes the Group's commitment to preserving natural resources by reusing and recycling, ensuring responsible use of energy and water throughout the properties as well as taking steps to improve environmental performance continually.

The Group's Health and Safety Policy outlines the Group's strict adherence safety regulations in all properties, ensuring compliance with international standards.

As disclosed under GOV-5, the Group has an extensive and comprehensive enterprise risk management (ERM) strategy and a risk governance framework.

The Anti-Bribery and Anti-Corruption Policy is adopted to define and establish mechanisms for recognising, preventing and combating corruption as socially unacceptable behaviour and to harmonise business processes accordingly.

In the supply chain due diligence, the Group ensures that suppliers adhere to ethical practices, including fair labour standards and environmentally friendly production methods.

S4-2

PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

It should be noted that no material impacts were identified for this Topic, but only material Risks. Information regarding impact reduction or avoidance measures should be read in the context of the consumer and end-user risks that were identified. Namely:

1. Aggregated Sustainability-performance-related Reputational Risk,
2. Financial penalties associated with customer data privacy breach (customer data), and
3. The potential loss of revenues associated with System Downtime

As an international hospitality group, we are committed to ensuring our operations respect the rights and well-being of our guests and the communities we operate in. To achieve this, we have implemented industry standard processes for engaging with consumers and end users.

Our Code of Conduct and Human Rights Policies, amongst others, outline our commitment to addressing and mitigating potential adverse impacts on our guests and end users. Relevant policies are publicly available on our website, ensuring transparency and accessibility for all stakeholders.

Engagement with our guests and end users typically occurs directly through various stages of their interaction with us, i.e., pre-stay during the booking process, during stay through in property engagement and initiatives as well as post stay when surveys are conducted to collect feedback from guests on their experiences at our properties.

We maintain official communication channels,

including customer service hotlines and dedicated email addresses, to receive and address guest concerns regarding their experiences and any potential negative impacts they may encounter.
The Marketing and Sales Director and Management Board member has operational responsibility for ensuring that consumer engagement processes are implemented effectively. This includes overseeing guest feedback systems, collaborating with operational teams to ensure timely responses and driving initiatives that encourage meaningful interaction with guests.
Feedback gathered through these processes is reviewed regularly to inform decision-making and drive improvements in our services and policies. By implementing these processes, we aim to foster trust and transparency while continuously improving our services to minimise negative impacts and promote positive outcomes for all stakeholders.

S4-3

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

Further to the ESRS S4-2 Disclosure on Processes for engaging with consumers and end- users about impacts, the Group has the following processes in place to provide for or cooperate in the remediation of negative impacts on end-users.
To address concerns, we provide confidential reporting mechanisms and treat grievances confidentially by upholding the rights to privacy and data protection, ensuring that end users feel safe in sharing feedback about potential adverse impacts.
A trained team of customer service and operations specialists ensures that complaints are handled promptly and professionally. They collaborate with relevant departments to investigate and resolve issues effectively.
When we identify that our operations have caused or contributed to a negative impact on consumers or end users, we take immediate and proportionate action to provide or contribute to remedy.
This typically involves (i) investigating the root cause of the impact through a dedicated resolution team, (ii) engaging directly with the affected individuals to understand their concerns and determine appropriate remediation measures, such as service recovery or compensation, and (iii) assessing the effectiveness of the remedy through follow-up assessments to ensure the resolution has adequately addressed the concern and prevented recurrence.
We have established several specific channels for consumers and end users to raise concerns, including:
(i) Internal Channels: direct in-property guest relations desks and dedicated customer service email addresses; and
(ii) Third-Party Mechanisms: we also participate in industry-recognised third-party review platforms where guests can share feedback, which we monitor and respond to actively.
These channels are promoted during pre-stay communications, in-property signage, and follow-up correspondence to ensure guest awareness.
We require our business partners, including third-party operators, to establish or participate in adequate consumer feedback mechanisms, as applicable. This is achieved through contractual obligations that ensure they adequate processes are implemented and aligned with our standards.
We assess guest awareness and trust in these structures through various review platforms and direct feedback during stays. When appropriate, we engage independent auditors or consultants to review our processes and ensure alignment with best practices.
Guest complaints and resolutions are tracked and analysed to identify trends and recurring issues, as well as to implement adequate policy reviews and operational adjustments where necessary to minimise future negative impacts.
Our Whistleblowing Policy and the Code of Conduct are in place to prevent retaliation against individuals using such processes.

