

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE (ESG)
REPORT OUTLINE





About this report

This report contains information about the Environmental, Social and Governance (ESG) performance of performance of PURO Hotels group and PURO Hotell Holding AS in Poland which consist of 7 hotels, PURO Hotels sp. z o.o. and PURO Hotels Development sp. z o.o. as well as all investment companies owned by PURO (hereafter 'PURO Hotels'). Our inaugural report is designed to share our ESG accomplishments to date and our vision for the future in the form of forward-looking statements. Forward-looking statements are subject to assumptions, inherent risks and uncertainties, many of which relate to factors that are beyond the company's control or precise estimate. This report covers our efforts since the establishment of PURO Hotels, with a special focus on the calendar year ending December 31, 2022.

Sustainability highlights in 2022



Energy consumed
(per m²/year)

348 kWh



Freshwater consumed
(per m³/year)

1,63 m³



Percentage of female employees on senior management positions

41%



Total charitable spending

506 000 PLN

Notable Initiatives

Environmental

LEED certification

PURO Hotels decided to certify all properties with LEED certificate

Windmill agreement

PURO Hotels signed a letter of intent to purchase renewable energy.

Circular transition through limiting resource consumption

PURO has started reporting on consumption to increase awareness in local operations and continuously look for improvements in an already efficient portfolio

Social

Supporting artists and engaging community

Through our initiatives e.g., Break my art, guided gallery tours, Room for art, we encourage art consumption for everyone

Record charitable donations

PURO provided refuge for displaced persons by sponsoring their stays at PURO or other hotels on their way to safer locations

Partnership with Success University

a mentoring program for young women with difficult backgrounds to enter the labor market also as our team members

Governance

Partnership for Circularity

PURO supported and consulted the Innowo Institute and Natural State AG, which formed a consortium that together developed the Circularity Gap Report

Commitment to GRI and ESG reporting

Supervisory Board decided to, for the first time, develop PURO's GRI report and ESG report based on the ESG strategy





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Message from the CEO

Hans Grønnestad
CEO, Puro Hotell Holding AS

Being part of the management of Puro Group I am very proud to present our first environmental, social and governance (ESG) report for our activities which include hotel operations, hotel development and construction in Poland, expanding to Hungary and Czech Republic in the near future. In Puro Group we are committed to build a better tomorrow and take care of and protect all issues related to the environment, social aspects and governance. The focus on this has always been a part of the Puro Group gene through our actions and is now documented and reported in our first ESG-report.

Being proud of our first ESG-report we recognize that we are still at the beginning of our ESG journey humble enough to state that we are amateurs in that respect. But we are committed to continue this journey and develop as we go along, from focusing more in-depth on our environmental impact to partnering with our suppliers to educate and raise awareness on the key sustainability and corporate social responsibilities facing our industry. We will continue to develop our people-centered culture and our commitment to the wellbeing and career development of our precious Team Members as well as to integrate and cooperate with the local community creating opportunities for artists, local sourcing and employment.

The content of the report speaks for itself. Please have a closer look at it and revert if you have any comments, positive or negative.





Foreword from the Innowo Insititute

Agnieszka Sznyk, PhD

President of the Board

The Institute of Innovation and Responsible Development INNOWO

We present to you the inaugural PURO Hotels' Environment, Social and Governance (ESG) report, prepared by the Institute of Innovation and Responsible Development Innowo. This comprehensive report showcases PURO's commitment to supporting local communities, nurturing its employees, minimizing negative environmental impact, and upholding the highest standards of corporate governance. Through a multitude of initiatives dedicated to inclusiveness, selecting local resources,

limiting energy usage, waste reduction, responsible procurement, philanthropy and various other endeavors, PURO Hotels has exemplified its dedication to sustainability, equity and ethics.

Through this analysis, we have discovered a single sentence that perfectly captures the essence of PURO - it is like „an open house”. PURO Hotels embodies care, authenticity, and an inviting spirit that extends far beyond ESG structures and reporting. However we'll try to show also these intangible measures in the following report, since they have a genuine impact on the community and the environment. While the inaugural report contains limited quantitative data due to the

company's relative youth and dynamic portfolio, which includes seven hotels built between 2011 and 2019, future reports will offer more extensive data, facilitating year-on-year comparisons of PURO's achievements.

The release of PURO Hotels' first ESG report marks the beginning of an ongoing journey towards continuous improvement, highlighting the company's dedication to sustainability, community engagement, and corporate governance at the highest level.

We invite you to learn more about the PURO Hotels' accomplishments presented on the following pages.





Message from the Expert

Building Resilience in the Hospitality Industry

Bolesław Rok, PhD

*Professor of Corporate Sustainability Management
Positive Entrepreneurship Research Lab Director*

Akademia Leona Koźmińskiego – Kozminski University

Climate change and environmental degradation are already exerting tangible impacts on businesses today. In this highly volatile and rapidly changing environment, it is crucial to foster organizational resilience. As we navigate through the challenges of the present polycrisis, the hospitality industry stands at a unique crossroad. On one hand, it has the potential to contribute to our quality of life and the preservation of the natural environment. On the other hand, it can also have negative consequences.

Global research highlights an escalating concern over the impending climate emergency, and there is a growing understanding of the urgent need to drastically reduce CO² emissions

derived from fossil fuels. The shift towards climate neutrality is already visible in the global capital market and regulatory frameworks, particularly within the EU.

Investments focusing on the protection and restoration of environmental resources must be accompanied by enhancements in product/service quality and job standards. These efforts will drive employee engagement, foster social license to operate, cultivate customer loyalty, and ultimately increase the market value of companies. Notably, many financial institutions and investors now abstain from financing projects with negative environmental and social impacts.



Climate risk presently represents the most significant challenge for businesses. However, it is equally vital to identify and address major social and environmental challenges that could impede future sales growth within the broader framework of sustainable development. This holistic approach aims to achieve a balanced state that encompasses social, economic, and environmental harmony, as well as intergenerational and intragenerational justice.

In today's paradigm, businesses are expected to create value for all stakeholders, including employees, customers, suppliers, local communities, and society as a whole. Consequently, assessing a company's performance goes beyond mere financial profitability and includes an evaluation of its environmental, social, and corporate governance goals.

To secure a sustainable future, we must prioritize full decarbonization of the economy and a comprehensive transformation of the energy sector to-

wards renewable sources. Achieving maximum resource circularity is essential for waste elimination. Furthermore, transparent reporting from companies is imperative, demonstrating their actions across all aspects of ESG, their transformative directions, and the targets set for the years ahead. By consciously supporting such organizations through our choices of services and products, we actively contribute to safeguarding our shared future on this one and only planet Earth.





