



MAKE
SUSTAINABLE
TRAVEL
ACCESSIBLE
TO EVERYONE



MAKE SUSTAINABLE TRAVEL ACCESSIBLE TO EVERYONE

SUSTAINABILITY REPORT 2023



- 1



#### **Table of contents**

- 04 GROUP PROFILE
- 08 GOVERNANCE
- 10 MACROTRENDS
- 11 DOUBLE MATERIALITY ASSESSMENT
- 13 SUSTAINABILITY PLATFORM
- 15 MANIFESTO
- 16 INDICATORS
- 18 PILLAR 1 EMPOWER EVERYONE
- 25 AWARENESS & ENGAGEMENT
- PILLAR 2
  ADAPT TO OUR ENVIRONMENT
- 34 PILLAR 3
  SUSTAINABLE INNOVATION
- 40 B&B HOME
- 42 APPENDIX
- 43 CONTACT

#### Editorial

At B&B HOTELS, we're committed to making responsible travel accessible to everyone. To deliver on our promise, we are committed to concrete, authentic and collective actions, which we will share in this report. But before we present our 2023 achievements, our CEO, Fabrice Collet, and Vanguelis Panayotis, CEO of Hospitality ON, the leading hospitality media platform, agreed to answer a few questions and share their views on the current state of the industry and the challenges and opportunities ahead.

We innovate for the benefit of our company and society as a whole. With the B&B Academy, we are making the industry more attractive; with our new hotel concept, we are revitalizing local communities; and by installing electric vehicle chargers in all our parking lots and making them available to everyone, we are developing low-carbon mobility.

#### **FABRICE COLLET**

2023 has been a positive year for the hospitality industry. How do you explain this recovery?

**VP:** Hospitality is an extremely resilient industry, especially in France, which is the best performing market in the world. After two years of COVID, even business travel is posting higher numbers than in 2019.

FC: What we're finding is that people still want to meet and travel, but now they prefer short stays and low-cost, short-haul trips. They are also willing to make more responsible choices, such as taking the train instead of flying.





#### CONTACT

#### **B&B HOTELS SAS**

29 Boulevard Romain Rolland 92120 Montrouge FRANCE

bbhotels-group.com sustainability@hotelbb.com

## What are the challenges facing the tourism sector in terms of sustainability?

**VP:** It's not travel itself that's being called into question, but rather how we can travel more responsibly. The challenge for the industry is to anticipate future changes, which means factoring the risks associated with climate change and environmental degradation into investment and development strategies now.

FC: Especially in real estate, where we need to design more sustainable buildings and make our existing buildings more energy efficient, which takes time and requires significant investment. But the environment isn't the only challenge; hospitality is a major employer, and we have an important role to play in providing opportunities for social mobility.

## How is the B&B HOTELS business model a driver for change?

**VP:** As a hotel chain with more than 760 properties, B&B HOTELS can have a significant positive impact when large-scale sustainability initiatives are implemented.

FC: We've built our success on this multiplier effect, and today we want all of our stakeholders to benefit. Our business model allows us to make very quick decisions, such as installing EV charging stations in all our hotel parking lots. We also want to work on equal opportunities, which is also an important lever, as hospitality offers career options to all those who are willing to make the commitment. The B&B Academy offers young people from diverse backgrounds a job and an education leading to a university degree.

## What is the impact of digitalization on the hotel industry and what is the role of human interaction?

**VP:** From finding a room at the best price to automated check-in, technology is playing an increasingly important role in hospitality. However, human interaction remains an essential element in delivering a satisfying customer experience. There isn't a single religion in the world that doesn't include the concept of hospitality, which shows that our industry has a function in society to welcome and provide shelter.

FC: When you choose a hotel, you are looking for a comfortable bed and bathroom, a good breakfast and a warm welcome. These are things that technology can't provide, but our business model does.

Even though we're in the roadside hotel business, many customers are loyal to a property or our brand because they know they'll feel welcome. This is also important to our employees, because people fear dehumanization, and our promise is real and lasting. A company is first and foremost a human organization rooted in shared values.

#### Sustainability is a longterm commitment. How do you see customer expectations evolving?

**VP:** The future is unpredictable, but I am convinced hospitality is an anthropological necessity. As soon as humans emerged from their caves, both metaphorically and literally, they began exchanging for cultural enrichment and have never stopped. From the earliest inns to the industrialization of tourism, there is a deep need for discovery and connection. Today, that trajectory has shifted to more authentic experiences, where sustainability plays a central role.

FC: Customers are looking for hospitality experiences that go beyond comfort to make a positive impact on society and the environment. They are willing to direct their business to companies that share their values and are committed to long-term sustainable initiatives. To meet these expectations, we are launching a new brand, B&B HOME, a project led by the Corporate Social Responsibility (CSR) department to integrate environmental and social issues into product design from the outset.

#### And tomorrow?

FC: The outlook is exciting, the appetite for travel is strong and we're here to meet it. We're committed to strong growth, with a target of 3,000 hotels in 10 years, and at the same time we have two ambitions: to be recognized as the most resource-efficient hotel brand, and as a company that provides opportunities for all, especially those who lack them.

The right question to ask is the cost of environmental inaction.
We need to accelerate the transition, and to do that, industry leaders must go beyond mere compliance and integrate sustainability into the core of their strategies. This is exactly what B&B HOTELS is doing.

#### **VANGUELIS PANAYOTIS**





## OUR 2023 JOURNEY

At B&B HOTELS, we believe that making travel sustainable through the development of an ambitious sustainability strategy will maintain and build the trust of our employees and partners, the loyalty of our customers and the confidence of our stakeholders.

#### **Resilience & Growth**

Following the COVID crisis, B&B HOTELS proved remarkably resilient compared to the wider hospitality market. By catering to domestic travelers rather than international visitors, by offering a value option adapted to the economic downturn, we have consistently outperformed the industry average.

## Sustainability & Customer Satisfaction

As Europe's fastest growing value hotel chain, our vision is to make sustainable travel accessible to everyone at fair prices, without compromising on the essentials of an enjoyable stay: a warm welcome, a comfortable bed, a generous breakfast, a digital experience and modern design.

**REVENUE 2023** 

€м 1,217

Strong market dynamics in Europe:

+16%
REVPAR
(REVENUE PER
AVAILABLE ROOM)

**VS 2019** 

B&B HOTELS performance above market:

+28%
REVPAR
(REVENUE PER
AVAILABLE ROOM)
VS 2019



**1,900** EMPLOYEES

8,000
RELATED JOBS
ACROSS OUR
NETWORK
OF HOTELS

**43%** of WOMEN

in management positions

45%
of WOMEN
in the executive

committee



one of the lowest in the industry

UNNECESSARY SINGLE-USE PLASTIC IN ROOMS

31%
OF ELIGIBLE
HOTELS
EQUIPPED WITH
EV CHARGERS





Value with values: we meet our customers' expectations and our results prove it

**67% OCCUPANCY RATE**(+1 pt vs 2022)

**82 csAt² score** (+1.9 vs 2022, +2.2 vs compset³)

670
HOTELS
SUSTAINABILITY
CERTIFIED ACROSS

1. Scope 1&2 market based.

all our countries4

- The customer satisfaction score (CSAT) is based on 1,1m reviews for B&B HOTELS and 2.5m for compset.
- 3. Group of comparable hotels.
- 4. Except Poland and Denmark.



## MAPPING OUT OUR PRESENCE

B&B HOTELS was founded in 1990 in Brest (France) with only two hotels, with the idea of offering customers the best value for money. Today, the concept has spread throughout Europe and as far as Brazil, covering cities of all sizes, allowing us to be on our customers' path wherever they travel.

## Insights into our geographical presence and ambitions

Between 2019 and 2022, we have opened more hotels than any other chain in our segment, mainly in our primary markets (France, Germany, Italy and Spain) which account for 90% of our sites.

We continue to develop these regions as they still offer growth opportunities, while expanding across Europe.

Whether new or existing, all of our acquisitions are designed to commit to our customer promise of value for money and sustainability. Of the 75 hotel openings in 2023, 20 are greenfield, 42 are acquisitions and 13 are franchises.

After opening our first hotels in the U.S. and U.K. in early 2024, we will continue our development both in Europe and for our new regions with a strong pipeline of 100 new hotels or 10,000 rooms worldwide.





OUR 2023
ACHIEVEMENT

760
HOTELS ACROSS
THE WORLD

OUR AMBITION 3,000 WITHIN 10 YEARS

## BUSINESS MODEL

OUR MISSION

At **B&B HOTELS** we believe that developing an ambitious sustainability strategy will maintain and build trust across employees and partners, loyalty in our customers and the confidence of stakeholders.

#### DIRECT DISTRIBUTION And Revenue Management

70% DIRECT 30% OTAS<sup>2</sup>

#### **RESOURCES**

#### **HUMAN**

- **1,900** employees
- > **8,000** jobs related to our network of hotels
- > 58% women
- > **43%** women in management position

#### FINANCIAL

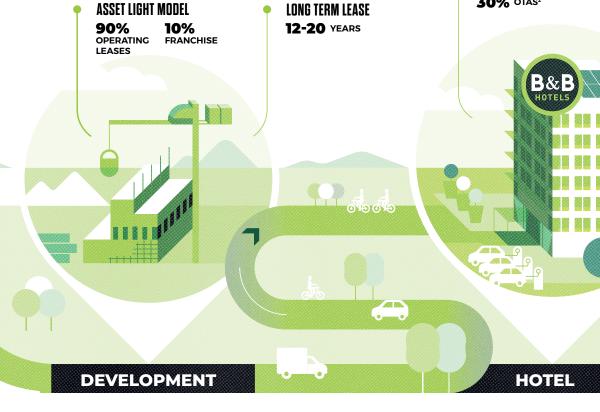
- > €M 1,217 revenue
- ➤ €M 250 EBITDA¹
- > €M 329 liquidity

#### **COMMERCIAL**

- **760** hotels
- > 70 000+ rooms
- > 15 countries

#### **NATURAL**

- > **82,958**TCO<sub>2</sub> emissions
- > 235,000 MWh energy use
- > 3 million m<sup>3</sup> water use



#### **EMPOWER EVERYONE**

FUEL & NURTURE
OUR TALENT POOL

CONNECT WITH COMMUNITIES TO PLAY OUR PART IN SOCIETY



## ADAPT TO OUR ENVIRONNEMENT

OPERATE WITHIN
PLANETARY BOUNDARIES
TO INCREASE OUR
BUSINESS RESILIENCE





(TECH AUGMENTED HOSPITALITY)



#### **VALUE CREATION**

#### **HUMAN**

- > 225 positions opened during 2023
- > **750** jobs created during 2023
- > **8,500** hours of training
- Satisfaction survey, engagement score:64%

#### **FINANCIAL**

- > +93% revenue vs 2019
- > +28% RevPAR vs 2019

#### **COMMERCIAL**

- > **75** hotel openings in 2023
- **7 000+** rooms opening in 2023

#### **NATURAL**

- Climate trajectory50% scope 1&2absolute emissions
  - **-28%** scope 3 absolute emissions by 2030 vs 2019
- > 78% green electricity

Earnings Before Interest, Taxes, Depreciation, and Amortization.
 Online Tourism Agency.