S4-4

TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

The risks identified during the DM process are ongoing in nature and are therefore subject to continuous monitoring, resulting in no incidents in previous periods.
To address these material risks, the Group must continue strengthening its IT infrastructure by implementing failover systems, real-time monitoring, and stress testing to minimise downtime. Since 2019, the Group has been systematically improving its IT systems.
To ensure constant availability and system resilience, we invest in quality uninterrupted power supply and protection in case of power failure and quality backup. In 2025, the Group plans to formalise its policies related to business continuity.
In 2024, to further strengthen risk control processes and reduce potential vulnerabilities, the Company introduced a new business function, the Group Information Security Manager, thereby enhancing expertise within the Group.

Actions in relation to material risks and opportunities

REFERENCE S4-4 – SYSTEM RELATED RISKS
Details on material risks and opportunities can be found under the Risk management section of the Management Report in the 2024 Annual report pages 140-144.

Governance information

ESRS G1
Business Conduct 128

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G1 BUSINESS CONDUCT

G1-ESRS 2 GOV-1

THE ROLE OF THE ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

REFERENCING G1

Information on the Groups governance structure and composition, including the Supervisory Board as the highest governance body, can be found on pages 153 - 157.

The Supervisory Board oversees the process of managing material impacts, risks and opportunities through its Sustainability and Audit Committee, whose members, particularly Chairs, have the necessary sustainability-related skills and expertise. The roles, skills and expertise of Sustainability Committee and Audit Committee members in relation to sustainability-related impacts, risks and opportunities have been outlined in section 64-65.

The Management Board consists of four members with experience in the international hospitality industry and is comprised of one female Management Board member out of four makes, or 25% representation. The Chief Financial Officer and Member of the Management Board have extensive knowledge and skills in sustainability, demonstrated through the successful integration of environmental, social and governance factors into financial decision making as well as ably overseeing sustainability reporting and risk management processes.

In relation to the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, the Group's Sustainability Manager reports to the Management Board and provides regular reports to relevant Supervisory Board committees, as elaborated in section GOV-2 pag.66.

G1-IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The Group has in place a structured process to identify and assess material impacts, risks, and opportunities concerning business conduct.

In line with the disclosures under ESRS 2 IRO-1, to ensure comprehensive analysis with respect to business conduct, the Group additionally considers the following criteria, considering any sector specific parameters.

As it operates in diverse geographic locations, the assessment typically focuses on regulatory environments (including anti-corruption laws, labour laws, and human rights policies), as well as vulnerabilities to specific risks (such as bribery, human trafficking, or discrimination in jurisdictions where governance is weak).

Considering the Group's primary activities, risks and opportunities are typically assessed based on

- → The nature of interactions with guests, suppliers, and local communities,
- → Potential adverse impacts from non-compliance with consumer protection standards, health and safety regulations, anti-corruption principles and similar, and
- → Opportunities to promote ethical tourism and sustainable development.

The Group is considering that the industry is subject to the following sector specific parameters:

- → Increased scrutiny for practices like labour conditions, fair wages, and recruitment policies,
- → Risks of guest privacy breaches, human rights violation, or unsustainable resource use,
- → Opportunities to lead in ethical conduct by implementing green certifications, inclusive employment policies, and fair supply chain practices.

The general process as well as methodology to identify and assess material impacts, risks and opportunities are elaborated under ESRS 2 IRO-1.