About PURO Hotels



The PURO Hotels experience

PURO Hotels are more than just traditional hospitality venues. PURO is the first lifestyle hotel brand in Poland. It focuses primarily on experiences and local ambience, and wants to inspire its guests and urbanites alike.

Each and every PURO hotel was established to offer our guests not only accommodation but also a possibility to feel a part of the city they are visiting. It is a community that welcomes customers with warmth, customised service and immersion in intrinsic atmosphere. The hotels are situated in city centres and attractive tourist districts. This is where the buzz of the city is most evident, whether it concerns entertainment, culture or business.

As befits lifestyle hotels, at PURO we strive to offer social space for guests and local community alike. We encourage them to spend here their free time, integrate, work, follow or discover their passion. We aspire to create an authentic and inclusive envi-

ronment where everyone feels welcome and where people can connect, share, explore and inspire each other in various ways: through art, design, fascination with Polish culture and tradition, etc. We want to make everyone feel fully part of the place they travel to.

Our mission is to be the centre of experiences



7 hotels in 6 cities and growing

PURO is presently operating
in 7 locations in Poland (est.).

Wroclaw (2011)
Krakow Stare Miasto (2013)
Poznan (2014)
Gdansk (2015)
Krakow Kazimierz (2018)
Warszawa (2019)
Lodz (2019)
Warszawa (growing)
Wroclaw (growing)
Katowice (growing)

We plan to expand to Prague
and Budapest



We offer our guests a total of
1093 rooms, which makes us
the 4th biggest domestic chain
brand in Poland and 11th chain
brand overall*.

* Basing on HORWATH THL (2023): Poland Hotels &
Chains Report 2023. Available at:
<https://www.hospitalitynet.org/file/152009099.pdf>



Beyond identikit

We pride ourselves in creating unique character for each specific PURO hotel. This approach manifests itself in the overall aesthetics, design of the buildings and interior, but also amenities and events we offer to our guests and neighbours.

Each PURO hotel is inspired by urban history and architecture. Thus, it has its own individual, local and distinctive style, that nevertheless stays true to our overarching passion for timeless and elegant design that is the cornerstone of our identity. With an intriguing mix of local culture and contemporary style we commission different interior designers for each hotel. Careful attention is paid to detail, which is one of our core values, to ensure that each hotel reflects its neighbourhood by incorporating homegrown design and architectural features, and by showcasing local artists in particular.

PURO Hotels are distinguished by modern style, seamlessly integrated into the surroundings to bring you an experience that's chic, immersive and distinctive



Values are there to be followed

PURO values manifest themselves in day to day basis of our work. As we build our internal culture around those principles, also to guide us into the future, we stand by them when making important decisions as well as in trivial matters.

This fact stems precisely from our first core value – **Refinement**, that is intricately woven into every aspect, from interior designs and prioritizing quality and professionalism in our daily work, to our unwavering focus on providing an exceptional guest experience. We understand that the magic lies in the smallest of details, creating a world where every element is thoughtfully considered resulting in a truly unique stay for our guests.

Authenticity. Every act and commitment is there to be respected. This in turn requires transparency, trustworthiness and building constructive relationships.

This could not be achieved without **Playfulness**. We have freedom in our actions. At work, we prioritize a relaxed atmosphere, humor, and positive emotions, always celebrating successes. We support creative ideas and actively seek new solutions, thus creating new trends.

Eclecticism expressed in the diversity, equality and inclusion (DEI) of our Team Members and their talents, the design, and inspirations, is what fuels our pursue of PURO hotels being the centres of experience.

Locality is what inspires us in the search for the authentic and eclectic experience. Each PURO hotel is immersed in local culture and tries to draw from it in every way possible. Be it architectural, historic or circumstantial inspirations. This is not a one-way street. Reciprocity to local societies, businesses, artist is key for us.





Out of concern for society and environment

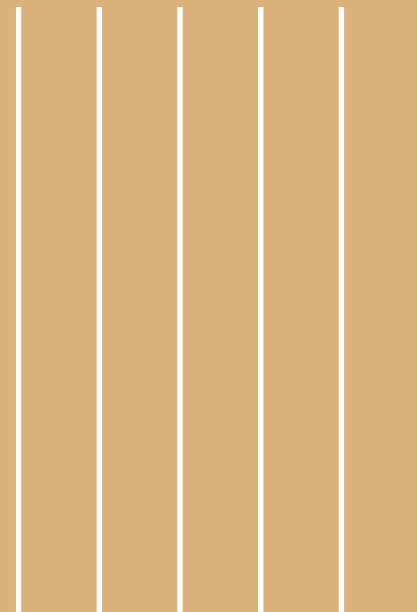
Rooting the PURO experience in the culture and identity of cities and local neighbourhoods demands responsibility for local communities and environment. This is why PURO hotels are keenly interested in delivering the best experience possible to our guests, while at the same time limiting adverse effects of our activities by acting ethical and sustainable.

Bearing in mind our values and vision, PURO takes responsibility for actions influencing the environment and the society – employees and community alike, with special focus on the local setting surrounding our hotels.

**PURO is striving
for a sustainable
guest experience**



Key ESG themes and focus areas



Our commitment to ESG

It is the universal truth that every action provokes reaction. Interacting and drawing from societies, locations and environments always comes with a price of altering or influencing them. Here, at PURO hotels, we clearly see the responsibility that comes with becoming a part of the urban settings we operate in. Thus, our imperative, stemming directly from our values, is to influence our surroundings the best way we can.

We are dedicated to building upon our Company's strong history of supporting our communities and the environment. Through our ESG programme PURO seek to limit negative impact of our operations and leave a positive, enduring impact on our communities.

Our ESG programme is centred around three pillars:



Planet (environmental impact)



People (social impact)



High standards (corporate governance)

Our initiatives and actions match some of the United Nations Sustainable Development Goals.

Areas where we believe we can make an impact and influence a more sustainable future.



Focal points for preserving the **Environment**



Certification

Using buildings' and operations' certification to ensure optimization of our actions in terms of sustainability.



Carbon Footprint minimization

Focusing on more resourceful building management, energy and water efficiency in particular, to minimize carbon footprint.



Circular transition

Reducing, repairing, reusing and recycling resources on the pathway to a Circular Economy model.

Social aspects we focus on

Being a good employer

Treating all team members fairly. Ensuring all of them, including those at the start of their careers and in particular those in the local community, can thrive and develop in a diversified, equal and integrated (DEI) working environment.

Stimulating local community

Working towards social and cultural development and integration. Supporting local communities and young, urban artists, as well as established organisations focusing on equality, health, children and sports.



Oversight through Governance



Keeping standards high

Basing company policies on global best practices in the areas of business ethics, supply chain management, risk management, human rights and taxation while simultaneously responding to local and international data needs.