TALENT MATTER



## RESPONSIBLE BUSINESS PRACTICES DRIVEN BY OUR VAI UFS

As a responsible company, we conduct our business with integrity and actively seek to have a positive impact on society and the environment. Our commitment to sustainability is embedded in our operations and extends to the highest levels of our organization, ensuring a positive impact for all our stakeholders.

#### **Ethics & compliance**

Our Code of Ethics applies universally to all B&B HOTELS employees and subsidiaries and extends its principles to business partners and third-party representatives. We regularly train our employees on compliance, privacy and sustainability through e-learning and live sessions, while managers are expected to set an example of ethical behavior and maintain open communication channels to address concerns.

A whistleblowing system is available to report violations. It ensures prompt and fair resolution of concerns, and B&B HOTELS prohibit retaliation against anyone who makes a report or assists in an investigation.

#### **ESG Governance**

After the appointment of a global CSR Director in January 2023, B&B HOTELS strengthened its sustainability governance in July 2023 with the creation of the Chief Sustainability Officer function at the Executive Committee level to lead the integration of sustainability into business strategy. In addition to the global level sustainability team, regional sustainability managers have been appointed. This network of sustainability experts ensures the adequate operationalization and customization of the global sustainability strategy at the regional level.

#### **Governance organization**

As a member of the Executive Committee. the Chief Sustainability Officer reports to the Board of Directors twice a year. In addition, the central team holds monthly meetings with the sustainability network. Regional sustainability managers extend governance efforts by hosting monthly local steering committees. Through this organization, we have clearly defined roles and responsibilities to ensure the seamless integration of sustainability into our daily operations.

#### Incentive schemes

Each member of the Executive Committee has one or more sustainability targets in their variable compensation plan. Each country CEO is therefore incentivized based on quantitative progress towards the Group's sustainability goals.

#### **Monitoring**

We monitor our Environmental. Social and Governance (ESG) performance and progress toward our targets through a granular data collection scheme at hotel level supported by a dedicated reporting governance and a digital platform.

#### Certifications

670 of our hotels across all countries<sup>1</sup> have received the pioneering sustainability management system certification by Socotec designed for the hospitality industry and aligned with GSTC (Global Sustainable Tourism Council) criteria. B&B HOTELS Spain has achieved B Corp certification, which covers a comprehensive view of corporate sustainability in 5 main areas: governance, employees, environment, community and customers.







1. 670 hotels at the end of 2023, including franchises. All countries included except Poland and Denmark.



**OUR CORE VALUES** 

**EMPATHY** 

INTEGRITY

RESPONSIBILITY

INCLUSION

IMPROVEMENT

**SMART** 

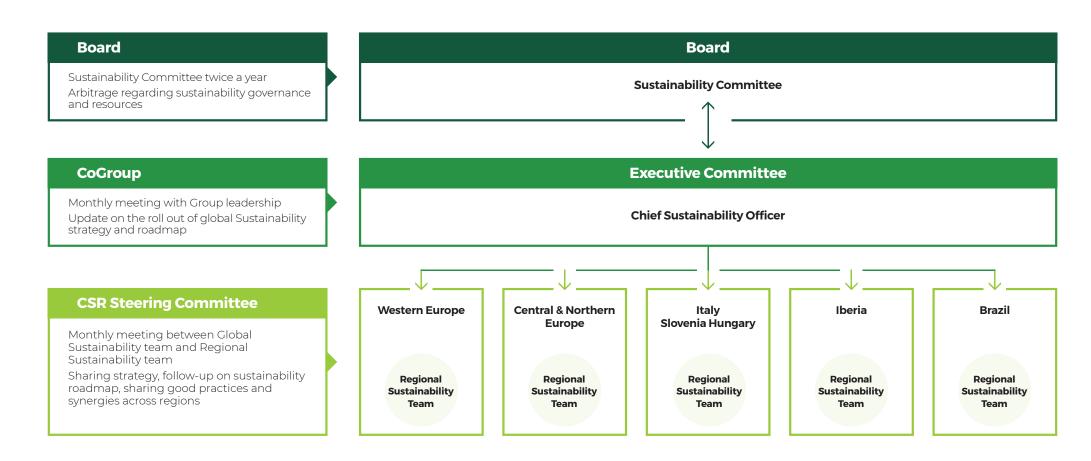
SIMPLICITY

WE MAKE IT



## CORPORATE GOVERNANCE

We have structured our corporate governance to emphasize compliance, transparency, leadership and value creation, ensuring that sustainability is integrated into decision-making at all levels. By fostering collaboration and embedding Environmental, Social and Governance (ESG) principles, our governance model drives innovation and operational excellence in alignment with broader business objectives.



## AN OUTLOOK ON HOSPITALITY KEY TRENDS

In the past few years, the tourism industry has experienced significant changes in consumer behavior. With the pandemic acting as a catalyst for these trends, consumers continued to prefer closer destinations as travel restrictions eased, resulting in a faster recovery of domestic tourism in many markets and explaining the exceptional recovery of B&B HOTELS. Consumers also showed an increased desire for convenient and personalized services, experiential stays, and a growing emphasis on sustainability. As service expectations increased, so did the challenge of finding the right talent, forcing hotels to develop strategies to attract and retain qualified employees.



#### **Unique Experiences**

The quest for unique, immersive experiences is shaping modern hospitality. Travelers are looking for more than just accommodations; they crave experiences that align with their values and aspirations. Demand tends to polarize between properties that offer exclusivity, personalized attention, and exceptional amenities on the one hand, and simple yet high-quality experiences that emphasize convenience, affordability, and authenticity on the other.

SUSTAINABLE TOURISM PROJECTED COMPOUND ANNUAL GROWTH RATE (CAGR)

+23.4%
BETWEEN 2022 AND 2032

#### **CONSUMER SUSTAINABILITY SHIFT** IN FIGURES<sup>2</sup>

81%
PLAN TO CHOOSE SUSTAINABLE ACCOMMODATIONS

WANT TO TRAVEL MORE SUSTAINABLY IN THE COMING YEAR



#### Talent Matter

In the aftermath of the pandemic, hospitality workers have taken advantage of the forced downtime to reconsider their career priorities, a trend exacerbated by the current labor shortage that is expected to worsen as demand for hospitality services increases. Delivering exceptional hospitality depends on happy, well-compensated and well trained employees. Attracting the best talents means adapting to new employee expectations for greater flexibility, mobility and career development opportunities.

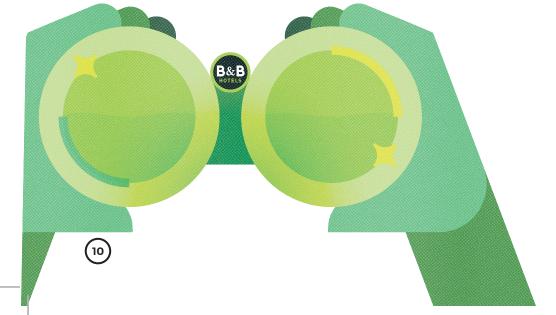


#### Customization: Tech-Augmented Hospitality

Technology makes personalized service accessible to all hotel categories. Most hospitality brands, from budget to luxury, are embracing digital innovation to meet guest expectations for a convenient, seamless and customized experience. From mobile check-in and keyless entry systems to personalized recommendations based on guest preferences, technology is revolutionizing service delivery and creating a more personalized and efficient hospitality environment.

#### The Sustainability Imperative

Driven by a major shift in consumer expectations, the hospitality industry is moving toward more innovative and meaningful sustainability practices, whether in operations, such as local sourcing with improved traceability, or in the way it approaches construction and property maintenance.



1. Booking Research Report 2022.

2. Increasing regulations, such as environmental labeling requirements and energy efficiency standards, are also driving the sector to reduce its environmental footprint.

## NOTE ON THE METHODOLOGY OF THE DOUBLE MATERIALITY ASSESSMENT

As we move towards a more robust sustainability reporting capability, we have decided to anticipate the future Corporate Sustainability Reporting Directive (CSRD) requirements, starting with an assessment of our Environmental, Social and Governance (ESG) priorities based on a double materiality approach. This initial exploratory exercise has allowed us to confirm the adequate alignment of our sustainability strategy with the key ESG issues that are most material to us, both in terms of financial and impact materiality.

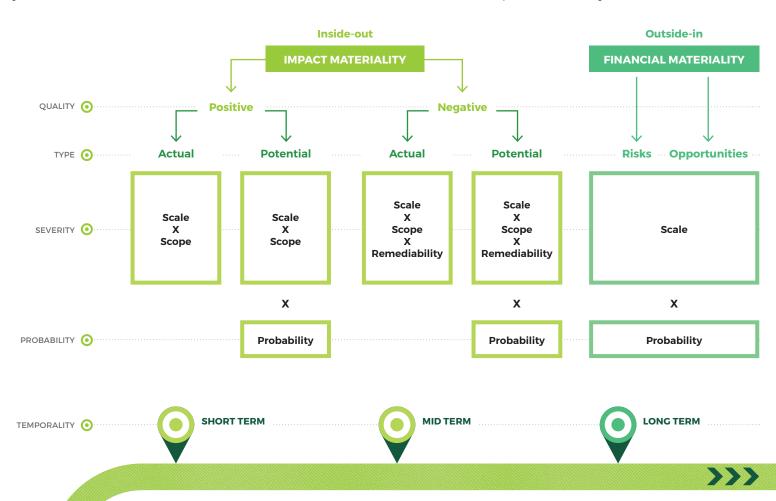
## Updating our materiality assessment

Our first materiality assessment, completed in 2022, was conducted with a limited number of stakeholders. In 2023, this assessment was updated with a more comprehensive panel of over 78,000 stakeholders, including customers, NGOs, public authorities, civil society, mandate managers, franchisees, lessors, trade associations, employees, academics, suppliers and subcontractors, and the financial community.

## **Double Materiality Assessment Process**

Double materiality refers to the concept that companies should consider not only the impacts of their operations on the environment and society but also the financial risks and opportunities related to these impacts.

We followed a structured methodology aligned with the European Sustainability Reporting Standards (ESRS) to assess material ESG issues based on comprehensive industry benchmarks, impacts risks and opportunities quantification, and stakeholder input. It enabled us to identify the most material issues for our business in terms of their financial impact and our impact on the environmental and social ecosystems.



