

PALLADIUM

H O T E L G R O U P

POLÍTICA DE SOSTENIBILIDAD



Palladium Hotel Group is firmly dedicated to being a socially responsible company and seeks to create a real impact on our society, on people, and on the environment where we live, always with the commitment to promote sustainable development for future generations. Our sustainability policy is aligned with the United Nations Sustainable Development Goals, complies with domestic, regional, and local legislation in each of the locations where we operate, and is adjusted to the requirements of the Corporate Sustainability Reporting Directive (CSRD). This ensures transparent and comprehensive disclosure of our sustainability practices and results.

Scope of application

“Palladium CARES” is the identity that encompasses all Palladium Hotel Group’s Social Responsibility initiatives on a global level. Our Group’s dedicated staff and the areas involved contribute to addressing major social and environmental challenges, focusing on expanding opportunities for all individuals, employees, and communities where we operate.

General principles of action

Our actions focus on aligning ourselves with and adapting to the values of Palladium Hotel Group, acting in four areas through the Abel Matutes Foundation:

OUR PEOPLE

Internal social responsibility to prioritize actions aimed at our employees, through action plans to improve their quality of life and support their and their families’ development.

OUR COMMUNITY

External social responsibility to make a lasting impact on the destinations where we are present, providing opportunities to communities and supporting them in their training and growth.

OUR PLANET

Environmental responsibility focused on protecting the planet by implementing innovation and monitoring measures to reduce the impact of our operations and pursue sustainable alternatives. This involves clear commitments to lowering our carbon and water footprint, in line with CSRD requirements, and incorporating circular economy principles across our entire value chain.

OUR COMPANY

Guarantee ethical and transparent conduct throughout all our operations, upholding accountability and full regulatory compliance. We are dedicated to actively addressing sustainability-related risks and opportunities, in accordance with the principles of the CSRD.

Our commitment

At Palladium Hotel Group, we are dedicated to embedding sustainability into every aspect of our operations. We recognize our duty to safeguard the environment, support local communities, and offer outstanding guest experiences in a sustainable way. As part of this commitment, we have developed specific policies that address challenges and opportunities in key areas such as the environment, climate change, biodiversity, the communities in which we operate, and our employees. These policies are intended to guide concrete actions, ensuring full alignment with the United Nations Sustainable Development Goals and strict adherence to the standards set by the Corporate Sustainability Reporting Directive (CSRD).

1. **Internal social responsibility:** We promote the wellbeing and development of our employees through fair labor practices, continuous training, and health and wellbeing programs.
2. **External social responsibility:** We support the economic and social development of local communities through collaboration with local organizations and the promotion of community projects.
3. **Contribution to the fight against climate change and in defense of the environment**
 - **Reducing emissions:** We are dedicated to lowering our carbon footprint by adopting renewable energy sources, using natural resource use more efficiently, and implementing advanced, energy-efficient technologies.
 - **Managing natural resources efficiently:** We promote the responsible and efficient use of water by managing our water footprint and supporting the conservation of water and marine resources.
 - **Waste and the circular economy:** We integrate circular economy principles into all our operations, fostering waste reduction, material reuse, and recycling throughout our value chain.
 - **Adapting to climate change:** We identify and manage climate change-related risks and opportunities by developing contingency and adaptation plans for our operations.
4. **Managing risks and opportunities**

We are committed to proactively identifying and managing sustainability-related risks and opportunities, including those associated with climate change, biodiversity, and social and regulatory trends. This approach allows us to anticipate and mitigate negative impacts while seizing opportunities to innovate and improve our practices.

5. Measurement, evaluation and reporting (KPIs)

We have established a system of continuous monitoring and accountability, ensuring transparency in communicating our sustainability progress. We use key performance indicators (KPIs) to measure and assess our progress in critical areas such as carbon footprint, water footprint, energy efficiency, and waste management.