Openness for partnerships

Join partnerships to gain synergies in the areas of PURO hotels interest (e.g. cooperation with Polish Hotelier's Association, Scandinavian-Polish Chamber of Commerce, and Innowo Institute)





Climate change poses a critical threat to the growth and resilience of the travel and tourism industry. We believe it is important to the long-term success of our business to build and operate sustainable, efficient hotels and to serve as good stewards of the fascinating destinations where we operate. We also aim to meet the expectations of the growing number of guests who prioritize sustainability in their consumption decisions. For these reasons, PURO is committed to conserving the environment and working to reduce the environmental footprint of our hotels and our operations.

Environmental

Limiting the **carbon footprint**

Distinctive initiatives

Growing the renewable energy supply

PURO Hotels has signed a windmill agreement to purchase renewable energy.

More sustainable built environment

In 2022 PURO Hotels decided to certify all properties with LEED - green building certification.

Limiting waste generation

Minimum-waste bars.

Certificates

BOOKING.COM Travel Sustainable Badge has been achieved for all PURO Hotels.

Reducing single-use plastic

All plastic water bottles in guest rooms were replaced by returnable glass bottles.



Reducing water consumption

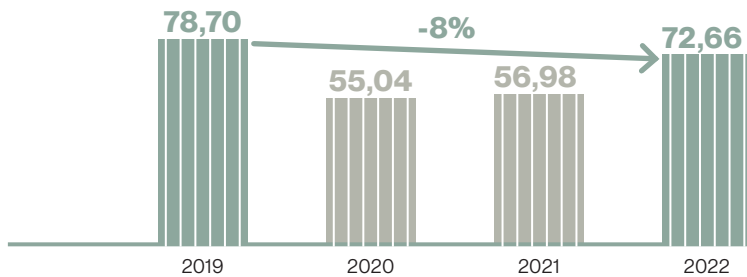
Since its inception, PURO Hotels has consistently placed a high priority on reducing water consumption. During the construction phase of our hotels, we have installed water-saving features such as low-flow showerheads, toilets, and aerators on taps. Now, we educate guests on water conservation measures and encourage them to participate in conserva-

tion efforts. Guests have a possibility of opting out of cleaning their room. We modified the default option for cleaning services from 'resigning from cleaning' to 'cleaning on request' – a strategy that builds greater guest awareness of water and energy conservation and significantly reduces these resources' consumption.

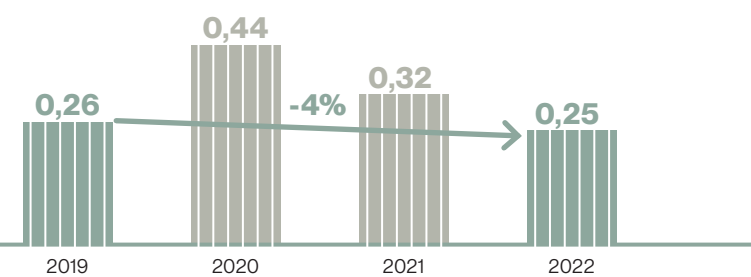
Eventually, we achieved a significant improvement in water conservation. In 2022, our annual total freshwater consumption was 8% lower than in a comparable year 2019.

While comparing only freshwater consumption per room-night the water consumption also dropped, albeit less significantly. This decrease is less pronounced mainly because of the slightly lower room occupancy in 2022 compared to 2019.

Total freshwater consumption [ths m³]



Freshwater consumption per room-night sold [ths m³]



Footnote:

Data from 2020-2021 period are not comparable due to COVID-19.



Emphasising **energy efficiency and energy saving**

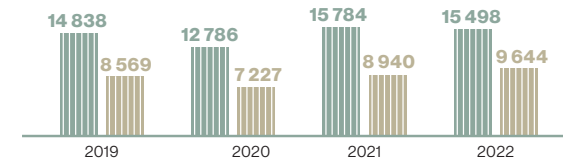
At PURO we have been committed to achieving exceptionally high standards of energy efficiency in our buildings from the outset. The hotels were conscientiously designed and constructed using cutting-edge, energy-saving technologies and solutions. This has resulted in an elevated standard of energy efficiency from the inception of the hotels. Consequently, the total energy consumption has maintained a relatively constant trajectory since the hotels' inception.

Due to the ongoing pandemic in 2020-2021 for an equitable comparison of 2022, we must turn to the year 2019. There has been a 2% decline in energy consumption per room (2022 vs 2019) and a subtle increase in energy usage per room night sold, that might be caused by 7% decline of occupancy rate, while a part of the energy needs remained fixed due to standard operational demand.

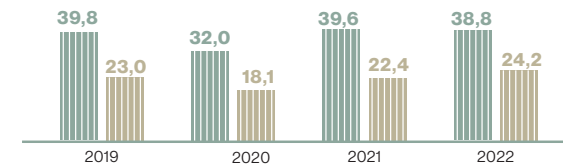
PURO's energy-saving initiatives include the implementation of intelligent heating and air-conditioning control systems and energy usage optimization. In addition, the use of energy-efficient lighting solutions with energy-saving bulbs and movement sensors has been adopted in all facilities, further contributing to the optimization of energy consumption. We conducted also a study aimed at optimizing energy usage and identifying areas where reduction is possible.

Moreover, in 2022, we started the digital transformation of back-office operations, which allowed for elimination of paper, which again could facilitate for the Activity Based Work concept (hotdesks). This new policy brought about a 20% decrease in office space, even in the face of a 30% increase in workforce during the same timeframe. The reduction in office space, coupled with the promotion of remote work, which subsequently curtailed employee commuting, has effectively led to a substantial decrease in PURO's carbon footprint.

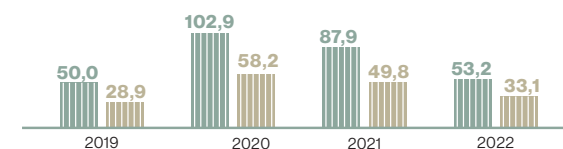
Total consumption [kWh]





Total consumption per room [Wh]



Total consumption per room night sold [Wh]



 Total energy consumption
 Total electricity consumption



Switching to **renewable energy**

One of the fundamental facets of PURO's energy strategy is an effort to increase the utilization of renewable energy sources. Already one of our hotels - PURO Kazimierz in Krakow - is partly powered by a renewable solar energy. The installation of solar panels has contributed to the hotel's reduction of carbon footprint. PURO has recently also signed an agreement to supply renewable wind power, which will become effective during 2023. This strategic move will not only ensure a sustainable and steady source of energy but also will reduce PURO's dependence on non-renewable energy sources, thus contributing to the reduction of carbon emissions.



