



stademos hotels plc

AMARA | ELYSIUM | MEDITERRANEAN

Treasures of sustainability



STADEMOS HOTELS NON-FINANCIAL REPORT 2018

Contents

1.

2.

Welcome to the future of sustainable luxury. Message from our Managing Director

4

Our hotels

Our business model & key performance indicators

Sustainable Sustainability Goals. Our mission, vision and values

Model of operation

Know your friends.

A profile of our guests

Stakeholders

7

13

13

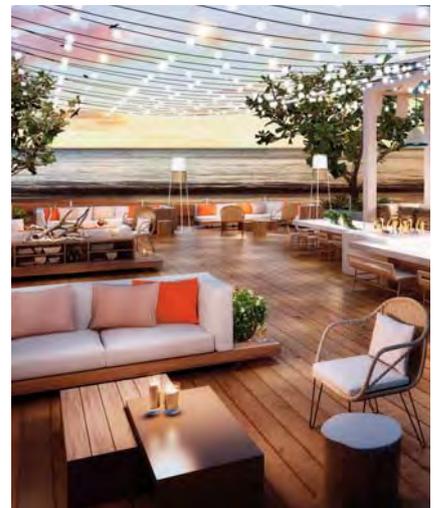
14

19

21

The Stademos Perspective. We design the future with you in the center

25



3.

Our commitment to preserving beauty

Our environmental strategy	35
CO ₂ footprint	38
Energy	39
Water consumption	43
Waste Management	44

4.

Shaping Cyprus together

The heart and soul of the company. Our employees	49
Give and take. Recruitment & retention strategy	51
Safe and fair. Our working environment	56
Community matters. Our approach to people	59

5.

Stademos – a business you can trust

Governance structure	62
Risk management	63
Ethics – rule of conduct	64

About the report **66**



Welcome to the future of sustainable luxury

Message from our Managing Director

[101, 102-14]



Dear Stakeholder,

It is my utmost pleasure to share with you our **Stademos Sustainability Report for 2018**. The aim of the report is to allow you to acquire a comprehensive understanding of not only our current approach to sustainability within our operations, but also to show you how our strategy and future plans reflect our sustainable luxury philosophy. In this report, which is our second report prepared in accordance with the core option of the international non-financial reporting standard GRI (Global Reporting Initiative) and European Directive 2014/95/EU, we will guide you through the sustainable activities in our two current hotels, and present to you our plans for our newly opened hotel, AMARA.

The aspirations of Stademos continue to remain the same. That is, to continue to create memories that will last forever and to protect, support, and empower the local nature, economic and local community. Here in Stademos, moving forward, we want to ensure that we meet and exceed our goals for sustainable luxury that is environmentally friendly and future oriented.

Since the early 1990's, when our first hotel, the Mediterranean Beach Hotel, opened its doors, our priorities have always been to improve the standards of hospitality, empower the local community, and to build hotels that evoke and proudly represent the rich Cypriot history. Today, our three already operating hotels, the previously mentioned Mediterranean Beach Hotel, Elysium, and the AMARA, cater to the growing number of all our guests, whether they are first-time visitors or returning ones. Our hotels offer luxury, modern technological solutions, and the highest level of comfort, all contextualized in the local Cypriot setting. When visiting our hotels, you will be taken on a journey through time, through the abundance of historic sites, and famous landmarks nearby. You will enjoy a harmonious blend of luxury, tranquility, and unique experiences.

This year, we are very proud to announce the opening of AMARA, our third hotel. With our ongoing recruitment of over 350 new employees, we are on our way to become one of the biggest private groups in the tourist industry in Cyprus. Our strategy moving forward is best reflected in AMARA itself. Those who visit us this year will be the first to experience the ultra lux comfort it has to offer: among others, celebrity chefs, restaurants, and a world class health spa. AMARA, however, is not only about luxury. It is also about our sustainable luxury philosophy.

As the world we live in confronts us with new challenges and opportunities, new trends emerge in the hospitality industry as well. In AMARA, as well as throughout our hotels, we emphasize our environmentally friendly solutions and carefully tailor-made guest experiences, both of which focus around providing local products, protecting our local environment, and promoting Cyprus.