G1-1

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

As a prime listed company on the Zagreb Stock Exchange, the Company acknowledges its obligations to ensure comprehensive social, ethical, and environmental practices within its operations and within its supply chain in every market in which it operates. As part of this acknowledgement the Company has implemented various policies publicly available on its website (www.arenahospitalitygroup.com).

The Company is committed to upholding the highest standards of ethical behaviour and integrity in all aspects of its operations. To ensure compliance with these values, the Company has established the following key policies that govern business conduct. The Code of Conduct adopted in 2022 serves as a cornerstone of the Company's ethical framework, outlining the principles and standards that all employees, contractors, and stakeholders are expected to adhere to ensure compliance with applicable laws and regulations. It covers areas such as accountability, respect for human rights and diversity, fair competition practices, prevention of conflicts of interest as well as zero tolerance against corruption.

Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction with applicable internal regulations are outlined in the Whistleblowing Policy adopted in 2022 and last updated in 2024. To ensure transparency and accountability, the Group implemented a Whistleblowing Policy that encourages employees and other stakeholders to report unethical or unlawful conduct. Key features of the policy include confidential and secure reporting channels, protection against retaliation for whistleblowers as well as clear processes for investigating and resolving reported concerns.

In 2024, the Company adopted an Anti-Bribery and Anti-Corruption Policy to prevent and address corrupt practices across all operations. This policy, amongst others, prohibits offering, giving, receiving, or soliciting bribes or other improper payments and engaging in facilitation payments or any activity that could be perceived as corrupt behaviour. Employees and stakeholders are provided with clear guidance on identifying and reporting potential corruption risks, and the policy outlines clear employee training requirements and timetables.

Finally, the Company adopted a Human Rights Policy in 2022 that defines the basic standards of human rights which the Group will always respect and which the Group expects business partners to comply. These human rights standards also form the basis of our Responsible and Ethical Sourcing Policy. In addition to its basis in relevant local and national legislation, this policy is drawn from (i) the United Nations (UN) Universal Declaration of Human Rights, which defines the rights every human being is entitled to, covering areas such as employment, education and dignity, and (ii) the International Labour Organisation (ILO), a UN agency whose mission is to promote rights at work; encourage decent employment opportunities; enhance social protection, and strengthen dialogue in handling work-related issues. Its conventions create the

framework for ethical labour standards. The Human Rights Policy sets out the following operational requirements: (i) All employment is freely chosen (no forced, bonded or prison labour) (ii) Freedom of association and the right to collective bargaining are respected (iii) Working conditions are safe and hygienic (iv) Child labour shall not be used (v) Living wages are paid (vi) Working hours are not excessive (vii) No unlawful discrimination is practised (viii) No harsh or inhumane treatment is allowed.

Regular audits and reviews are conducted to assess compliance and address any gaps, and updates to these policies are communicated promptly to reflect evolving legal and regulatory requirements.

The policy commitments apply to all the Group's activities and business relationships equally. The Group ensures appropriate training for employees and communicates the policy commitments to through internal channels, meetings, dedicated websites, as well as contractual agreements.

G1-2

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

The management of supplier relationships is undertaken with a view to mitigating supply chain risks, integrating sustainability, and fostering long-term partnerships. This involves diversifying suppliers, conducting regular assessments of social and environmental performance, and prioritising those with certifications or local bases. Procurement teams are trained in ethical engagement. Vulnerable suppliers (small local producers) are supported through fair practices. Social and environmental criteria guide supplier selection, with emphasis on compliance with labour laws, sustainable practices, and regional inclusion. Ongoing dialogue with suppliers and surveys ensures accountability and continuous improvement, aligning practices with risk management and sustainability goals.

G1-3

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

In 2024, the Company adopted an Anti-Bribery and Anti-Corruption Policy to prevent and address corrupt practices across all operations. This policy, amongst others, prohibits offering, giving, receiving, or soliciting bribes or other improper payments and engaging in facilitation payments or any activity that could be perceived as corrupt behaviour. Employees and stakeholders are provided with clear guidance on identifying and reporting potential corruption risks.