We are committed to reducing our environmental impact by implementing various initiatives to reduce plastic consumption in our hotels. A key initiative is the absence of plastic water bottles in guest rooms – at all PURO hotels rooms, guests receive returnable glass water bottles. Additionally, in hotel rooms all plastic laundry bags have been replaced with paper bags. In offices, we follow a number of eco-friendly guidelines, which include using biodegradable bags in waste baskets, implementing recycling procedures and using only filtered water in conference centers, thus reducing the use of disposable bottles. In addition, PURO does not use cosmetics in miniature bottles, only in large bottles, significantly reducing plastic consumption compared to market benchmarks.

Moreover, in order to reduce waste, especially plastic waste, we provide 100% cotton, organic and biodegradable tampons and sanitary pads for our hotel guests and our Team Members.



Plastic reduction initiatives

BIODEGRADABLE LARGE BOTTLES

Cooperation with sustainable cosmetics producer

PURO Hotels, in cooperation with Alba company, signed an order of a co-branded line of environmentally-friendly cosmetics with a reduced carbon footprint packaging. Since the collaboration started all cosmetics for our guests are fully vegan and packed in large bottles from biodegradable material. This concerns shampoo, body wash, hair conditioner, hand soap and body and hand lotion. They are available for guests in guest rooms, PURO Gift Shop and Prisma Spa at PURO hotels.



Waste reduction and recycling



Limiting waste generation is critical for the environment. Therefore, PURO is taking proactive steps to minimize waste and develop recycling procedures. One key aspect is our commitment to utilizing high-quality, long-lasting designs. By opting for durable materials and products, we minimize the need for frequent replacements of installations and furniture. Additionally, we prioritize the repair of installations instead of automatically resorting to replacements, unless there are no viable alternatives available. This approach not only reduces waste but also promotes sustainability within our operations at PURO Hotels.

We also believe that the change depends on people – people’s beliefs, behaviour and knowledge. Therefore, as one of the crucial steps in PURO’s waste reduction approach, we have conducted workshops for all staff to build awareness and engagement and adherence to the waste hierarchy (i.e. in the 5R form of Refuse, Reduce, Reuse, Repair, Recycle), and have distributed presentations on how to recycle. Recycling procedures are implemented in all hotels, including public spaces. To ensure proper separation of waste, instructions are easily available to the staff in an understandable and simple format in all hotels.

Furthermore, the option of mugs by the coffee machines significantly reduced the usage of disposable paper cups.

What is more, we have digitized almost all processes at our headquarters, reducing paper consumption significantly.

PURO Hotels understands the importance of waste reduction and is committed to implementing sustainable practices across all areas of its operations in the years to come.



Addressing food waste

We recognize that the hospitality industry has a significant role to play in reducing food waste, which is why PURO focus on eliminating the factors contributing to food waste and actively seeking new solutions to share, reuse or repurpose left-over food.

» Eliminating reasons of food waste

We use optimally sized dishes as well as plates to reduce the scope for foodwaste. Additionally, we save food and beverages through serving the leftovers from the buffet to the staff canteen and save food from our bakeries via the TooGoodToGo app. We are also dedicated to strive for minimum waste bars.

MINIMUM WASTE BAR

Loreta Bar in PURO Warsaw commits to have minimum waste bar.

We strive to eliminate waste as much as possible. Among other things, we use processed and dried citrus and pineapple pulp and other fruit leftovers as garnish for cocktails. We serve our beverages with no straw or non-plastic straws only, while soft drinks bottles are returned for reuse.



FOOD WORTH SAVING

Putting unused food on the market

We cooperate with TooGoodToGo – an app that allows to sell unused food at a discount. Everyday in our bakeries Biotiful in PURO Lodz and Mak in PURO Kazimierz, we are saving unused food from being wasted.



Engaging suppliers and applying sustainable procurement

Locality is one of PURO values around which we build our daily actions and direction of development. We are local hotels, we support local communities and we cooperate with local entrepreneurs.

We prioritize collaborating with local suppliers whenever possible, and we are proud to say that **80% of the products and services we purchase for the hotel operations are sourced from suppliers based in Poland.** This approach not only supports the local economy but also reduces our carbon footprint by minimizing transportation needs.

PURO Hotels is dedicated to working with suppliers who meet our sustainability standards. For example, we have partnered with a small, family-owned business located near Poznań, Alba, that produces environmentally friendly cosmetics available in PURO. Through our cooperation, we are able to offer high-quality products and at the same time reduce our environmental impact. All of our food suppliers also comply with HACCP (Hazard Analysis Critical Control Point) requirements to ensure that we maintain the highest standards of food safety.

Furthermore, as we develop our procurement policy, we screen potential new suppliers based on environmental criteria, ensuring that our procurement practices align with our sustainability goals. We also choose to work with a limited number of suppliers to reduce transportation needs, with usually only 4-5 different main food suppliers per one hotel (relates to the main suppliers of the highest turnover). By prioritizing local suppliers and seeking out sustainable options, we are reducing our environmental impact and contributing to the community in which we operate.

Using Regional Food

Menu based on local, seasonal produce.

Wielkopolskie region is the 2nd biggest producer of asparagus in Europe. Therefore, at PURO Poznań we always try to serve dishes with asparagus and promote this vegetable during the season.

Furthermore, we foster partnerships with local wine and beer producers, while also operating our very own bakery.



WAY TO STAY



04 2023



People

Our enduring role is to ensure all our team members as well as neighbourhood, can thrive and develop. In addition, we bring urgent focus and committed action to the pursuit of diversity, equity and inclusion and to the protection of human rights.