In terms of sustainability, renewable energy from photovoltaics, reduction of carbon footprint, and water consumption, as well as sustainable development of our entire hotel network are the innovations that drives us towards tomorrow. We are very proud to say that we are on track to meet our 2022 Sustainability Goals, which include reducing our carbon footprint by 4.8%, our heat consumption by 8% and our water consumption at Elysium by 12%. Moreover, we are heading towards replacing 100% single use plastic cutlery, straws and plates with alternative solutions by the end of this year.

Sustainability for Stademos relates both to the environment and to social aspects. For the latter, it starts with our own people. We constantly invest in employee training, education and the satisfaction of our staff. We are also proud to empower women, which is clearly visible in the structure of our managerial staff.

We take pride in working with local suppliers, both in our day-to-day operations, but also in our building materials, such as the Kividon Stone, which we find to match perfectly simplicity and splendour. Supporting the community allows us to best provide you with the experience of the Cypriot rhythm of life.



We invite you to take the opportunity to look through this year's sustainability report and learn about sustainable luxury and social responsibility in Stademos. Considering the new opportunities and challenges that continue to arise, we want to make sure the way we do business helps to address some of the most pressing challenges and to achieve a more sustainable environment.

We also want to take this time to thank you for your continued trust, which remains record high (at a 97% satisfaction level). We welcome your input and look forward to sharing this journey with you as we invest in the future of sustainable luxury.

Demos Demosthenous, Managing Director



1.

Our hotels

“Amara, Elysium, Mediterranean...
Whichever one you choose,
we can't wait to welcome you.

At Stademos, we handpick your dreams to design
the best holiday experience ever, whatever
your travel plans may entail. Among the hundreds
rooms we have on offer, there exists at least
one you have been always waiting for”.

Christos Papamiltiadous
General Manager, Elysium

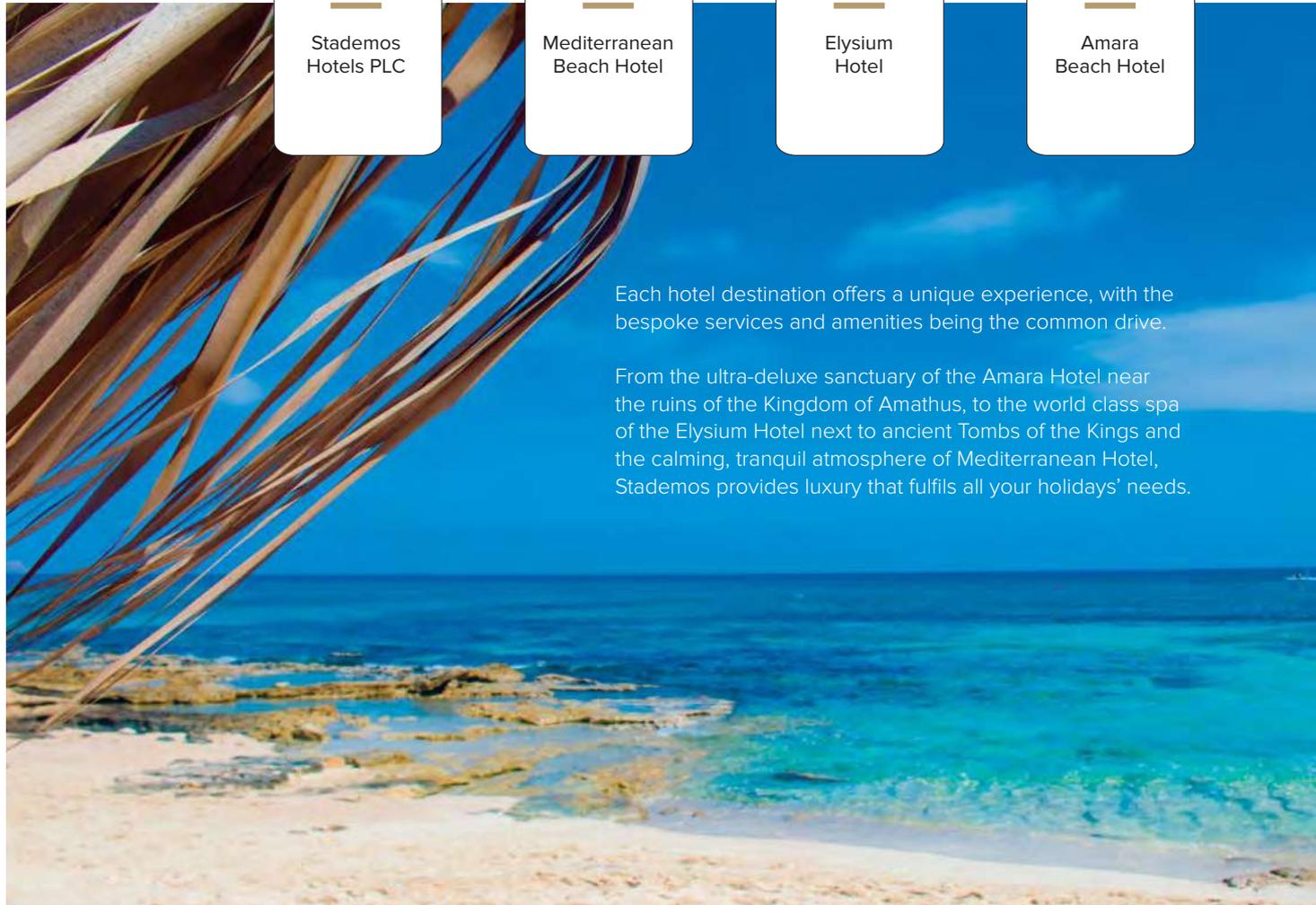
[102-1; 102-2; 102-3; 102-4; 102-6; 102-7]