#### **Double materiality assessment**

## OUR DOUBLE MATERIALITY ASSESSMENT

The double materiality assessment enabled us to identify the most material issues for our business in terms of their financial impact and our impact on the environmental and social ecosystems. These results confirm that the CSR approach we have developed addresses all of our material impacts.

Find the definitions of each topic in the appendix (see page 42).

#### Impact scale

0: none

1: minimal

2:low

3: medium

4: high

#### Relevance to stakeholders

O Low

Medium

( ) High

( Very high

Environment

Social

Governance



## SUSTAINABILITY STRATEGY

Our sustainability strategy is based on three pillars: people, environment and sustainable innovation. Our approach aligns with our double materiality assessment, the key challenges facing our industry and is based on strong values and governance. Last year, we published our first sustainability manifesto, a foundational step to build momentum and engage our team. This year, we're consolidating what we've started and have evolved our third pillar from "Making Progress Together" to "Continuously Innovate Together", emphasizing a more ambitious and open approach to leading our industry on the journey to sustainable travel.

#### SUSTAINABLE TRAVEL ACCESSIBLE TO EVERYONE







#### 2 enablers

ENGAGEMENT RAISE AWARENESS AND ENGAGE STAKEHOLDERS TO MAKE CHANGE HAPPEN				
AWARENESS	COMMUNICATION			
& Engagement	& Influence			

GOVERNANCE SET UP A ROBUST GOVERNANCE TO SECURE DELIVERY						
OBJECTIVES	ORGANIZATION	REPORTING	ETHICS			
	& Process	& CERTIFICATION	& Compliance			

## OUR DEFINITION OF SUSTAINABLE HOSPITALITY



#### You joined B&B HOTELS less than a year ago with the mission of integrating and strengthening Sustainability in the company development strategy. What is your ambition?

Turn sustainability into a true value driver. It's not just a compliance mechanism; I see it as a viral force that permeates all business functions, driving innovation and growth by forcing us to rethink our practices. Corporate Social Responsibility (CSR) is a catalyst for change. With its strong human dimension, the hospitality industry is uniquely positioned to create narratives that resonate with the core of people's shared experiences of travel and connection. By integrating sustainability principles in the way we work, we can engage not only our employees, but also our partners, our guests and the broader community.

## How do you build a sustainability roadmap to both drive change and align with business challenges?

Transformation unfolds in 4 stages: compliance, transparency, leadership and value creation. It's important to engage frontline employees from the start, as they are instrumental in driving change. By setting the course and letting regional teams take ownership of how to get there, we foster engagement and innovation. At the same time, we look for quick wins alongside long-term change to demonstrate the immediate business benefits of sustainability.

## What priorities have you started to address and what remains to be done?

We had two key topics to address in priority: our carbon trajectory to be in line with Paris agreement and education projects to attract new talents. This went along several initiatives that were rolled out in each country: deploying electric vehicle chargers or eliminating single-use plastics in rooms. We also broadened the certification of our hotels and created our CSR managers network. In 2024, we will keep focusing on carbon and education but also develop a new more sustainable customer experience, accelerate on awareness and pilot many initiatives around inclusion, water and biodiversity.

## What role can B&B HOTELS play in accelerating the transformation of the hotel industry?

What emerged from the dialogue with our external stakeholders is that we have strong operational leverage. With our entrepreneurial approach, our DNA focused on the core essentials and our streamlined model, we can turn sustainability initiatives into operational processes that enable effective scaling. We're only at the beginning, but the momentum is there.

# As you prepare for the upcoming EU Corporate Sustainability Reporting Directive (CSRD), what impact do you expect it to have on B&B HOTELS?

I see the CSRD as a welcome framework for action. It guides us in rethinking our business priorities and practices and provides indicators that enable us to work closely with our various business units to innovate and improve, while allowing transparent communication and comparability with other companies or industries.

#### You have been co-leading a project for a new hotel concept for B&B HOTELS, can you tell us more about it?

The B&B HOME concept embodies our ambition: deliver sustainable innovation, by creating a new customer experience towards more sustainability. As a sandbox for the industrialization of new practices, it has allowed us to test different ideas with our teams and partners. Even if some of them couldn't be deployed, they made people think and open up to a new scope of possibilities. This is what I meant by sustainability being a catalyst.



In today's fast-paced world, ecological and human challenges are piling up. How hospitable will our planet be tomorrow?

## Hospitality, that's the key! As our finest expertise, we honor its original meaning:

discovering and exchanging with others, with different cultures and experiences. It's about respect, tolerance and openness. For us, hospitality means more than just providing shelter and food; it means truly welcoming people. Let us tell you how.

#### First, by putting hospitality back at the heart of our communities.

By remaining curious every day. By constantly learning from the different, the new and the unexpected. Our hotels host their neighborhoods (including local partners, organizations, entrepreneurs, etc.), as much as they feel hosted by them. This spirit of mutual and common good inspires all our employees, as well as our thousands of partners and our millions of guests, making us a community of sorts: people who feel they share common values.

## Second, by rethinking the way we work, within our ecosystems.

By eco-designing lean hotels from the start. By retrofitting those we take over. By favoring takeovers over new constructions, which reduces land conversion and makes us a consistent operator in energy transition. By reducing energy, water and waste through simplicity.

### Third, by inspiring new behaviors to prepare for tomorrow.

Our hotels are not just places of transit. They are places where you can experiment new habits that are more respectful, habits combined with pleasure, that enables you to reduce your impact repeatedly, habits you can take with you in your suitcase to continue at home. Step by step, thousands and thousands of times per hosting day, that's how bright changes take root in our lives, we believe. Let's turn the precious time a hotel stay offers into an opportunity to reconnect with the world that hosts us.

## What if hospitality could contribute to these challenges?

That's what our hotels offer: new, smarter standards, that focus on what's important to you, providing high quality on core essentials at the best price. Because it makes no sense to pay for useless services. Because it makes no sense to sacrifice quality, human values and the environment for price. Because smarter means more sustainable. And because opening up to the world and to tomorrow shouldn't be a matter of privilege.

#### That's how we see our responsibility.

A HOSPITABLE PATH TO A SUSTAINABLE FUTURE



#### **Indicators**



Reporting annually on the various pillars of our CSR approach allows us to measure progress and identify the remaining steps, helping us to continually advance and become more sustainable over time.











# eps, re

**PILLAR** 

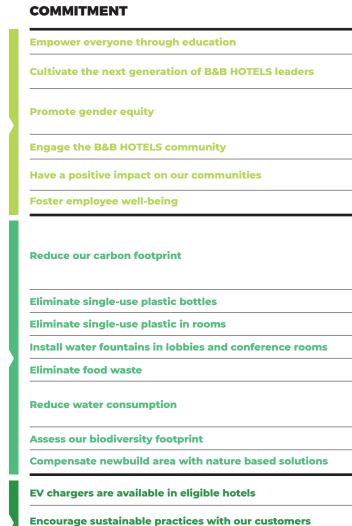


# EDUCATION DEVELOPMENT & LEARNING DE&I AWARENESS VOLUNTEERING WELL BEING CLIMATE



**AWARENESS** 

**SUPPLY CHAIN** 



**Encourage sustainable practices with our suppliers** 



INDICATOR	2023	OBJECTIVE	DEADLINE	ODD	ESRS
Number of student enrolled at the B&B Academy	27	1,000	2030		S1 S2 S3
Number of training hours per employee	5	8h/year/employee	2025		S1
% of women in management positions	43%	45%	2026	5	S1
% of women in executive positions	45%	45%	2026		31
% of employees trained on DE&I and climate issues	Starting	100% employees	2025	8	S1
Number of volunteering days	Starting	One day volunteering for each employee	2024		S1 S3
% employee engagement	64%	67%	2024		ТВА
% reduction of scope 1 & 2 absolute emissions	Trajectory defined	-50% vs 2019	2030		
% reduction of scope 3 absolute emissions	Trajectory defined	-28% vs 2019	2030	-	E1
% of green electricity use	78%	90%	2030		
% rooms without Single-Use Plastic (SUP)	100%	100%	2024		
% hotels without plastic bottles	Starting	100%	2030	12	E2 E5
% hotels equipped with water fountains	Starting	100%	2025		
% hotels with food leftovers donation programme	30%	100%	2030	13	
% rooms equipped with water limitation features	Measurement underway	90%	2030		E3 E5
Develop water reduction target	Starting	-	2025		
Develop biodiversity impact measurement	Pilot launched in Paris area	-	2025		
% of newbuild surface compensated	Starting	100%	2030		E4
% of hotels equipped with EV chargers	31%	100%	2025		E1
Sustainability content available in all our hotels offering e-concierge services	Starting	100%	2024	17	<b>S4</b>
Number of strategic suppliers signing our Sustainable Purchasing Charter	Definition of strategic suppliers ongoing	100%	2025		G1







WELCOMING PEOPLE MEANS WELCOMING POTENTIAL.
WE NURTURE THE TALENTS OF OUR EMPLOYEES THROUGH
EDUCATION, DEVELOPMENT PROGRAMS, INCLUSION,
DIVERSITY AND MOBILITY. WE EXTEND THIS TO
OUR COMMUNITIES THROUGH VARIOUS INITIATIVES.

43% women in management position

8,500
hours of online and offline training completed by B&B HOTELS staff

youth from underserved areas joined the first class of the B&B Academy







**Recruitment in the hospitality** industry has become increasingly challenging in the wake of the pandemic, but the need for well trained and engaged employees to deliver exceptional service remains critical, Martin Hirsch, Executive Vice President of Galileo Global Education. and Georges Sampeur, Chairman of the Board of Directors of B&B **HOTELS**, share their perspectives on the evolving challenges in the hospitality labor market that have led to a collaborative initiative to invest in people and promote diversity and inclusion, the B&B Academy.

#### What trends do you see at play in the world of education and how do they relate to B&B HOTELS' recruitment challenges?

MH: There is a shift toward more sufficiency and responsive approaches to education, driven by the evolving needs of students, industries, and society at large. In sectors such as hospitality, there is a need for professionalization and industry partnerships to address talent shortages. Programs must also adapt to evolving industry needs by incorporating sustainability issues and offering flexible career pathways.

**GS:** There is a strong emphasis on lifelong learning and professional mobility, as well as the acquisition of practical skills that are directly applicable to the job. B&B HOTELS' response is to offer practical programs, such as the B&B Academy, tailored to our specific needs and those of the industry. We also offer internal training programs and development opportunities to cultivate our talent pool.

# Encouraging career progression within the company is indeed an important lever for attracting and retaining talent. How can training facilitate this?

**GS:** Most of our hotels are managed by Mandate Managers, which is a very attractive system because there's no capital investment or operating costs. All of our Mandate Managers follow a turnkey training program to help them get started, and we've had great success stories, such as one Mandate Manager who started as a night watchman and ended up managing several hotels.