Advancing Diversity, Equity and Inclusion – achieving gender balance

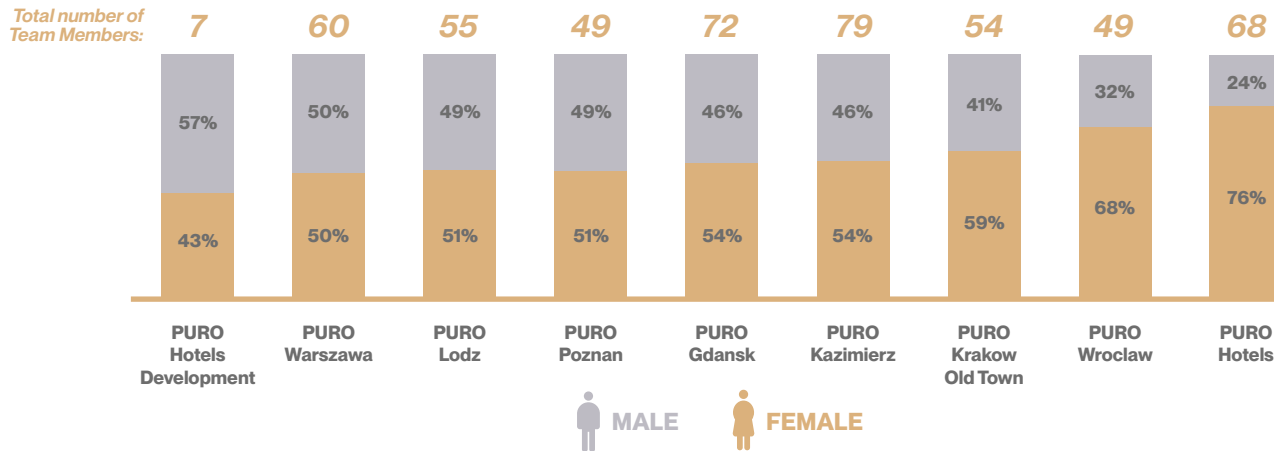
Total number of employees: **645**



Senior leaders and managers: **90**



Gender distribution and total number of Team Members per company



PURO Hotels recognizes that a diverse workforce brings new perspectives, ideas, and experiences that can help drive innovation and create a more inclusive and welcoming workplace. We have taken several steps to foster a culture of diversity, equity, and inclusion, including actively recruiting and retaining employees from diverse backgrounds, providing training and development opportunities that promote an inclusive workplace culture and offering apprenticeship within local communities.

The company has achieved a gender balance of 58% women across its workforce. In terms of gender representation in senior management and leadership roles, 41% of these positions are held by women, while the company is making progress towards achieving even greater gender equity. Women also comprise 55% of PURO's total workforce, including outsourced housekeeping, and 34% of the employees are young women aged 30 and under.



Enriching workplace culture by embracing all dimensions of Diversity, Equity, and Inclusion

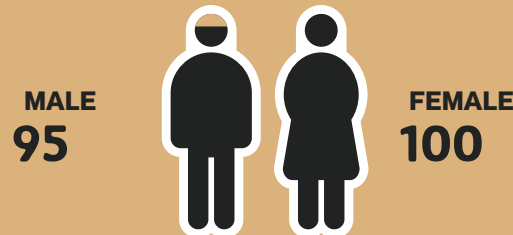
PURO Hotels' commitment to diversity, equity, and inclusion (DEI) extends beyond gender and age, encompassing a broad range of dimensions including sexual orientation, gender fluidity, ethnic origin, religion, and neurodiversity. We firmly believe that embracing and celebrating these diverse identities and perspectives enriches our workplace culture and enhances the overall guest experience. Our dedication to DEI is deeply rooted in our core value, Eclectic, which guides our actions and decisions. We strive to create an environment where every individual feels respected, valued, and empowered to bring their authentic selves to work.

We are proud to state that we prioritize equal pay for equal work, regardless of background. In fact, our efforts in this regard have yielded noteworthy results. In

managerial positions, the average salary ratio between women and men is at an impressive 105%. Furthermore, in non-managerial positions, our commitment to pay equity remains strong, with the average salary ratio between women and men standing at a 91% in 2022. These figures demonstrate our dedication to ensuring that every Team Member is fairly compensated for their contributions, regardless of their gender or position within the organization.

At PURO Hotels, we understand that achieving true equality is an ongoing journey, and we are continually advancing our DEI initiatives through transparent policies, regular assessments, and ongoing dialogue with our employees. We aim to create a workplace where diversity is celebrated and every voice is heard.

Average remuneration ratio on managerial positions



Average remuneration ratio on non-managerial positions



We are demonstrating our commitment to inclusion also by prioritizing local hiring among senior managers and leaders. This approach provides local people with the opportunity to develop and showcase their skills, and to contribute to the success of the hotel while advancing their careers. Additionally, it helps to establish a strong connection between the hotel and the community it serves, enabling the hotel to better understand and address the needs of the local population.

Proportion of senior management hired from the local community

EMPLOYED FROM LOCAL COMMUNITY

97



EMPLOYED FROM NON-LOCAL COMMUNITY

3

Prioritizing local hiring among senior managers



Supporting employees

We strive to be a fair employer with a diverse team where all team members feel included in an organization focused on well-being, employee relations and employee safety.

PURO recognizes that developing its team's talents and providing meaningful employment opportunities is crucial. PURO values its employees' well-being, offering flexible working arrangements, including hybrid work and schedule adaptations where possible, to ensure a healthy work-life balance. PURO also encourages creativity and innovation at all levels, fostering a flat hierarchy that promotes knowledge-sharing and a learning culture. To nurture cross-cultural communication and understanding, we provide the language training for Team Members.

As part of our commitment to fighting youth unemployment, PURO directly recruits young adults from gastronomy schools, including underprivileged youth whenever relevant. The hotel also provides voluntary workshops to share knowledge and inspire career development. In all aspects, PURO prioritizes the well-being of its team members, recognizing that this is essential for collaboration and integration, allowing them to thrive in their jobs.



Searching for talent and aiding the disadvantaged

PURO hotels actively participates in one of Digital University Foundation projects – the Success University. It is an educational programme that allows disadvantaged women aged 18-25 to acquire digital competences and increase their chances to get a well-paid and interesting job.

Each edition of the Success University is almost a year of intensive work consisting of workshops, mentoring programme, career counselling, meetings with experts and IT courses. PURO supports by participating in the mentoring program and sponsoring accommodation and events in our hotels. The girls thrive in the luxury PURO can offer. At the same time, we see this as a remarkable opportunity for acquiring talent. A fact that one of our current and very talented team member can be a proof of.

From a participant to a team member

Participation in the Success University, especially the mentoring programme, has led me to a job that I would not be able to get otherwise. In addition, it enabled me to learn more about myself. Build on the qualities I already had, and apply them at my current work at PURO hotels.

Gosia Ostrowska, Business analyst



Openness to local community

As humans, we are social creatures that thrive on connections and interactions with others. As a hotel, we understand the importance of these connections and strive to create a welcoming environment that fosters relationships between our guests, staff, and local community.

Our inviting lobbies and beautiful gardens serve as gathering places for individuals to work and socialize. As part of our commitment to promoting wellness and culture, we offer complimentary yoga sessions for the local community and organize free movie nights, creating opportunities for both guests and locals to enjoy cinematic experiences together. We also actively engage with neighbouring families and children, organizing events and activities that promote community involvement and social responsibility. Through these initiatives called PURO Experience we aim to strengthen community bonds, promote a sense of belonging, and contribute positively to the well-being of the local residents.

PURO is like an open house. We open doors not only for guests but also for local communities to let them connect, share, explore and inspire one another.

In Poznan we promote local jazz bands, organize workshops and „good markets” where families and small entrepreneurs can purchase or market their products.



In Lodz, once a month, we promote local vinyl market, concerts and vinyl theme parties organized nearby by Łódzka giełda winylowa. Twice a week we invite neighbours and guests to take part in open movie nights.