Stademos Hotels PLC was established in March 1989 as a private company, armed with a steadfast vision to develop, own and operate world-class hotels in Cyprus. In 2000, it was converted into a public company – from then on, its shares are listed on the Cyprus Stock Exchange. Each of the three Stademos hotels embodies the true essence of Cypriot hospitality. Traditional elegance is uniquely merged with the exhilarating flair of modernity and innovation. These are: the four-star Mediterranean Beach Hotel in Limassol, the five-star luxury Elysium hotel in Paphos, and the five-star, Amara hotel in the Amathus area of Limassol the latest addition to the Stademos collection, set to open its doors in early 2019.

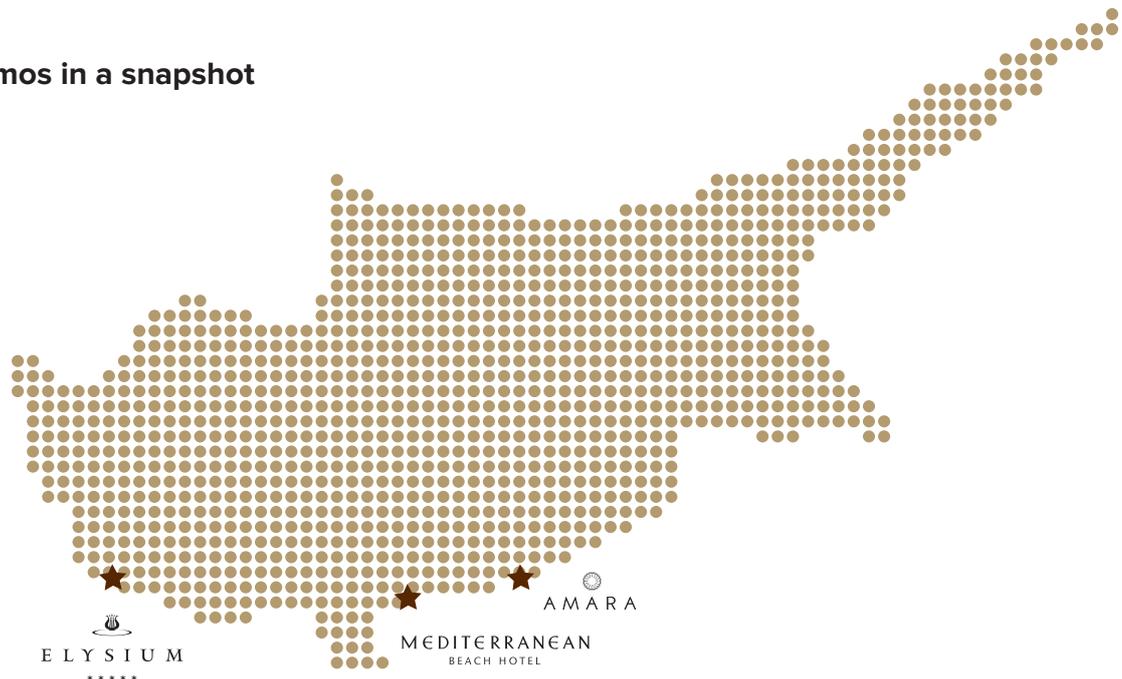


Each hotel destination offers a unique experience, with the bespoke services and amenities being the common drive.

From the ultra-deluxe sanctuary of the Amara Hotel near the ruins of the Kingdom of Amathus, to the world class spa of the Elysium Hotel next to ancient Tombs of the Kings and the calming, tranquil atmosphere of Mediterranean Hotel, Stademos provides luxury that fulfils all your holidays' needs.



Stademos in a snapshot



2

hotels
operating

579

rooms
(Mediterranean
and Elysium)

1

hotel to be
open this year

over 800

employees

over 250000

guest nights
yearly

Limassol and Paphos: catch the morning sunlight as the beach nestles into the sea

Limassol is the second largest district in Cyprus, both geographically and in terms of population. With a stunning coastline of 16 kilometres, the city is heaven for anyone who enjoys bright sunshine and crystal-clear waters, as well as for those who seek a cosmopolitan life. Its location between the ruins of the two ancient cities allows the visitors to enjoy both history and modernity at the same time.

One can admire the traditional structures of the town through exploration of archaeological sites and the old town, while remaining in the vicinity of the modern parts of the city.