Mechanisms for identifying, addressing and reporting any corruption or bribery related incidents to the compliance and legal department, respectively, are included in the policy which is publicly available on the Company's webpage www.arenahospitalitygroup.com

Outcomes of any corruption related incident are to be reported to the Sustainability and Audit Committee in accordance with applicable regulations. The Anti-Bribery and Anti-Corruption Policy envisages that employees should receive training within 30 days of the start date of employment and periodically thereafter, at least once per year. The training is given to all employees, including the Management Board.

G1-4

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

Violation of anti-corruption and anti-bribery laws

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
Number of convictions	0	0
Amount of fines	0	0

Violation of anti-corruption and anti-bribery laws

Actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery

In 2024, the Company implemented various policies to prevent and address beaches in procedures and standards of anti-corruption and anti-bribery. The Anti-Bribery and Anti-Corruption Policy, as well as the Gifts and Entertainment Policy, define and establish mechanisms for recognising, preventing and combating corruption as socially unacceptable behaviour and to harmonise business processes accordingly. The Group previously adopted both a Code of Conduct as well as a Whistleblowing Policy to set high operational standards in terms of anti-corruption and anti-bribery. All policies are available on the Company's website www.arenahospitalitygroup.com.

Confirmed incidents of corruption or bribery

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
A: total number of confirmed incidents of corruption or bribery	0	0
B: number of confirmed incidents (own workers)	0	0
C: number of confirmed incidents (business partners)	0	0

Confirmed incidents of corruption or bribery

G1-6

PAYMENT PRACTICES

Metrics on payment practices

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2023	2024
A: average time for invoice payment (in days)	24	23
B: percentage of the payments aligned with standard terms	94%	94%
C: number of legal proceedings currently outstanding	0	0

Metrics on payment practices

In some regions where the Group operates, standard payment terms are governed by legal provisions, such as the EU Late Payment Directive (2011/7/EU), which typically allows terms up to 60 days. Hungary is an exception, with usual payment terms of 8–15 days and no specific legal regulation. A table was prepared based on two approaches: realistic contracted terms (A) and a standard 60-day term for percentage alignment calculations (B). The Group has no recorded legal disputes for 2023 or 2024.

ESRS 2 IRO 2

LISTS OF DISCLOSURE REQUIREMENTS AND DATAPOINTS

The Table below outlines the data points derived from other EU legislation as listed in ESRS 2 Appendix B. It shows the page where that data point is located in our report, the indication of which data points are "Not material" as well as the indication "Not relevant", since certain data points are not relevant to our business activities.