PURO Experience unites neighbors, families and entrepreneurs

In line with our PURO Experience initiatives, we warmly welcome the neighboring community, families, and local entrepreneurs. In 2022, among other endeavors, we proudly co-organized a series of events called „Ładne Dni” in Krakow, Poznan, and Wroclaw. This unique gathering combined a product fair with a delightful family event, offering a multitude of engaging activities, workshops, and opportunities for personal development and inspiration. Participants had the chance to explore cooking workshops specially designed for children and enjoy art activities tailored for families. These events exemplify our commitment to fostering connections, providing a platform for growth, and creating memorable experiences for all members of our vibrant community.

Bringing neighbours together



PURO Wroclaw



PURO Krakow



PURO Poznan

Supporting communities - creating jobs and boosting local businesses

We are inherently connected with the place and surroundings of our hotels and primarily with people around us. We feel a bond with the local communities and take care of them as much as about our guests and travellers.

We are committed to creating jobs and supporting local businesses, both directly and indirectly. This includes everything from employing staff from nearby areas to sourcing local products and services. We work closely with local entrepreneurs, offering them opportunities to collaborate and grow their businesses. Additionally, in partnership with local educational institutions, we offer internship and apprenticeship opportunities to students providing them with hands-on experience in the hospitality industry. By doing so, we not only enhance the experience for our guests but also contribute to the well-being of those around us. Our goal is to create a positive and lasting impact on the places we operate in, and we take this responsibility seriously.



PURO Hotels actively nurtures and supports emerging local artists, recognizing their talent and providing them with valuable opportunities for exposure. We believe in the power of artistic expression and collaboration, which is why we collaborate with artists in the area, offering them a platform to showcase their work within our hotels. Our walls are adorned with a diverse array of paintings, graphics, murals and other objects, created by artists who have an inherent connection to the city and its vibrant culture. In addition to visual arts, we also have a deep appreciation for music, hosting regular live performances by promising local bands and DJs. Furthermore, we have even invited a local mural painter to create a stunning mural that adds a unique touch to our hotels. Through these initiatives, PURO Hotels actively supports and celebrates the local art scene, enriching the guest experience while also providing valuable exposure and opportunities for talented artists to thrive.



Empowering local and emerging artists

Supporting artists is not a strategic decision, love of art flows in our veins



The path that led to PURO's art collection was not a straight one. However, mainly due to our CEO's passion for art, the focus in our consecutive projects turned to aesthetics, in the form of top-class interior design as well as furniture and then arts.

PURO Kazimerz, which opened in 2018 was the first project which was holistically supervised by an art curator - the first Art Collection Director employed full time in a hotel chain in Poland.

Art is for people not for decoration

Art in PURO hotels is not displayed to cover free space on the wall. Neither is it used as a museum exhibition. It is there to offer everyone who enters each PURO hotel a unique experience – an immersion in local city spirit along with emotions that the artists wanted to convey.

The art in PURO hotels should be coherent with the overall aesthetics. However, simultaneously they are not there to decorate the hotel, but to tell stories and connect us with the local community.

Zuzanna Zakaryan, Art Collection Director



Underlining the local aspect, means not only taking clues from local aesthetics and artist, but also engaging local society

We believe in telling stories through art, allowing the city to be seen through the eyes of talented artists. By collaborating with local artists, we pay tribute to the rich history and heritage of the cities where our hotels are located. Through this engagement, we aim to create a deeper connection between our guests and the local community, fostering a greater appreciation for the cultural significance and artistic expressions that shape each destination.

Gdansk will be forever connected to the history of its shipyard. Using rusted metal and photos of shipyard conveys the liberty ethos it is connected with.



Lodz is associated with cinema and photography, murals and the textile industry. Therefore, these are the details and forms that we adopted in our hotel in Lodz. Furthermore, we enrich the cinematic experience with the offering of our own hotel cinema, free for everyone two days a week.



Krakow rich history is embedded in art pieces we commissioned for our hotels, notable examples being collages and paintings that draw from local collective consciousness.



Despite being immersed in locality, PURO art initiatives do not steer away from current global topics

Having an art collection is not a virtue in itself. What counts is the engagement in the discussion and broadening the audience for art. If there is anything that elevates the ownership of art it is not the sole possession, but the connection with what the artist wanted to convey.

Zuzanna Zakaryan, Art Collection Manager

PURO hotels provide a platform for artists to share their voice, current problems they want to shed light on and evoke reaction from the viewer.

PURO does not influence the topics the artists are interested in. They may concern policy, our planet's dire condition, social decline, etc. Though some of these topics might be controversial we see ourselves as a vehicle for art to be experienced. In other words, to provide food for thought for anyone whose willing to listen to the artists, not to what PURO hotels deems worthy of listening.



Becoming a part of the art scene through collaboration

- » Participating in the art market by acquiring art pieces (sometimes commissioned) firstly from local young artists, as well as more established ones.
- » Partnering the Warsaw Gallery Weekend, e.g. through free guided gallery tours for everyone or providing space for art exhibitions.
- » Cooperation with local art institutions. Notable examples being the Room for art project through which we hand out free tickets to an art institution we have an ongoing cooperation with to our guests.



Break my art

2022 marks already the 6th edition of the Break my art event. It is a forum for local culture institutions representatives and artist, also those who display their work at PURO hotels, to discuss topics important for society and art. Once again to make PURO a centre of experience.



Guided tours that inspire visitors and residents alike

We are proactively involved in promoting and celebrating the local area, its history, and culture, while fostering connections between guests and locals through shared activities. One of our initiatives is the Puro Art Walks, where we offer complimentary guided art tours during the summer. These tours are open to both locals and our guests, providing an opportunity to explore the vibrant local art scene. Participants are taken on a journey through galleries and artists' studios, immersing themselves in contemporary art and developing a deeper interest and understanding of it. Additionally, we strive to showcase the hidden treasures of our cities by organizing guided tours in all our locations. These tours enable our guests to familiarize themselves with the local gems, delve into the rich history, and embrace the cultural heritage of each destination. By offering these activities, PURO Hotels aims to create meaningful connections between guests and the local community, enriching their experiences and fostering a profound appreciation for the places they visit.

PURO has consistently displayed a firm dedication to philanthropy, seeking to positively impact the communities it operates in, embodying a strong sense of social responsibility and civic duty. PURO's philanthropic endeavors serve as evidence of its core values and commitment to making a difference in the world.

During times of crisis, such as the Russia's armed aggression against Ukraine, PURO prioritized aiding their Ukrainian Team Members and providing refuge for displaced persons by sponsoring their stays at PURO or other hotels on the way to safer locations. This often entailed procuring rooms for entire groups of refugees traveling from Poland to Norway. PURO's teams also organized local activities such as soup kitchens and collective sandwich preparation, not only to support the community but also to foster team building and a sense of security for team members.