The ancient city of Paphos, despite having a population of just around 27,000, is the capital of Western Cyprus. Its history stretches back to the fourth century B.C! While strolling the city, you are literally walking in the footsteps of kings. In fact, the Tombs of the Kings, which is six thousand years old is located in the city. Another reminder of the city's ancient past is the beautiful Byzantine castle. The city is located on the cliffs overlooking the water, with a beautiful harbour and lively promenade down below. By the way, did we mention that it is the birthplace of Aphrodite, the goddess of love and beauty? How fitting!

Awards for Elysium and Mediterranean Beach Hotels. A tribute to our amazing team and their dedication

We thank you for your ongoing support and appreciation. We are pleased that our efforts have been acknowledged by the following organisations through these hotel awards and honours in 2018:

- FIT Reisen Well-being Award
- Hotels.com – Most wanted
- Trip Advisor – Certificate of Excellence
- Fleetway – Best Luxury Resort
- Trip Advisor – Traveller's Choice
- FIT Premium Hotel Award
- Booking.com Guest Review Award
- Holidaycheck Award

Elysium – 5-star deluxe hotel

Elysium’s unique palatial style is primarily influenced by the Byzantine era. The cultural references of its architecture evoke the rich history of Cyprus and combine elements from Greek, Roman, Medieval and Venetian times. It’s interiors are decorated with local Cypriot art, including paintings from the artist Sotos Gonios. The hotel is situated in the historical heartland of the ancient city of Paphos next to the archaeological site of the Tombs of the Kings. It is an ideal destination for anyone who would like to explore both the historic and modern sights of Paphos. The hotel is surrounded by a harmonious landscape that inspires peace and tranquillity.