MH: What's unique about the approach we've taken with B&B HOTELS is that we've worked on a professional program that creates a direct path to employment. It also gives a state diploma, so students not only have access to a job, but they also have the opportunity to go on to higher education, which is a very attractive proposition for students who are not very academic.

## Why did you choose to recruit a majority of students from underserved neighborhoods?

MH: This idea was born out of the difficulty of recruiting young people in the Paris region whether in Galileo schools or B&B HOTELS. It's an area where there's high unemployment, access to higher education is more difficult, and there are commuting issues. As there are many B&B HOTELS in the suburbs, we saw an opportunity to offer local young people something more than small, precarious jobs. With this program they have access

to qualified jobs, a diploma financed by B&B HOTELS and a future. Today, in France, a student with a vocational baccalaureate has a 6% chance of obtaining a university diploma, with a professional curriculum such as the one we created for B&B Academy, it goes up to 50%.

**GS:** By recruiting from underserved neighborhoods, B&B HOTELS not only taps into a previously untapped pool of talent, but also contributes to the social inclusion and economic development of these communities. Investing in diversity benefits both students and the hospitality industry. We provide opportunities for education, training and career advancement that they might not otherwise have access to, opening doors to meaningful employment and long-term career prospects in a dynamic industry.

#### And tomorrow?

**GS:** We're thinking of gradually rolling out the program across France and then Europe, and adapting it to other student profiles. Offering hybrid online training could be a solution to better cover the territory and offer opportunities to young people outside the big cities who cannot afford to move to get an education. We may also need to build bridges with other hotel groups to have a wider reach and make our industry more attractive.

MH: This program is a stepping stone to other professions, to higher education, so why not imagine that after this initial degree, the B&B Academy could offer a Bachelor's degree, a Master's degree or even an Executive MBA at EMLyon, why not?

By providing opportunities for young people from underserved communities, we are addressing one of the industry's greatest challenges: attracting and retaining talent.

This type of program is fairly easy to set up; all you need is the impetus of a leader who believes that new things can be tested, and that there's more risk in doing nothing than in trying something.

#### MARTIN HIRSCH

Executive Vice President, Galileo Global Education



Chairman of the Board of Directors of B&B HOTELS

#### **Empowering everyone through education and learning**

Because some challenges can be turned into opportunities, we have chosen to be proactive in responding to the evolving landscape of the hospitality industry. We believe the best way to adapt to the increased service expectations of our guests and the challenge in attracting and retaining the right talent is to focus on education and diversity. By providing opportunities for young people from underserved communities to pursue higher education, we will have well-trained and motivated employees who will provide exceptional service to our clients, develop the next generation of industry leaders, and benefit from a diverse and inclusive team.

## Paving the way for a better access to talents

ESRS: S1 / S2 / S3

As part of our commitment to promote inclusion and diversity while attracting the best talents for our hotels, we have partnered with Galileo Global Education to create an inclusive two-year training program, specific to B&B HOTELS. The first pilot was launched in September 2023 and at the end of their training, the students will receive a BTS Tourism, an official French diploma of practical higher education.

To promote diversity, we actively recruit students from underserved areas with limited access to higher education, because we believe that bringing together individuals from different backgrounds helps everyone grow. To further this vision, we plan to open new classes in Paris, Aix-Marseille and Lyon with hybrid classes for the next academic year. Our long-term goal is to develop bachelor's and master's programs to support the educational advancement of these students and other youth.

My favorite part of being a receptionist at B&B HOTELS is greeting people, but my duties also include room checks, breakfast, and so on. It's very satisfying to be of service and I love taking care of people.

At ESG Tourism, the teachers are very competent and have inspiring backgrounds. We also had the opportunity to meet representatives from B&B HOTELS, who showed us all the possibilities for advancement and mobility, which is very exciting for the future!

#### **AMICIE PIERRE**

Trainee at B&B HOTEL Roissy Charles de Gaulle

B&B Academy first class



**2023 ACHIEVEMENTS** 

27
CONTRACTS SIGNED

+50%

LIVE IN UNDERSERVED
PARIS SUBURBS

+60%

HAVE DROPPED OUT OF SCHOOL FOR OVER A YEAR

68%

**2030 GOAL:** 

TRAIN

1000

PEOPLE FROM UNDERSERVED AREAS



#### Cultivating the next generation of B&B HOTELS leaders

**2023 ACHIEVEMENTS** 

**HOURS OF OFFLINE** 

AND ONLINE TRAINING

**HOURS PER PARTICIPANT** 

ESRS: S1

Our employee retention strategy is based on the promise that empowering our employees in advancing their careers was the best way to keep them motivated, loyal to our brand and to ensure that we have a well-trained staff. We offer self-training resources, individualized development programs, industry-leading training and, of course, provide internal opportunities.

2024 OBJECTIVE

1 full day
(8 HOURS) OF TRAINING
FOR

100% OF EMPLOYEES.

(AVERAGE)



PARTICIPANTS



#### **B&B** for U Platform

Our e-learning platform, B&B for U, is the cornerstone of our group's approach to employee training and development. The platform is open to all B&B HOTELS employees and offers more than 50 courses, available in many languages, covering essential topics such as compliance, sustainability, English language skills and essential soft skills such as public speaking and time management.

B&B HOTEL Paris Porte des Lilas (France)



#### **Employee development**

In 2022, a dedicated process to identify and develop talents was implemented. An important component of this programme, the B&B Youniversity was developed and launched in 2023. Two teams had the opportunity to experience this 10-month program in 2023 and worked on two strategic topics for B&B HOTELS: sustainability and talent attraction and retention. The results of their work and the main recommendations for improving the company's performance in these two key areas were presented to the Executive Committee at the end of the program. In 2023, a mentoring program was launched with a first cohort of more than 20 people across B&B HOTELS. The goal is to double the number of participants in the coming years.

Complementing this global framework, each region is developing tailored talent and development programs aimed at hotel staff in addition to headquarters staff.

#### **Empowering our communities**

At B&B HOTELS, we extend our commitment to the communities in which we operate. Community involvement is mainly carried out on a regional level to strengthen each hotel's local presence and respond to the needs of its communities. These regional initiatives are led by hoteliers to support local sports, medical research or cultural events. In order to strengthen this community involvement, a framework for employee volunteering is being defined at the global level with the aim of offering all employees the opportunity to dedicate one working day to a community initiative.



**ALL EMPLOYEES WILL HAVE** THE OPPORTUNITY TO DEDICATE ONE **DAY TO ENGAGE IN A VOLUNTEERING ACTIVITY** 

#### **Fostering collaboration** beyond our hotels

ESRS: **S1/S3** 

In 2023, B&B HOTFI S entered into a 3-years partnership with Wings of Change, a non-profit organization that runs a vocational hotel school for underprivileged young people in Madagascar. The idea of this philanthropic program is to provide these young people with a free 6-month program to help them find jobs in the hospitality industry so they can improve their standard of living and that of their families.

B&B HOTELS employees from France, Germany, Spain and Italy have already provided at least 3 hours pro-bono training session each week to a first cohort of students between February and July. Topics covered included an overview of the hospitality industry, customer relations, front office management, F&B, housekeeping, laundry, hotel management and more. A second cohort was launched in late 2023.

They like the fact that presenters were using the real hotel they are in and going through them because they have never been inside a hotel before. This was the best experience and understanding factor for them.

**AFSANA AMARSY** Founder, Wings of Change, Madagascar

#### **Acting Locally**

ESRS: **S1/S3** 

Local actions are a key component of B&B HOTELS' engagement approach but we also contribute more broadly to addressing the issues that the tourism industry is facing, together with all stakeholders. As such, B&B HOTELS is a member of Alliance France Tourisme. an organization created to bring together key players in the tourism industry. The main objective of the organization is to promote cooperation and the exchange of ideas among its members in order to meet the challenges and opportunities of the tourism sector. By pooling our expertise and resources, we aim to contribute to the growth and development of our industry, while influencing public policy through collective engagement with government authorities.



Wings of Change, classroom (Madagascar)

#### **Supporting Ukraine together**

**B&B HOTELS Central and** Northern Europe donated 9,000 used sheets and pillow cases to SOS Children's Village, an international charity that supports families in Ukraine and a local school committed to the inclusion of disabled children.



#### **Acting locally** in Marseille

**B&B HOTEL Marseille Prado** donated food to the association people in need, B&B HOTEL **Marseille Parc Chanot donated** bed linen to the Contact Club. an association that helps young people in Marseille



Au Cœur de l'espoir, which helps and their families.

#### **2023 ACHIEVEMENTS / WINGS OF CHANGE**

**STUDENTS** 

**B&B HOTELS EMPLOYEES INVOLVED** 

**TRAINING SESSIONS**  **HOURS OF TRAINING PROVIDED** 



## **Promoting diversity,** equity & inclusion

ESRS: **S1/S2** 

People are at the heart of everything we do and everyone is welcome at B&B HOTELS.

Our goal is to empower individuals to reach their full potential based solely on their merit, skills and abilities regardless of ethnicity, social background, religion, gender, age, disability, marital status and education to drive the global expansion of our company.

Our Diversity, Equity, and Inclusion (DE&I) policy, in line with the UN Sustainable Development Goals and international labor regulations, applies to all B&B HOTELS employees, mandate managers and franchisees in all regions and countries. We also actively promote the application of this policy throughout our value chain.



## Raising awareness through virtual reality

As part of the European Week for the Employment of People with Disabilities, B&B HOTELS France employees took part in a disability awareness workshop. Using virtual reality, they experienced what it means to be disabled in the workplace and were encouraged to reflect and take long-term action.

B&B HOTELS France works with institutions employing disabled people who have a reduced capacity of work or social enterprises that employ at least 55% of disabled people.



2023 ACHIEVEMENTS

#### Formalisation of Charles Buyers

OF GROUP DIVERSITY,
EQUITY & INCLUSION POLICY

43%

#### WOMEN

in management position

45%

#### WOMEN

in the Executive Committee



2025
OBJECTIVE

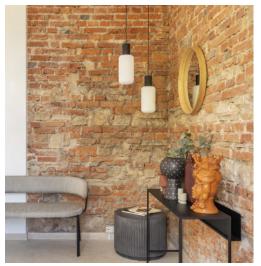
100%

**MANAGERS** 

trained in DE&I issues



Sébastien ALANIQUE, mandate manager B&B HOTELS Mulhouse Centre & Ile Napoléon (France







B&B HOTEL Lisboa Montijo (Portugal)



## Feeling good, comfortable and safe at B&B HOTELS

ESRS: S1/S2/S4

We are known for our affordable and comfortable accommodations. Offering a warm welcome is part of who we are, whether it is for our customers or for our employees.