During COVID-19 lockdown, PURO provided financial support to colleagues experiencing heightened stress and encouraged compassionate support among team members. As part of the #pomagamyrazem initiative with IKEA, PURO donated funds to purchase beds and duvets for quarantine centers in 30 Polish counties, benefiting over 400 individuals.

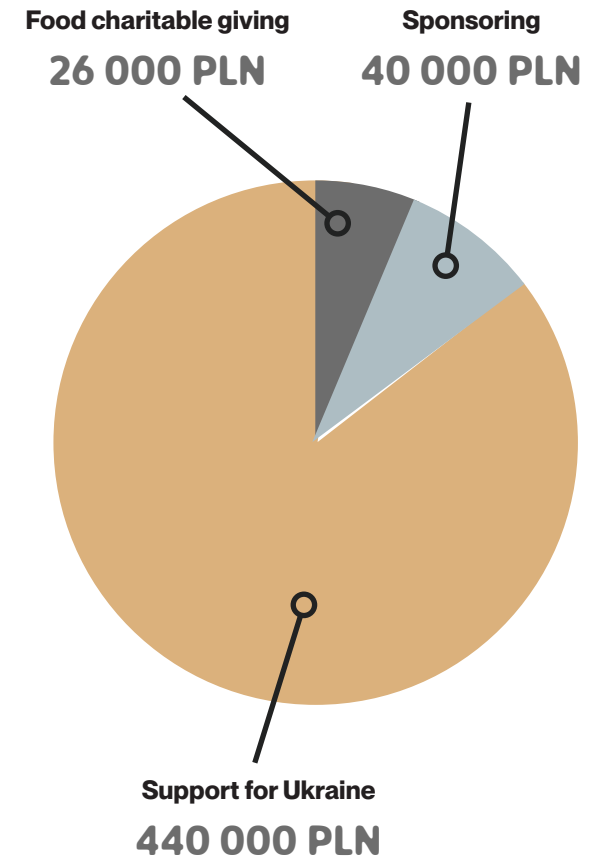
However, our flagship partnership and philanthropy initiative is, as previously described, Success University by the Digital University Foundation – educational programme for young women with troubled background entering the labour market.

	Support for employees (during lockdown)	
Sponsoring	40 000 PLN	Sponsoring
30 000 PLN	40 000 PLN	40 000 PLN
2019	2020	2021

Footnote: Sponsoring include Digital University and other charitable ad hoc projects.

Supporting people in need

2022



Individual, local **charity initiatives**

Each individual PURO hotel is staffed with a distinctive team of personnel who possess the capacity to recognize and effectively address a diverse range of social issues and necessities within their respective locations. Entrusting the philanthropic engagement efforts to the hotels themselves has not only facilitated the establishment of a robust connection between the PURO Hotels teams and the community, but has also instilled a profound sense of purpose among the team members. This distinctive approach is a reflection of our unwavering commitment to the core values of Locality and Authenticity.

Team Members from PURO Poznań have been involved in supporting the Marrow Foundation (Fundacja Szpik), local animal shelters and the EY Businesswomen Leaders Foundation which helps, among others, women from the local community.

At PURO Gdansk, the team is involved in activities such as cleaning up the forest with children, participating in Earth Hour, filling letters to Santa Claus for children from orphanages and donating towels and bedding to shelters.

In Lodz they organise events for employees of shelters to give them a well deserved break.

All PURO hotels are united by their involvement in an annual nationwide Christmas charity action aimed at supporting Poland's poorest families - Szlachetna Paczka.

We also extend invitations to individuals working in shelters to visit PURO Hotels and we provide them with a special and enjoyable experience.

These initiatives help our Team to better connect with locals and built a strong team that believe in their positive social impact.

We feel empowered.





Aligned with one of PURO's core values – Authenticity, the organization prioritizes a range of ethical business practices, including anti-corruption measures, personal data protection, robust supply chain management, compliant taxation, responsible sales and marketing, and advocacy for charitable contributions. These policies are designed to address both local and global demands and regulations for responsible corporate behaviour.



Governance

PURO Hotels considers its ethical culture to be an integral component of the company's pursuit of being true to its values. We place great emphasis on ensuring coherence with the principles and rules of both domestic and international law, as the company holds values such as transparency, credibility, and legal compliance in high regard, aligning with our core value of Authenticity.

We have a comprehensive Code of Conduct that presents a catalogue of principles that the PURO Hotels and all stakeholders are obliged to respect. The Code of Conduct was not available during the reporting period (Y 2022), but at the time of reporting (Y 2023) the principles are already in place.

All Team Members and Management Board are obliged to respect and follow the policies. Stakeholders should abide by the rules in relation to all public authorities, their employees, contractors and associates.

The Code of Conduct includes standards across: **the Ethical Code, Anti-corruption Policy, Anti-human Trafficking Policy, Data Protection Policy and Anti-harassment Policy.**

Ethics and compliance stems from authenticity



Corruption is a significant risk for the construction industry. PURO has zero tolerance for corruption. Therefore, we are currently creating our anti-corruption policy and training that will be obligatory for all team members and management. For 2022, no incidents of corruption were reported at any PURO property.

United Nations Guiding Principles on Business and Human Rights

PURO Hotels is dedicated to upholding the United Nations (UN) Guiding Principles on Business and Human Rights, extending this obligation to all team members and business partners, including outsourced services.



Taxes, audit and stakeholder relations

Approach to tax

PURO Hotels has a strong emphasis on adhering to regulatory compliance and ensuring that their approach to taxation aligns with the business and sustainable development strategies of the organization. As a responsible corporate entity, PURO recognizes that compliance with local tax regulations is not only a legal obligation but also a key component of our ethical and moral principles. PURO Hotels places great importance on compliance with local tax regulations in both Norway and Poland, where the organization operates.

Audit

To ensure the highest level of transparency and accountability in our tax practices, PURO Hotels conducts an annual audit of its financial statements by KPMG, a globally recognized auditing firm. This audit serves as a critical mechanism for identifying and addressing any concerns related to the organization's business conduct and integrity in relation to tax.

Stakeholder engagement

PURO acknowledges a diverse range of stakeholders, including investors, banks, employees, outsourced service providers, the local community, NGOs, governmental institutions, suppliers, vulnerable groups and not least our guests. With a commitment to transparency and effective communication, PURO endeavors to foster genuine engagement with these stakeholders through an ongoing dialogue.