Elysium Awards BOOKING.COM

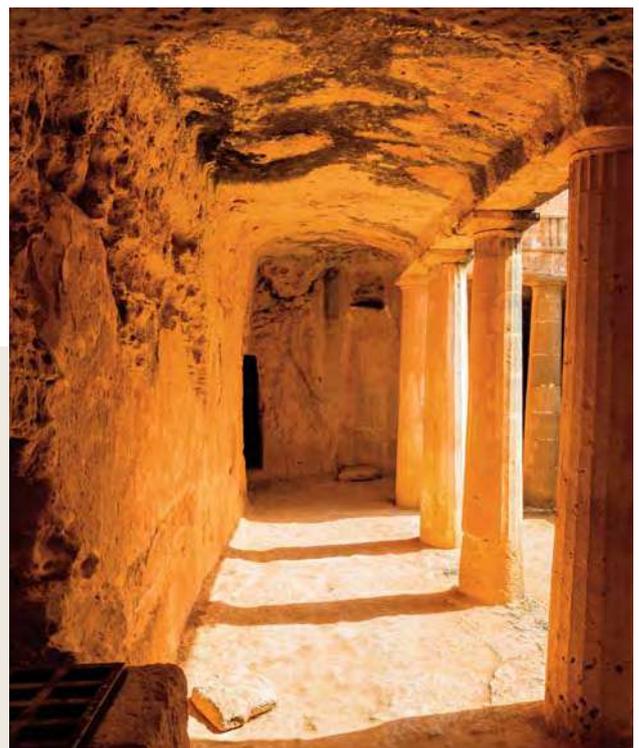
2016	2017	2018
Booking.com Guest Review Award 	Booking.com Guest Review Award 	Booking.com Guest Review Award 

We operate with flying colours

Our Elysium Hotel has received the British Airways Customer Excellence Award for 2018. The award comes from unbiased customer reviews and is designed to showcase the hotels that make their passengers the happiest. With score **9.4/10** granted by the passengers of British Airways through Reevo, Stademos hotels have been recognized for providing a high quality customer service.

The Legacy of our ancestors

The Tombs of Kings, UNESCO World Heritage Site, is an inspiring sight. Carved in stones in a desert-like landscape, these underground chambers offer a transcendental experience, dating back to the 4th century BC.



Mediterranean – 4-star superior hotel

The Mediterranean Beach Hotel is situated on the South-West Bay of Limassol and is close to the archaeological site of the kingdom of Amathus. The hotel is built with commanding sea views and incorporates a spectacular split-level swimming pool and terraced gardens that lead to a sandy, blue flag-awarded beach.

Mediterranean Awards

2016	2017	2018
Booking.com Guest Review Award	Booking.com Guest Review Award 2017	Booking.com Guest Review Award 2018

8,6
out of 10



Amara – 5-star panorama of hospitality

Amara Beach Hotel in Limassol, which opened its doors in 2019 is a 5-star luxury complex located on the beach. It offers a 180-degree view of the Mediterranean Sea. At the same time, its design respects the historical, natural and social context of Cyprus. What is more, Amara will also benefit from solar and wind power as well as grey water use. We believe we are creating a genuine value with this latest addition to our hotels.

Own the horizon. An everlasting experience

Named after the ancient Greek word Amarantos meaning “everlasting”, the Amara Hotel aims to offer its guests an exclusive and unique experience that we hope will create wonderful and everlasting memories. Each room has been meticulously conceived and thoughtfully designed to offer a unique way of life. The Amara Hotel has been designed

to make you feel like you own the horizon. With comfort and convenience at the forefront of each guest’s stay, all types of accommodation enjoy insulated flooring that ensures peace and quiet, atmospheric automated mood lighting, electrically motorised curtains, a wireless lighting control system and high quality variable speed cooling or heating. From the lobby to the bar, from the fine dining restaurants to your personal cascading plunge-pool every single room offers a 180° view of the sea. In Amara, the rhythm of calming waves can be experienced wherever you glance.

Our 207 rooms tucked away between the surrounding sands and azure waters, as well as luxurious spa, rooftop bar and infinity pool offer an ideal environment for relaxation and enjoyment of the moment. Should this not be enough, you can reserve a Duplex or Amara Suite, rooms with private swimming pools that merge with the green surroundings. Elusive, exclusive, eternally yours. This is what Amara stands for.

Talking walls. Amara’s baths

When you step in the spa complex in Amara, you start a journey to the ancient past. During the construction of the hotel, the remnants of an ancient bath were discovered. From this moment on, our architects worked very hard to modify the hitherto construction blueprints in order to link your spa experience to the spirit of this ancient site – and they succeeded!

Be in ancient Rome or modern day Cyprus; luxury and relaxation has always been a treasure!

Preserving Amara baths is a proof we do not simply build hotels. We erect great buildings, the architecture of which tell stories of their own. All Stademos hotels are built in accordance with the conviction that architecture must be harmonious with nature and civilization, reflecting the spirit of Cyprus.