DISCLOSURE REQUIREMENT	DATA POINT		PAGE / PARAGRAPH
ESRS 2 GOV-1	21(d)	Board's gender diversity	no.pag. 64
ESRS 2 GOV-1	21(e)	Percentage of board members who are independent	no.pag. 64
ESRS 2 GOV-4	30	Statement on due diligence	no.pag. 67
ESRS 2 SBM-1	40(d) i	Involvement in activities related to fossil fuel activities	No relevant
ESRS 2 SBM-1	40(d) ii	Involvement in activities related to chemical production	No relevant
ESRS 2 SBM-1	40(d) iii	Involvement in activities related to controversial weapons	No relevant
ESRS 2 SBM-1	40(d) iv	Involvement in activities related to cultivation and production of tobacco	No relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	no.pag. 94
ESRS E1-1	16(g)	Undertakings excluded from Paris-aligned Benchmarks	No relevant
ESRS E1-4	34	GHG emission reduction targets	no.pag. 94
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	No relevant
ESRS E1-5	37	Energy consumption and mix	no.pag. 98
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	No relevant
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	no.pag. 100
ESRS E1-6	53-56	Gross GHG emissions intensity	no.pag. 101
ESRS E1-7	56	GHG removals and carbon credits	No relevant
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	No relevant
ESRS E1-9	66(a)	Disaggregation of monetary amounts by acute and chronic physical risk	No relevant
ESRS E1-9	66(c)	Location of significant assets at material physical risk	No relevant
ESRS E1-9	67(c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	No relevant
ESRS E1-9	69	Degree of exposure of the portfolio to climate- related opportunities	No relevant
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	No material
ESRS E3-1	9	Water and marine resources	no.pag. 102
ESRS E3-1	13	Dedicated policy	no.pag. 102
ESRS E3-1	14	Sustainable oceans and seas	No relevant
ESRS E3-4	28(c)	Total water recycled and reused	no.pag. 104
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	no.pag. 104
ESRS2- IRO1- E4	16(a) i	Biodiversity sensitive areas	No material
ESRS2- IRO1- E4	16(b)	Land impact	No material
ESRS 2- IRO 1 - E4	16(c)	Threatened species	No material
ESRS E4-2	24(b)	Sustainable land / agriculture practices or policies	No material
ESRS E4-2	24(c)	Sustainable oceans / seas practices or policies	No material
ESRS E4-2	24(d)	Policies to address deforestation	No material
ESRS E5-5	37(d)	Non-recycled waste	no.pag. 106
ESRS E5-5	39	Hazardous waste and radioactive waste	no.pag. 107
ESRS 2- SBM3 - S1	14(f)	Risk of incidents of forced labour	No relevant
ESRS 2- SBM3 - S1	14(g)	Risk of incidents of child labour	No relevant
ESRS S1-1	20	Human rights policy commitments	no.pag. 110
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	no.pag. 110
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	No relevant
ESRS S1-1	23	Workplace accident prevention policy or management system	no.pag. 112-113
ESRS S1-3	32(c)	Grievance/complaints handling mechanisms	no.pag. 111-112
ESRS S1-14	88(b), (c)	Number of fatalities and number and rate of work-related accidents	no.pag. 120
ESRS S1-14	88(e)	Number of days lost to injuries, accidents, fatalities or illness	no.pag. 120
ESRS S1-16	97(a)	Unadjusted gender pay gap	no.pag. 120
ESRS S1-16	97(b)	Excessive CEO pay ratio	no.pag. 120
ESRS S1-17	103(a)	Incidents of discrimination	no.pag. 121
ESRS S1-17	104(a)	Non- respect of UNGPs on Business and Human Rights and OECD	no.pag. 121
ESRS 2- SBM3 - S2	11(b)	Significant risk of child labour or forced labour in the value chain	No material

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Arena Hospitality Group d.d.

INDEPENDENT LIMITED ASSURANCE REPORT
To the Shareholders of Arena Hospitality Group d.d.

We have conducted a limited assurance engagement on the Sustainability Statement included in section Sustainability report 2024 of the Management Report of Arena Hospitality Group d.d. (the "Company") and its subsidiaries (hereafter the "Group") as at 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 (the "Sustainability Statement").

Identification of Applicable Criteria
The Sustainability Statement was prepared by the Management Board of the Company in order to satisfy the requirements of article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note [ESRS 2 IRO-1]; and
- Compliance of the disclosures in Taxonomy disclosures within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Statement
The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

This version of the independent limited assurance report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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In reporting forward looking information in accordance with ESRS, Management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, Management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibility of the Management Board of the Company
Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability Statement, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the ESRS;
- Preparing the disclosures in Taxonomy disclosures within the environmental section of the Sustain bility Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility
We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.
The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error,

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and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - » performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - » reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
  - » performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performed substantive assurance procedures on a sample basis on selected disclosures in the Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement is in accordance with the description set out in note [ESRS 2 IRO-1]; and
- Compliance of the disclosures in Taxonomy disclosures within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Other Matter

Our assurance engagement does not extend to information in respect of earlier periods.

For signatures, please refer to the original Croatian auditor's report, which prevails.

Goran Končar
Director and Certified auditor

Deloitte d.o.o.

26 February 2025
Radnička cesta 80,
10 000 Zagreb,
Croatia