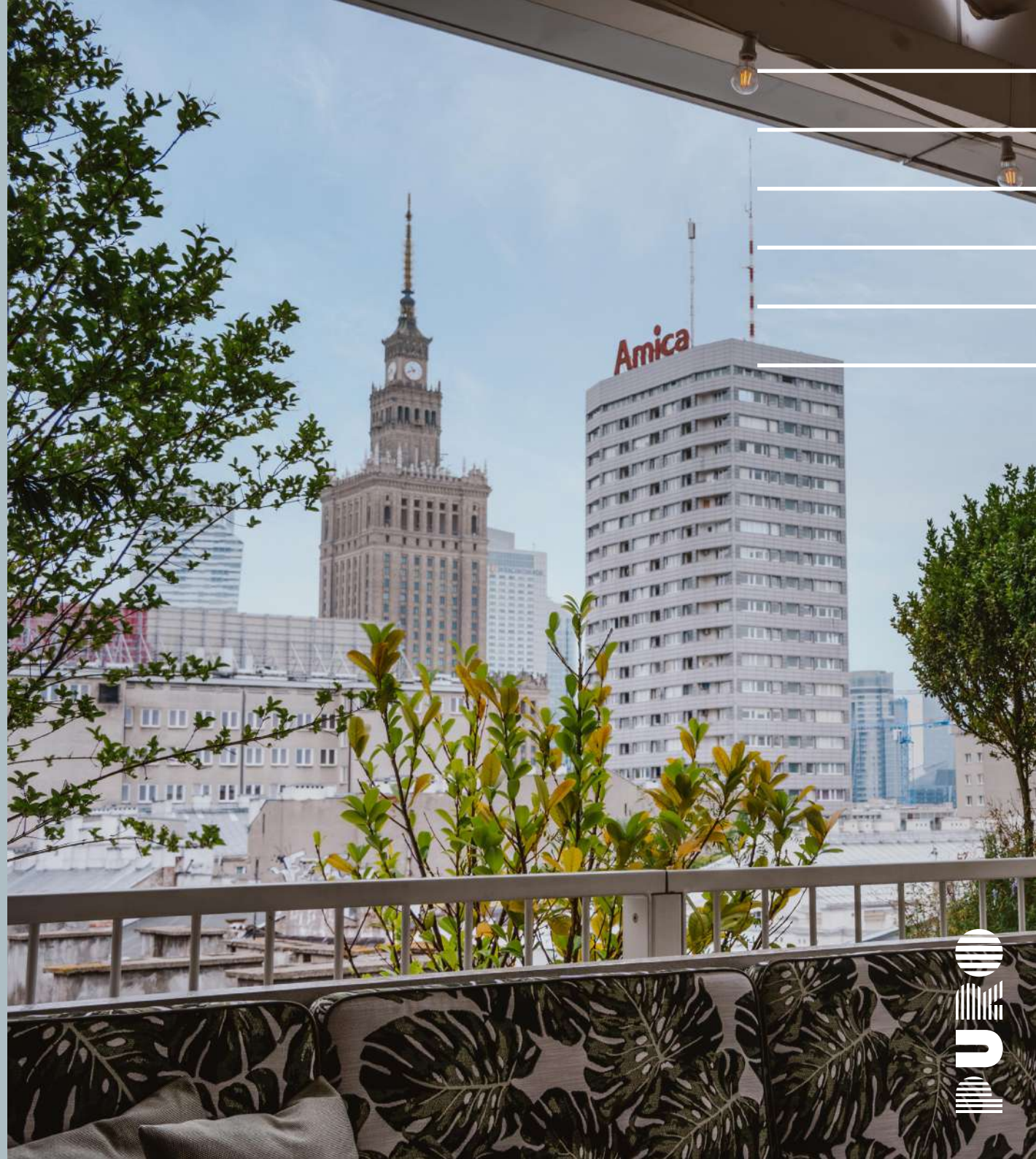


Our ownership structure

The highest governing body of the organization is the **Supervisory Board**, which is composed of five non-executive members. Their primary responsibility is decision-making and oversight of the organization's impact on the economy, environment, and society. Notably, the chair of the board is not a senior executive within the organization.

The Supervisory Board, in conjunction with the CEO, is responsible for developing, approving, and updating the organization's sustainable development objectives, including its purpose, values, mission statements, strategies, policies, and goals.

The CEO has been granted full responsibility for managing the organization's impact on the economy, environment, and society, delegated to him by the Supervisory Board. In order to prevent and mitigate conflicts of interest, the CEO and the Supervisory Board maintain a constant dialogue, and to date, no conflicts of interest have arisen. Any potential conflicts are regulated by the shareholder agreement.





Governance for a positive impact

The year 2022 marked a pivotal moment in PURO's trajectory, as the Supervisory Board for the first time made the decision to publish the GRI report and PURO's ESG report, thereby setting a firm precedent for the promotion of eco-friendly and socially responsible practices within PURO Hotels. This momentous step not only exemplifies PURO's unwavering commitment to sustainability but also lays the groundwork for the future expansion of its environmental and community-centric initiatives, as set forth in the PURO ESG strategy for the upcoming years.

Based on the PURO ESG strategy and the GRI standards we have compiled this inaugural ESG report, thereby setting the tone for the future growth as well as the advancement of PURO's sustainable initiatives and actions.



Partnerships to drive positive change



In a bid to drive positive change in Polish society and economy, PURO actively engages in social endeavors at the level of association organizations. In this regard, PURO has forged partnerships with esteemed entities such as the **Polish Hoteliers Association** and the **Scandinavian-Polish Chamber of Commerce**, with PURO employees serving as members of the board in both organizations.

Partnership in the Circularity Gap Report

In 2022 PURO Hotels supported and consulted the Innovo Institute and Natural State AG, which formed a consortium that together developed a first ever report investigating the circularity gap of the Polish economy, along with valuable recommendations. The report was supported by Norway Grants and the Norwegian Embassy in Poland.

Supply Chain Management

Supply chain management is a critical aspect of PURO Hotels' operations. Through procurement and by outsourcing services and purchases, the company is also outsourcing its corporate responsibilities and ethical values to its business partners.

In line with its sustainability goals, PURO Hotels has established initiatives to prioritize purchasing from sustainable suppliers and sustainable products throughout its procurement chain. The company also aims to streamline its procurement processes and optimize the frequency of deliveries to reduce its carbon footprint. This approach helps PURO Hotels to manage the impact of its operations on the environment and promote sustainable practices across its value chain. Within the gastronomy division, PURO Hotels places significant emphasis on ensuring that all food suppliers meet the Hazard Analysis Critical Control Point (HACCP) requirements. The company also supports local communities by procuring locally whenever possible, including food suppliers, flower arrangements, and dry cleaners. Moreover, the pooling of food suppliers helps PURO Hotels to reduce its logistics costs and carbon footprint.



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