[Companies Act Amendment 3] [102-16] [201-1]

Our business model & key performance indicators

Sustainable Sustainability Goals. Our mission, vision and values

Making a positive economic, social and environmental impact is our greatest ambition. We are proud to announce that with our latest addition, the Amara Hotel, we are capable of reaching new levels of sustainability, both in our daily service and in our corporate strategy.

Our strategies have always taken into account the guests, the industry, the legislative bodies as well as the local community and the environment. In delivering the best service possible, we monitor safety related factors, we respect the people around us and we care about the environment. Stademos strives to ensure full compliance with the law, rules and regulations related to the hotel activities including but not limited to any legal requirements that have an impact on the environment.

Driven by the compelling mix of the ancient and modern in Cyprus, we operate in accordance with the values that stand the test of time. To advance our way to perfection we established the Code of Commitment, detailing our commitment to employees, guests, communities and the environment, enabling us to successfully address new challenges.

Although growth and investment are important drivers for any profitable company, the stable idealistic foundation allows to achieve excellence. At Stademos Hotels we are placing trust in our employees' values that constitute the foundation on which we build upon. We think of the people first, we pursue excellence and we act with integrity.

This year we are celebrating the opening of Amara Hotel with establishing new sustainability goals for the whole group. We are aiming to attain our goal of sustainable luxury – that is to say, the framework of luxury holidays in sustainable and future oriented environment – we have embarked upon the quest to achieve, until 2022, the following sustainability goals related to customer experience, social transformation and environmental sustainability:

Stademos Sustainability Goals 2022



- Maintain customer satisfaction at the highest level, above 9 out of 10 (as average for all Stademos hotels taking part in Booking.com rating)
- Lead the trend of transforming hospitality service into a life changing experience
- Our commitment to sustainability will manifest itself through awards and prizes for Stademos Group, such as EU CSR Awards or IN Business Awards

Continue to be the #1 hotel group in Cyprus in terms of customer satisfaction



- Maintain the ongoing record of 0 serious accidents among clients, employees, and suppliers.
- Ensure responsible practices by sustainability declaration for 100% of our suppliers and business partners
- Implement a brand new HR strategy complete with guidelines, goals and benchmarking schemes for the entire Stademos group



- Reduce our carbon footprint by 4.8% and our heat consumption by 8%
- Reduce water consumption at the Elysium by nearly 12%
- Replace 100% of single use plastic cutlery, straws and plates with alternative solutions by the end of 2020
- Invest heavily in environmentally neutral architecture and passive, energy efficient housing



Model of operation

Our business operations are outlined in four stages. We begin with the design and construction of a hotel. Then we set up a range of services and finally market them to reach our customers. Lastly, we open ourselves up to a dialogue with the customers and receive valuable feedback to ensure that we can offer all our guests the best possible experience.

Why do hotels need business models?

A company's business model describes how it generates and preserves value through products or services over the longer term. It provides an overview of how a company operates, what a company does, how and why it does it and how it transforms inputs into outputs through business activities. Thinking about future challenge through the lens of a model helps to identify important sustainability related issues.

1.

Design & Construction



- Purchase of plots
- Design
- Building permits
- Construction
- Infrastructure
- Purchase of equipment
- Renovations

2.

Operations & Services



- The recruitment process
- Employment
- Consumer service:
 - accommodation
 - catering
 - wellness
- Investor relations
- Relationships with suppliers
- Maintaining good relations with the administration, local community

3.

Marketing & Sales



- Expanding the offer of services provided
- Maintaining and acquiring customers
- Building reputation and constantly improving brand

4.