#### **Cultivating our values**

Well-being at work is key to retaining our best talent, and to achieve this we are guided by our values of empathy, improvement, inclusion, integrity and smart simplicity. We conduct an annual employee survey to measure our performance against our values, which our employees say create a positive working environment. The quality of relationships within the company, especially with direct managers, is good and the dynamism of the business model inspires confidence in the future.

## Fostering well-being at work

At B&B HOTELS, we encourage a better work-life balance with flexible working hours but also with remote working policies in our different headquarters. Health is also a key priority, both physically through a company subsidy for gym membership, healthy lunch options, and mentally with a dedicated hotline for employees who need psychological support. Financial incentives such as profit sharing and bonus plans are also awarded to employees who achieve specific company goals.



B&B HOTEL Milano Central Station (Italy)

## Ramping up for safety and security

Our commitment to the well-being of our guests, employees, and staff extends beyond a warm welcome. Feeling safe is part of feeling comfortable, which is why safety is a priority in all of our hotels.

A Security and Safety Department was created in 2023 to ensure hotel tranquility for customers and employees in France, Belgium and Switzerland.

Their first task was to create a roadmap to prevent damage to people, property and reputation. It includes a situation audit, process definition, training, communication, protective equipment and hotel renovations.



EMPLOYEE SURVEY
CONDUCTED BEGINNING
2024

PARTICIPATION:

**79%**VS 60% LAST YEAR

**OVERALL ENGAGEMENT RATE:** 

64%



# FOSTERING SUSTAINABLE FNGAGEMENT

We will drive change by raising awareness and engagement on sustainability among all our stakeholders. In 2023, we launched several engagement initiatives and programs to act as a catalyst for the implementation of our sustainability strategy. In 2024, we will expand our awareness and engagement efforts to include everyone from our employees to our customers.





## Engaging OUR CUSTOMERS





Through onboarding materials, training and communication, we encourage our employees to integrate sustainability issues into their daily work.

#### **2023 ACHIEVEMENTS**

- · CSR manifesto in welcome pack
- CSR training on B&B for U platform
- On-site sustainability communication (CSR manifesto and eco-friendly practices)
- Climate Fridays: 1 Climate Fresk organized each month
- CSR Day in Germany: B&B HOTELS Central & Northern Europe headquarters employees planted 1,000 trees and built 4 tiny houses for homeless people

#### **2025 OBJECTIVE**

TRAIN ALL OUR EMPLOYEES ON CLIMATE AND DEI ISSUES (HEADQUARTERS AND HOTELS).



#### Promoting environmentally responsible behavior

All of our hotels have signage encouraging guests to behave responsibly, such as not requesting daily towel changes, turning off lights when leaving the room, using the waste sorting bins, etc.

## Connect with our customers through e-Concierge service

The e-Concierge service gives guests access to practical information directly from their room TV. They benefit from a personalized welcome and have all

#### **2023 ACHIEVEMENTS**

SERVICE IMPLEMENTED IN

OF THE HOTELS

#### **2024 ACHIEVEMENTS**

SERVICE IMPLEMENTED IN

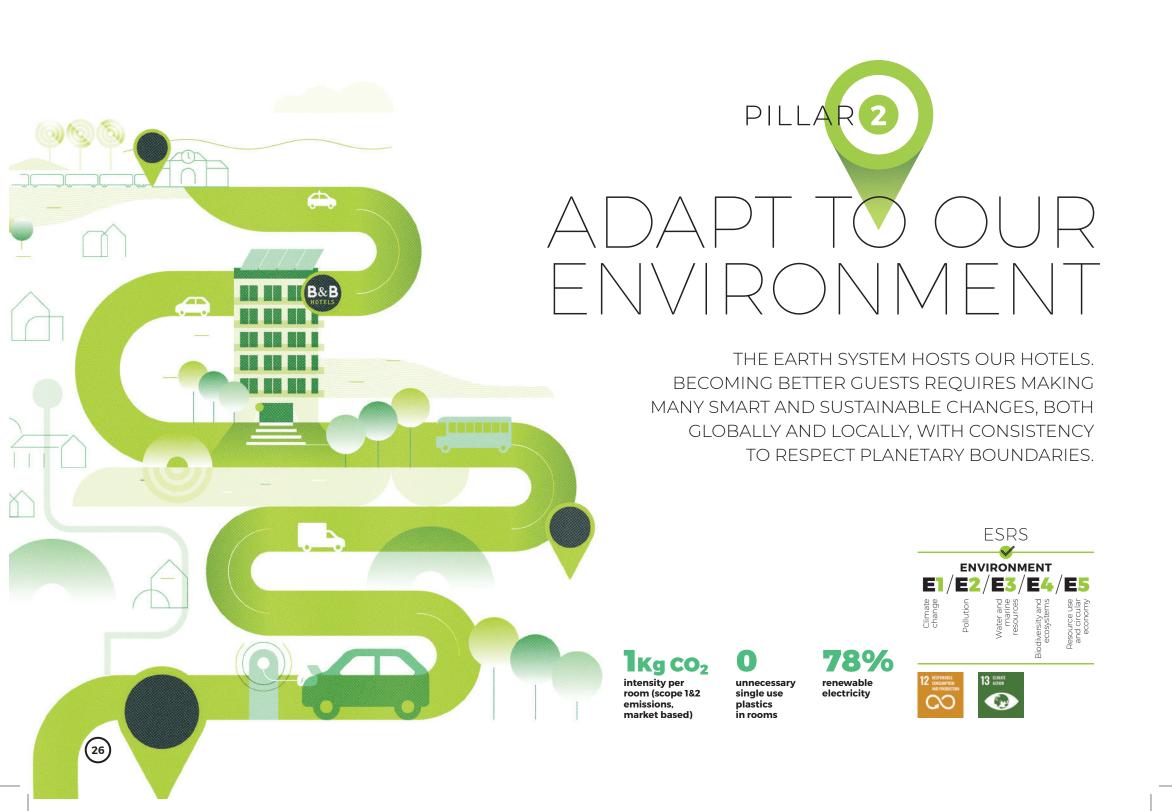
100%
of the hotels

IN GERMANY AND ITALY

the information they need for their stay: how the hotel works, nearby restaurants and local attractions, etc. Through this service, we are starting to engage with our guests on sustainability, presenting the sustainability actions implemented at hotel level, highlighting sustainability oriented services or activities in the neighborhood, but also with the objective to provide access to educational content on environmental and social issues, such as climate change, next year.

#### Client reviews: an opportunity for progress

We use the TrustYou platform to manage customer reviews, which are categorized by topic and processed accordingly. Any environmental or social concerns raised in these reviews are taken into account to improve our approach to sustainability.



To meet the sustainability imperative, we must rethink our hotels and the way we operate and maintain them. This is a collaborative process that involves all of our stakeholders, from our real estate partners to our customers. We have asked two of our partners, Tugdual Millet, CEO of Covivio Hotels, and Rainer Strauch, Managing Director and CTO of CREE Buildings to share with us their approach to sustainability and their commitment to achieving sustainable buildings.

The European building aims to become carbon neutral by 2050. Achieving this will require the cooperation of all players in the sector. What is your strategy to foster this cooperation and what role will your partnership with B&B HOTELS play?

TM: Our strategy focuses on 3 levers: sobriety, investment in sustainable technical equipment and improved building insulation, and we can't succeed without partnering with our tenants to align our goals and strategies. This is what we have started to do with B&B HOTELS. For example, we have to replace old gas boilers in Germany. To make a decision, we need to define whether a new gas boiler is more sustainable given the German energy mix. If the heat pump is a better option, who pays the premium, given that it adds value to the building and reduces utility costs? It's a step-by-step process, and we're still working on smart ways to accelerate the transition.

RS: CREE is based on a collaborative system. The partnership with B&B HOTELS gave us the opportunity to build our first hotel and the first timber-hybrid building in the Iberian Peninsula. We have also developed a partnership with a local construction company, Casais, that allows

them to deliver buildings with significantly less embodied carbon. Our innovative technology minimizes the use of carbonintensive concrete and steel, as well as construction site waste, by using prefabricated modules, thereby reducing material use and transportation.

The Guimaraes project was such a success that we are building a second B&B HOTEL near Madrid.

## The common perception is that a green building is cost-prohibitive, but is it really if you look at the whole life cycle?

**RS**: If you only consider the cost of raw materials, it certainly looks prohibitive. In fact, a cubic meter of wood is 5 to 10 times more expensive than a cubic meter of concrete. However, when working with a systematized construction technique like ours, we reduce the overall material volume. Since everything is prefabricated, we also take less time to build, we need fewer workers, and we have fewer unexpected or hidden costs. Again, collaboration is key; if we design the building together with the client, which we did with B&B HOTELS, we can come up with a sustainable building at an acceptable price. And then you need to consider the operating costs: a sustainable building is definitely cheaper to operate than a traditional building.

TM: There's a natural incentive to cooperate to optimize energy and water consumption and, more generally, maintain the building. In other words, tenants expect us to deliver sustainable buildings and we expect them to commit to educating their staff and customers, albeit with some complexity regarding the latter. B&B HOTELS takes a systematic approach to applying best practices.

# In line with UN and European objectives to achieving «zero net artificialization of land» by 2050, how do you see the real estate sector evolving and how will this impact players like B&B HOTELS?

TM: It is usually more sustainable to renovate or repurpose an existing building than to build a new one, the authorities are pushing in this direction because the office market is evolving a lot and there's enough existing heritage to develop on. It is however not always easy and operators will need to be increasingly flexible to adapt to buildings that might not exactly meet their brand's requirements.

RS: The main problem with existing buildings is that they're often not designed to be repurposed, and there's no choice but to demolish and rebuild. In this case, the idea is to avoid making the same mistake by designing modular buildings with adaptable floor plans. In the case of

a greenfield project, the use of high-quality wood in the structure can contribute to forest biodiversity and thus compensate for land use. Increasing the demand for this type of building product can help shift managed forests from monoculture to more responsible forestry. This is what we are trying to achieve with partnerships like the one we have with B&B HOTELS.

The only choice is sustainable investment. Property appraisals are gradually incorporating the new regulations, so that soon there will be only one standard. The question won't be whether a project is more or less expensive, but whether it's sustainable or not and if it's not, it won't happen.

#### **TUGDUAL MILLET**

B&B HOTELS don't just talk about sustainability, they do it and want to emulate with projects like the hotel we built for them in Guimaraes. People think they'll lose their competitive edge if they share their knowledge, but we're all in this together to make the planet a better place. It's a change of mindset.

**RAINER STRAUCH** 



**CEO of Covivio Hotels** 



**RAINER STRAUCH** 

Managing Director and CTO of CREE Buildings



#### Reducing our carbon footprint in line with science

As a hotel chain with more than 760 hotels, we can leverage large-scale environmental initiatives. That's why we have set ambitious science-based targets to reduce our Scope 1, 2 and 3 CO<sub>2</sub> emissions by 2030, using the methodology of the Science Based Target Initiative (SBTi). This climate trajectory, aligned with a 1.5°C pathway and currently under review by the SBTi, has been made possible through a carbon footprint assessment of our hotels, headquarters, and key suppliers to have a good understanding of the drivers behind our most carbon-intensive activities.