6. Collaboration and disclosure

We promote collaboration agreements with the private sector, public institutions, NGOs, and other stakeholders to advance the fight against climate change and contribute to preserving the environment. We encourage the awareness and engagement of our clients and employees in our sustainability initiatives.

7. Internal education and awareness

We implement continuous internal education and awareness programs to ensure that all our employees understand and commit to our sustainability goals. This includes training on sustainable practices, the repercussions of our operations on the environment, and the role each employee plays in achieving our goals.

Good corporate governance

At Palladium Hotel Group, we are committed to upholding the highest standards of good governance, ensuring that our operations are managed with integrity, transparency, and accountability. This essential commitment to our sustainability vision aligns with the steps we are taking to adhere to the Corporate Sustainability Reporting Directive (CSRD).

Commitment to ethics and transparency

Our sustainability policy is grounded in a solid commitment to ethical conduct and transparency. All employees, from top management to frontline staff, are expected to follow our Code of ethics, which informs our decision-making and behavior. This code outlines the core principles of integrity, respect, and responsibility that should guide all our interactions, both within the organization and externally.

Sustainability governance structure

We have established a robust governance structure that ensures the integration of sustainability across all our operations. Sustainability management is led by the **Corporate CSR Committee** made up of members of the Ownership and senior management of our companies. This committee is responsible for defining and overseeing the implementation of the group's Strategic sustainability plan, ensuring that it aligns with best practices and the emerging requirements of the CSRD.

Moreover, each of our hotels has **CSR Working Groups** that comprise members of the hotel management and committed volunteer employees. These groups meet regularly to assess and promote initiatives related to internal, external, and environmental social responsibility. The **Environmental forum**, composed of quality, maintenance, procurement, audit, and sustainability directors, complements this structure. Its role is to support the integration of environmental initiatives, optimize resource management, and ensure compliance with environmental regulations, including the CSRD.

Adaptation to the CSRD

We recognize the importance of adapting to the Corporate Sustainability Reporting Directive (CSRD). We are taking concrete steps to ensure that our reporting and disclosure practices comply with the new standards. This includes the review and update of our internal processes to improve data collection and transparency in the information reported. Our goal is to ensure that our disclosures are comprehensive, accurate, and aligned with the CSRD requirements, reflecting our ongoing commitment to sustainability and good governance.

Regulatory compliance and accountability

Palladium Hotel Group is committed to complying with all applicable laws and regulations in each of our locations. We act with due care and diligence to preserve the reputation of our company, ensuring that all our activities are legal, ethical, and responsible.

We implement robust monitoring and control mechanisms to ensure that our operations meet established standards. This includes regular internal audits, periodic reporting, and independent assessments, which enable us to identify areas for improvement and ensure ongoing compliance.

Transparency in information

We are committed to full transparency in the disclosure of our sustainability performance. We publish sustainability reports that detail our progress towards established goals, ensuring that our stakeholders have access to clear and accurate information. These reports are an essential part of our good governance strategy and are being adapted to meet the requirements of the CSRD.

Stakeholder engagement and dialog

Maintaining open and active dialog with our stakeholders is fundamental to our sustainability strategy. We endeavor to understand and respond to the expectations of our employees, customers, suppliers, local communities, and regulators, ensuring that our practices reflect their needs and concerns.

Innovation and continuous improvement

We are committed to continuously innovating in our sustainability practices, adopting new technologies and approaches that enable us to improve our environmental and social impact. This culture of continuous improvement is essential for us to remain at the forefront of sustainability and ensure that we meet good governance standards while adapting to regulatory changes and market expectations.

Sustainable development goals

Our sustainability/CSR policy is aligned with the United Nations Sustainable Development Goals and must comply with the applicable domestic, regional, and local legislation in each location where we operate. It represents both a challenge and an opportunity to integrate sustainable strategies into our businesses. We focus our work on:

DECENT WORK AND ECONOMIC GROWTH

REDUCED INEQUALITIES

LIFE ON LAND

PARTNERSHIPS FOR THE GOALS



PALLADIUM

HOTEL GROUP