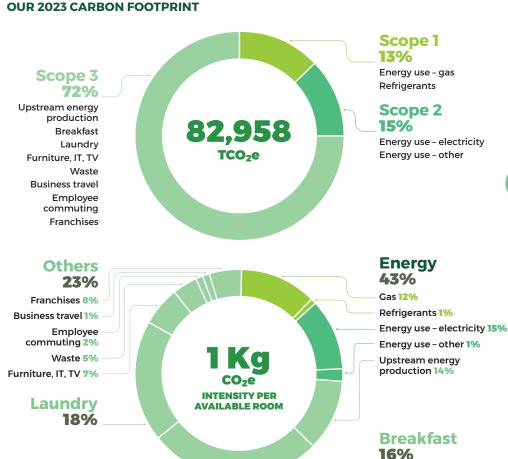
#### **Our climate strategy**

ESRS: E1

#### **Our climate footprint**

After an initial carbon footprint assessment in France, Germany, Italy and Spain in 2022, we have extended the assessment to all our hotels, regions and activities in 2023, while strengthening the methodology and improving the scope and granularity of the primary data collected.

Thanks to our very lean and efficient business model, this first assessment has revealed one of the lowest carbon footprints in the industry, with only 1 kg of CO<sub>2</sub> per available room, thanks to energy efficiency measures and the extensive use of electricity from renewable sources. However, if we want to align with the carbon trajectory defined by the Paris Agreement, we need to go further and accelerate our efforts in terms of energy efficiency, energy mix, but also working with our main suppliers when it comes to laundry or breakfast.



#### Our climate trajectory

Having identified our main sources of emissions, we have developed our decarbonization trajectory for 2030 using science-based methodologies as defined by the SBTi and in line with the trajectory set out in the Paris Agreements. We have also identified the key actions and associated investments that will enable us to achieve these objectives.



## French regulations set ambitious targets and monitoring requirements in tertiary buildings

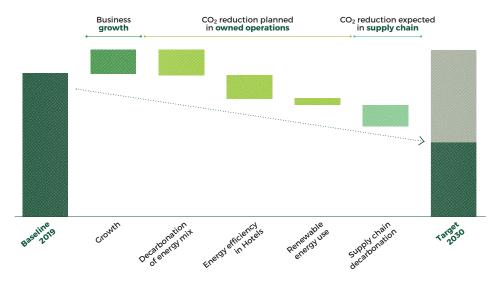
Considering that buildings account for 44%<sup>1</sup> of the total energy consumption, operators of buildings larger than 1,000 m<sup>2</sup> in the tertiary sector are required to reduce their energy consumption (base 2019, Décret Tertiaire):

- -40% by 2030
- -50% by 2040
- -60% by 2050

Recognizing the importance of intelligent energy management, the regulator also requires the installation of automated building control systems (Decree BACS).

1. French Ministry of Ecological Transition, 2021.

#### **OUR CLIMATE TRAJECTORY**



#### Our climate ambition roadmap

#### **Scope 1&2**

#### Emissions related to energy use

We have already started electrifying heating and cooling systems in hotels in France, Germany, Spain and Italy and increasing our use of certified renewable electricity to reach 78% of total electricity consumption by the end of 2023. Energy efficiency is also one of the key drivers of scope 1&2 emissions reduction and is concretely translated into three main actions: close monitoring at hotel level, best practices sharing and energy efficiency retrofits.

We have issued energy sufficiency guidelines to all our hotel managers to help themapply best practices such as

- Maintain temperature at 19°C (17°C for unoccupied spaces).
- Turn off the lights in unused spaces and at night.
- Turn off exterior lights between 1 a.m. and 7 a.m.
- Optimize heat pump production set points according to outdoor conditions.

We promote sustainable practices to our guests with messages in their rooms asking them to turn off lights and heating/cooling systems when they are not in the room and to waive towel change and/or room cleaning.

#### **Scope 3** Emissions related to supply chain

Unlike Scope 1&2. Scope 3 emissions are largely beyond our direct control. Reducing Scope 3 emissions requires working with our suppliers to identify the key drivers and agree on a reduction path, which is why we have started working on a sustainable responsible purchasing policy to encourage such sustainable partnerships. For example, in addition to supplier efforts for laundry activities, we are engaging with our customers to optimize the quantity of sheets and towels that require cleaning. For guests staying longer than one night, we systematically offer the option to waive cleaning and provide incentives to choose this environmentally friendly solution.

We are also taking action to raise awareness with our customers. For Sustainable Gastronomy Day, 300,000 paper napkins with a creative design aimed at raising customer awareness of sustainable eating habits were donated for the restaurant and catering market, to be distributed in all German B&B HOTELS.

#### **OUR CARBON TRAJECTORY**

**SCOPE 182:** 

-50%

ABSOLUTE EMISSIONS

between 2019 and 2030

SCOPE 3:

**-28%** 

ABSOLUTE EMISSIONS

between 2019 and 2030



#### Help change eating habits

Breakfast buffets are evolving to include more local and organic products and less meat and dairy. This will help us achieve two objectives:

- make progress toward our climate goals.
- offer our customers a healthier breakfast.



Solar panels in B&B HOTEL Heidelberg (Germany)

**TOTAL ENERGY CONSUMPTION:** 

235,000 MWh

70% ELECTRICITY 25% GAS

5% OTHER

#### **Embracing the circular economy**

**ESRS: E2/E5** 

Circularity is about designing things efficiently, using materials wisely and taking a life-cycle approach. B&B HOTELS' business model is lean by design: by streamlining operations, we minimize waste and resource consumption. The 3Rs - reduce, reuse and recycle - are an integral part of our DNA, and we are taking it one step further by working with experts and innovators to create more sustainable ways for everyone to travel.

#### **Eco-designing our hotels**

The environmental impact of a hotel, whether newly built or renovated, is driven by its design, which includes considerations such as materials used, construction methods, potential for reuse, and eventual demolition. Interior design can also make a difference through the use of recycled or upcycled materials and furnishings.



#### A hotel in Germany fully powered by renewable energy

The B&B HOTEL in Bad Hersfeld, Germany, has been retrofitted with photovoltaic panels that produce 100% of the energy used by heat pumps for heating and cooling, allowing the hotel to reduce its carbon footprint and pave the way for other hotels to implement similar renewable energy solutions.

## A systematic approach to sustainable renovation

There are two sides to sustainable renovation. First, there's the need to renovate for more efficient buildings, but the way you do it is also important. That's why we are gradually integrating the 3Rs into all our renovation projects. We are implementing various best practices such as:

B&B HOTEL Guimarães (Portugal)

Floor recycling agreement in France:
 We renovated our B&B HOTEL Porte de la Villette in Paris and through a partnership with Gerflor, 914 kg of scrap was recovered and reintegrated into the production of 288 m² of flooring.

Floor recycling agreement in Spain:
 An agreement has been signed with Tarkett ReStart to recycle installation scraps and old vinyl flooring during a remodel.

#### — Building certifications in Germany:

A real estate certification process has been started for one recently taken over hotel and 4-5 sample hotels of different types and age within the last 20 years. The goal is to understand the investments needed to make the hotels more sustainable and to systematically certify the buildings.



## B&B HOTEL in Guimaraes, eco-designed from the inside out

We partnered with CREE building, a sustainable construction solutions company, and Grupo **CASAIS**, a local construction company, to build a new hotel in Portugal. Because its components are prefabricated, the building can be modeled to minimize waste. The timber hybrid structure reduces the use of high carbon concrete and steel and is more durable. The result is a more sustainable building in terms of materials. but also in terms of reusability due to modularity. A second B&B HOTEL designed with CREE technology will open in Madrid in 2024.

**60%**CO<sub>2</sub> SAVINGS

33%
MATERIAL SAVINGS

**50%** 

OF ITS MATERIAL CAN BE REUSED AT THE END OF ITS LIFE

61





## Eliminating single-use plastics from our hotels

As part of our sustainability approach, we are committed to achieving zero single-use plastics in our hotels, while working to eliminate other types of plastics and their derivatives wherever possible.

#### **2023 ACHIEVEMENTS**

- All single-use plastics have been removed from our hotel rooms, ranging from plastic amenities and samples, plastic bags, plastic bottles, plastic packaging, etc.
- Individual jam containers have been replaced by refillable glass cups on our breakfast buffets.
- B&B HOTELS in Spain are equipped with microfiltered water fountains and are referenced in the Closca app, which lists fresh water sources for everyone to come to the hotel to refill their water bottle.

#### **2024 OBJECTIVES**

 Initiate elimination of single-use plastics items throughout the hotel (lobby, meeting room, breakfast items, etc.) and promote the installation of water fountains in the lobby and meeting rooms.

## Piloting an innovative waste management system to foster recycling

To reduce the amount of waste we generate and increase the amount we recycle, we must first understand and monitor the types and quantities of waste each hotel generates. A more detailed understanding of what goes into the bin will help us determine the best waste reduction and management program.

In 2023, we launched a pilot waste assessment program with our partner Take A Waste in 8 hotels in France. We analyzed our waste production, collection flows, recycling rates and the different ways to optimize our waste management.

#### **2024 OBJECTIVES**

- Roll-out in other French regions
- Implement similar programmes for other regions

## Tackling the food waste issue

Even though we carefully manage our inventory, buy exactly what we need, and precisely measure the amount of food on our buffets, we can still have leftovers. So we partnered with Too Good To Go to make sure that unsold food doesn't go to waste.

#### **2023 ACHIEVEMENTS:**

182
HOTELS JOINED
THE PROGRAM IN
GERMANY, AUSTRIA,
SPAIN, FRANCE,
POLAND AND
PORTUGAL

~42
TONNES OF FOOD
RESCUED

TONS OF CO<sub>2</sub> AVOIDED, EQUIVALENT TO 82 FLIGHTS FROM PARIS TO NEW YORK Breakfast B&B HOTELS (Germany)



#### **Addressing water scarcity**

ESRS: E3

46% of the world's population does not have access to clean water<sup>1</sup>. This is a critical issue for local communities, but also for the hotel industry, as it directly affects the availability of resources needed for operations and the attractiveness of a destination. As a key stakeholder, we can make a significant impact through vigilant monitoring, encouraging responsible behavior and installing water-saving devices.

#### Install water saving and monitoring devices

All our rooms are equipped with water saving devices (tap aerators, double flush toilets, etc.) and water recycling systems are currently being tested in some of our hotels (rainwater use for toilets or for watering landscaping). In addition to these features, a close monitoring of water consumption through smart meters is implemented at hotel level in order to be able to act promptly if we identify potential issues (water leak for example).

#### Raise awareness and involve our consumers

Raising environmental awareness can have a positive impact on people's behavior. Therefore, we encourage our guests through nudges and stickers in all hotel bathrooms to be careful with their water consumption and, for example, to keep their towels for another day. In Spain, an extra set of towels is provided in the room in a cloth bag, and it's up to the guest to use it or not. In Germany, guests can waive room cleaning for stays longer than one night and the proceeds are donated to SOS Kinderdorf. a local charity (71,000 € donated in 2023).



#### A gamified experience of water sufficiency

We launched a pilot in a dozen hotels in France, Italy and **Germany with Luniwave**, a solution provider that has developed a system to help hotel guests become more water conscious and save water. Upon entering the shower, the user selects a goal on the screen. **During the shower, an LED** indicator measures the shower time and at the end, the user's savings are displayed on the control screen.

LUNIWAVE **ACHIEVEMENTS** 

CONSUMPTION











- 1. UN World Water Development Report 2023.
- 2. Compared to average hotel consumption calculated by ADEME (French ecological transition agency).

#### **Preserving and restoring biodiversity**

ESRS: E4

As one of the largest and fastest growing sectors in the world, tourism is a major consumer of key resources - energy, water, land and materials (such as fossil fuels, minerals, metals and biomass) - with significant environmental impacts, including biodiversity loss. On the one hand, biodiversity is vital to tourism, and on the other hand, the conservation efforts of many destinations are largely dependent on tourism revenues. Tourism connects people with nature and can promote environmental stewardship and conservation if managed sustainably. For this reason, and because of the links between climate and biodiversity issues, we have decided to make biodiversity one of the key priorities of our environmental strategy.



#### On the Bee Path in Ljubljana

The City of Ljubljana and the Ljubljana Tourist Board have created the Bee Trail. an educational beekeeping trail for tourists and locals that connects the most important beekeeping sites in Liubliana. B&B HOTEL Ljubljana Park is one of them, with its beehives on the roof, contributing to the preservation of the city's natural and cultural heritage of beekeeping.



As a first step, we are conducting an in-situ study at one of our largest hotels in the Paris region to measure the impact of our activities on biodiversity and define a series of concrete actions to improve the hotel's capacity to restore biodiversity using nature-based solutions.

This study will be linked more globally to a compensation system for the Group's new build projects, in particular by using the existing network of hotels to create biodiversity reservoirs. We will work with ecologists and experts to define robust measurements to quantify this increase in biodiversity.



#### **2024 OBJECTIVES**

Mapping of our hotel portfolio. Different actions will be taken depending on whether they are located in an urban area or in a protected area. This will allow us to define a list of priority hotels to be addressed in 2024-2025.





**Interview** 2023 Sustainability Report

In a world where travel is synonymous with immersive experiences, the hospitality industry is undergoing a dynamic transformation. Travelers try to align their values and aspirations, and certifications are becoming a beacon of trust and quality, while guiding professionals toward sustainability and accountability. Camilla Garcia-Quijano, Co-Chair of B Lab France, and Roi Ariel. **General Manager of the GSTC, share** their thoughts on how certifications are pushing the industry to find innovative ways to meet travelers' expectations and benefit communities and the planet.

#### How do consumers' attitudes toward sustainability change compare to their actual purchasing behavior, and what role do certifications play in bridging the gap?

CGQ: It's a difficult question because if you look at all the studies, you always see the same trend: consumers are asking for more responsible products, they say they're willing to pay more, they think it's increasingly important. But in reality, there's no concrete translation. Although there's a gap between what we say and what we do, it still shows a positive evolution of mentalities. Stronger, more recognized certifications could help drive consumer action, and that's where B&B HOTELS has a role to play with its promise to make sustainable travel accessible for all.

RA: If you look at the last Booking.com survey on sustainable travel, you see that people are looking for environmental certifications when they plan their trips, but they don't understand them. There are 42 GSTC criteria that hotels must meet to be considered sustainable. As a customer, vou don't experience all of them. You usually notice the absence of single-use plastics in

your room or the nudges to save water and electricity. All of this is important, but what's going on behind the scenes remains invisible, and that's where actions usually have a greater impact. That's where certifications can help aet the word out and show which business practices are truly sustainable.

#### How can certifications play a role in the transformation of the hospitality industry?

RA: By providing a framework, certification standards serve as a guide for how to approach sustainability. The GSTC Criteria serve as the global standards for sustainability in travel and tourism. They are the result of a worldwide effort to develop a common language about sustainability in tourism. They are available to everyone and help businesses get started. Once the process is initiated, companies can go through the certification process to make sure they are on the right track. Achieving certification is an important goal that gets everyone working in the same direction.

**CGQ:** Certifications act as catalysts for change by providing frameworks for continuous improvement, community support and the credibility of a certification recognized among conscious stakeholders. B Corp is a global community of around 9,000 like-minded companies, which benefits from the addition of new members who can help raise public awareness and increase the visibility of the B Corp label. Given their extensive reach and presence in many locations, hotel chains can have a significant impact on these efforts. Currently, only 54 hotels and small hospitality chains are certified, making the recent certification of B&B HOTELS Spain a notable step toward greater representation in the industry... B&B HOTELS can lead the change by being a pioneer among the few certified players in the tourism sector

#### How could a company like **B&B HOTELS benefit from** being certified?

CGQ: I see 3 main reasons. The first is that tourism is an incredibly powerful tool to help people understand the current challenges we face, because everyone stays in a hotel at some point. The reach is incredible. Second, because engaging in the certification process creates a real momentum for internal change, it is a momentum for internal transformation. And finally, because consumers and partners are increasinaly interested in ESC issues. In the future, the only companies that will survive are those that have taken a positive approach to

sustainability, because it requires a change in your business model and your value proposition, which won't happen overnight. It's no longer about anticipation, it's about

RA: Indeed, the guestion is not just whether B&B HOTELS should be certified, but also which certification to choose. With hundreds of different sustainability labels available worldwide, this can be difficult. B&B HOTELS has taken a special approach by working with SOCOTEC that has developed a GSTC-recognized standard that is tailored to the hotel industry and takes into account the economic, social and cultural impacts of tourism

 $\overline{m{v}}$  It's important for a company to recognize the authentic reasons for embarking on the certification journey; it should be a sincere effort with a commitment to making a measurable impact. If the motive is simply to gain a competitive advantage, without a true understanding of the purpose, the initiative is unlikely to succeed.

**CAMILLA GARCIA-OUIJANO** 



CAMILLA GARCIA-OUIJANO

Co-Chairwoman B Lab France

General Manager, Global Sustainable Tourism Council (GSTC)

#### **Continuously innovate together**

## How do you see the evolution of sustainability certifications and the strategic approaches that organizations are taking?

RA: The certification sector is evolving towards greater credibility and accountability. This shift is being influenced by increased regulation, particularly from the EU, and a heightened awareness of environmental issues. In addition, companies are pushing for stronger standards and better verification processes for sustainability certifications, partly because of increasing legal action against misleading environmental claims.

CGQ: But regulation is not standardization. Some certifications are complementary, and the choice of one or more depends on what the organization is looking for. For example, B Corp considers the entire organization with a holistic vision of the value chain and a commitment at all levels of the company. For B&B HOTELS, B Corp certification adds a broader environmental and social responsibility framework to the technical assessments SOCOTEC provides for each individual hotel. This approach ensures the involvement of all stakeholders in the certification process, making it a collaborative effort that extends beyond the technical experts to every member of the organization.

While the role of customers in sustainable practices isn't always clear, hotel chains such as B&B HOTELS have the influential power to lead change. Taking a proactive approach not only reduces the decision-making burden on guests, but also has a significant, cumulative impact.

**ROI ARIEL** 



## **Pursuing our journey towards sustainability excellence**

Certifications guide companies towards sustainable practices and provide a framework that aligns with growing consumer expectations. By adding credibility to sustainability initiatives, they promote continuous improvement and encourage community collaboration. At B&B HOTELS, we use certification processes to refine our sustainability goals, align our internal practices and transparently communicate our commitment to responsible tourism.

## Certification as a driver of transformation

ESRS: G1

B&B HOTELS Spain's B Corp certification is an important step in our commitment to creating positive value. After a two-year transformational process, we have aligned our business model with the highest standards of social and environmental responsibility. Achieving B Corp demonstrates our commitment to sustainability and brings meaningful change to the hospitality industry.

#### Certified



Corporation

#### **2023 ACHIEVEMENTS**

B&B HOTELS IN SPAIN ACHIEVED B CORP CERTIFICATION

**2024 OBJECTIVES** 

ACHIEVE B CORP CERTIFICATION IN PORTUGAL

## Developing a bespoke sustainability certification for hotels

ESRS: G1

Driven by the need for credible CSR certification for our hotels, a unique sustainable management system for the hospitality industry has been developed in collaboration with SOCOTEC, based on the GSTC (Global Sustainable Tourism Council) criteria and incorporating ISO 26000 principles. The certification process, which started with a pilot in 2022 and expanded to all countries' in 2023, evaluates the sustainability practices of each participating hotel. It offers benefits such as industry-specific recognition, increased transparency and a sign of confidence for customers who are looking for more sustainable hotels.

#### **2023 ACHIEVEMENTS**

142
AUDITS COMPLETED



670
SUSTAINABILITYCERTIFIED HOTELS



1. Except Poland and Denmark.



#### **B&B HOME**, combining sufficiency and pleasure in hotels that feel like home

## B&B HOME an innovative concept of home: open, inclusive and committed to sustainability

B&B HOME is a hotel concept designed to create a new kind of hospitality with a warm, welcoming spirit that connects travelers with the community they are visiting. We believe that finding a place that feels like home is essential to fostering genuine care. Guided by the principles of sufficiency and pleasure, we provide a welcoming, comfortable and inspiring atmosphere.

In collaboration with design and brand agency Saguez & Partners, the B&B HOME concept revolves around three pillars: sustainability, localism and long-stay hospitality. Our philosophy is to breathe life into spaces by valuing what's already there – buildings, communities and relationships – rather than starting from scratch.



#### **VALUE:**

We prioritize small, local businesses and support positive impact initiatives that inspire us. Our longstanding partnerships are with those who challenge themselves to adapt to the unique needs of each environment.

#### **CONSERVATION:**

We are committed to choosing sustainable solutions in all aspects of our business, from waste management and supplies to engaging our stakeholders in actions to reduce our environmental footprint.

#### **COLLABORATION:**

We organize fun challenges and activities to promote environmental awareness in a friendly and inclusive way. We believe in discussing serious issues without taking ourselves too seriously.

## This vision has shaped our commitments:

#### Commitment #1:

#### we say YES to second chances

We believe in happy ever afters: whenever possible, we reuse what already exists in the hotel, giving buildings and furniture a second life through smart and stylish revamping. We also source secondhand furniture and decor, while recycling what we cannot reuse.

#### Commitment #2:

#### we say NO to single-use plastics

We eliminate single-use plastics from our rooms and track them in our lobbies, bars, and breakfast buffets, replacing them with recyclable or reusable containers or providing products in bulk.

#### Commitment #3:

#### we say YES to organic and local products

Our breakfast buffet is seasonal, organic and local, with full vegetarian and vegan options, as are the selections at our bar and vending machines.

#### Commitment #4:

#### we say YES to resources sufficiency and low-impact materials

When renovating, we install watersaving systems and energy-monitoring devices. We prioritize organic and natural ingredients for bedding, amenities and cleaning products. Our design-to-cost approach also ensures we use the minimum amount of resources possible.

#### Commitment #5:

#### we are all about engaging customers with a touch of humor

Customers are encouraged to save water and energy through fun challenges, and we host sustainability events at our facilities in partnership with local organizations, which our customers are welcome to attend.

#### Commitment #6:

#### we say YES to openness, inclusion and local connections

At our B&B HOME, we welcome partners and associations that promote inclusion, education and diversity, while supporting local arts and cultural initiatives on our premises.

With B&B HOME Saint-Ouen Les Puces as our testing lab, the B&B HOME concept will continue to evolve and grow with several new locations while we further enrich and finetune the experience.



#### **But why Home?**

Because the word ecology originates from the Greek word oikos, which means home. For us, caring for the environment and our communities means living thoughtfully in the world, treating our planet as if it were our own home—because it is. We believe that genuine care begins with creating places that everyone wants to cherish.

#### Leveraging our new project as a sandbox for supply chain & operations transformation

#### ESRS: G1

Working on the B&B HOME concept in Saint-Ouen has changed our approach to sourcing, particularly in the way we renovate and refurbish buildings and update our food, beverage and shop options. Rather than renovate by changing everything, we chose to revamp existing furniture, replacing only items that were truly worn out and prioritizing secondhand finds. We also refreshed the look of the hotel with bright, vibrant colors that reflect the local style and give the space a welcoming feel.

We also redesigned our breakfast buffet to reduce carbon emissions and pollution. By prioritizing organic, local, and vegetarian products. Today, our breakfast is 90% organic and local, served with minimal disposable containers.

As part of the transformation process, we also supported partners who promote inclusion by employing people with disabilities and people who have been disconnected from the workforce.

This project required not only identifying new partners and adapting our sourcing, renovation and operational processes, but also changing our mindset. It required collaboration between our Sustainability team, which provided guidance and inspiration, and our Purchasing & Renovation team, which brought critical hands-on operational experience. Ultimately, it's the hotel teams that embody and deliver this new customer experience, making this a truly positive and transformational team effort.

#### Be smart about mobility

#### ESRS: E1

As a roadside hotel chain, mobility is central to our business model. While it is difficult for us to calculate our guests' emissions when they visit one of our hotels, we recognize the significant role that car travel plays in global emissions. We are committed to providing solutions that help reduce them by encouraging the use of sustainable transportation options.

## Promote decarbonized mobility by leveraging our extensive hotel network

We have an ambitious program to install Electric Vehicle (EV) chargers in all our hotels with parking where it is technically feasible. They will be accessible to our guests, but also to anyone who needs to charge an electric vehicle, thus expanding the network coverage of public access chargers. That's 1,500 additional chargers only in France!

Although we sometimes face local limitations due to the capacity of the distribution network operators, 31% of our hotels are already equipped and we plan to reach 100% by end 2025. This will drastically change the transportation options available to our leisure and corporate customers alike.

#### **Testing slow & smart mobility**

We have piloted bike rentals in Italy and Spain, as well as in some hotels in Germany, France and Brazil, to provide a soft alternative for our guests to explore the area around the hotel.

31%
ELIGIBLE HOTELS EQUIPPED WITH
ELECTRIC VEHICLES CHARGING STATIONS



These pilots will help us understand our guests' expectations and gain operational insights to further scale slow mobility services in collaboration with local partners.

Our e-Concierge service, a 24/7digital service accessible through our Wi-Fi portal provides our guests with all the information they need to make their stay easier, including information on local events, restaurants and activities accessible on foot or by public transportation. It will be further enriched with local soft mobility partners in 2024.



#### Enjoying a bike ride \_\_\_\_\_on the Normandy seaside

Our B&B HOTEL in Le Touquet, France, partners with local bike rental companies to encourage its guests to swap their cars, parked in the property's free parking lot, for bikes to explore the coastal landscapes on the extensive network of bike trails.



#### **Empowering customers with new approaches to sustainability**

ESRS: S4

## **Build sustainable relationships**

We want our B&me loyalty program to not only reward customer loyalty, but also foster a community of conscious travelers. We also plan to use it to engage our customers by highlighting impactful initiatives, offering educational content and providing detailed insights into the environmental impact of their stay.

## A playful splash of sufficiency

Luniwave is a start-up company that has developed a solution to reduce water consumption in hotel bathrooms. By supporting their solution, we are staying true to our values of entrepreneurship and our commitment to promoting responsible travel. We also believe that encouraging our customers to adopt sustainable practices in a playful manner is an efficient way to get the message through.

We tested the solution in a dozen hotels where we encouraged guests to provide feedback in exchange for a clean water donation to the Made Blue Foundation. The initial results were encouraging (see page 32) and we'll progressively extend the solution across our network of hotels, starting with our first B&B HOME location.

#### Sustainability as a bonus

At B&B HOTELS France, Italy and Spain, guests staying more than one night can opt out of room cleaning. In Germany, the initiative goes even further: guests can participate in supporting a charity, as the money saved by the hotel is donated to charitable organizations. This not only reduces our carbon footprint and water consumption, but also gives our guests the opportunity to contribute to our sustainability efforts.













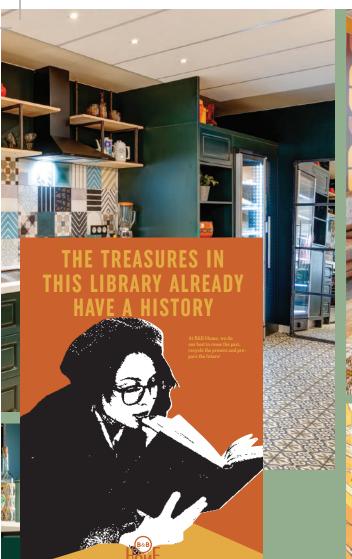
## **WELCOME AT B&B HOME.**

Fitting into a place is all about welcoming the stories and people who bring it to life with kindness, curiosity, and a touch of wonder.

At the Saint-Ouen flea market, we didn't have to look far, as the streets are teeming with initiatives that resonate with our convictions.













COMMITMENTS MADE CONCRETE

**SECOND-HAND & REVAMPED** FURNITURE **NO SINGLE-USE PLASTICS IN ROOMS & BEYOND ORGANIC** BED LINEN & PAINTING



## **3. LONG STAY**

DEDICATED LONG- STAY SERVICES

SHARED KITCHEN & LAUNDRY LIBRARY & GAME AREA



#### **SECOND CHANCES**

**Too Good to Go** 

Take a waste

Hôtels solidaires

#### **LOCAL & ORGANIC FOOD**

**Terre & Fourchette** 

Fromaville

Brasserie de Saint-Ouen

Local & vous

#### **SUSTAINABLE SPLASHES**

Castalie

#### THE SLEEP OF **THE RIGHTEOUS**

French duvets & pillows manufacturer (Living Heritage Company)

#### **LOCAL SMILES**

#### Meet my mama

#### GraffArt

art association



#### **Appendix**

#### 

**Climate Change:** covers both Climate change adaptation, the process of adjustment to actual and expected climate change and its impacts; and Climate change mitigation, the process of reducing greenhouse gas emissions and holding the increase in the global average temperature as laid down in the Paris Agreement.

#### =7

**Pollution:** the direct or indirect introduction of pollutants into air, water or soil which may be harmful to human health and/or the environment, which may result in damage to material property, or which may impair or interfere with amenities and other legitimate uses of the environment

#### =3

**Water:** covers both water consumption, amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water environment or a third party over the course of the reporting period; and water scarcity, volumetric abundance, or lack thereof, of freshwater resources.

#### E4

**Biodiversity & landuse:** the reduction of any aspect of biological diversity potentially related to a change in the use or management of land, which may lead to a change in land cover.

#### EI

**Circular economy:** an economic system whereby the value of products, materials and other resources in the economy is maintained for as long as possible, thereby reducing the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle.

#### SI

#### **Talent attraction & retention:**

strategies and processes uses to identify, engage, and hire individuals with the skills, experience, and potential to fulfill B&B HOTELS needs.It involves the efforts and practices to keep employees engaged, satisfied, and motivated to stay for the long term.

#### **Equal treatment & opportunities for all:**

equal and non-discriminatory access to opportunities for education, training, employment, career development and the exercise of power without their being disadvantaged on the basis of potential discrimination criteria.

#### **S2**

Working conditions: environment and circumstances under which employees perform their job duties. This encompasses a wide range of factors including the physical environment, work hours, employment terms, work-life balance, benefits, job security, and the presence of workplace policies that promote health and well-being.

#### **S3**

#### Communities' economic, social and cultural rights:

they refer to the entitlements that ensure communities can achieve a standard of living adequate for their well-being, development, and dignity.

**Human rights:** fundamental rights and freedoms that belong to every person in the world, regardless of nationality, race, sex, ethnicity, religion, language, or any other status.

#### **S4**

#### Clear communication and labelling:

sharing information in a way that is ethical, accurate, transparent, and verifiable

**Nutrition:** providing adequate, well-balanced food diet for good health.

#### G1

**Ethical business practices and regulatory compliance:** conduct of business in a manner that is consistent with the principles of integrity, fairness, transparency, and respect for all stakeholders. This involves also adherence to laws, regulations, guidelines, and specifications relevant to an organization's business processes.

#### Responsible and sustainable sourcing:

refers to the practice of obtaining goods and services in a manner that considers ethical, social, and environmental factors. This includes ensuring fair labor practices, avoiding exploitation, adhering to human rights standards, and selecting suppliers who operate ethically and transparently.

#### **Economic contribution:**

overall impact or value that an individual, organization, industry, or activity adds to the economy through various means such as employment generation, production of goods and services, tax revenues, and overall economic growth.

#### Data protection and privacy:

practices and regulations aimed at safeguarding sensitive information and ensuring individuals have control over how their personal data is collected, used, and shared by organizations and entities.

**Animal welfare:** well-being of animals, which includes considerations of their physical health, mental state, and natural behavior.



**Environment** 



Social



Governance