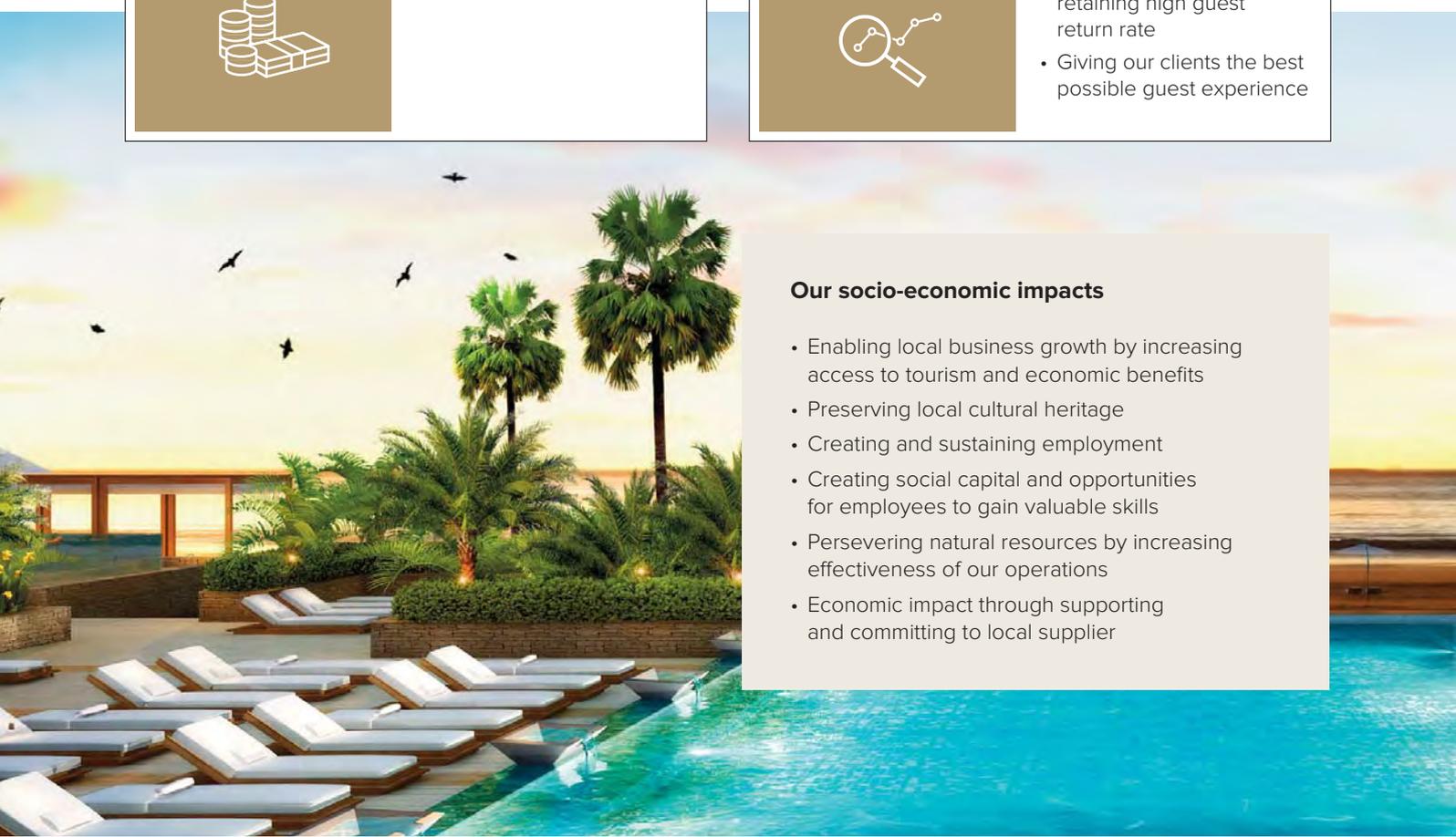
Client Experience Monitoring



- Using guest feedback and use flow information to generate the insights into the effectiveness of cooperation with customers
- Preparing tailor made solutions to improve engagement of guest retaining high guest return rate
- Giving our clients the best possible guest experience

Our socio-economic impacts

- Enabling local business growth by increasing access to tourism and economic benefits
- Preserving local cultural heritage
- Creating and sustaining employment
- Creating social capital and opportunities for employees to gain valuable skills
- Persevering natural resources by increasing effectiveness of our operations
- Economic impact through supporting and committing to local supplier



Responsible relations with suppliers

Through responsible sourcing, we have the opportunity to reduce our environmental impacts and support positive change in our supply chain. By introducing local products to our guests, we create value for both our business and the local economy.

We are proud to say that 99% of the suppliers we choose are local. The producers from the neighbouring communities grow the major part of garden plants, vegetables, fruit and herbs locally; in the same vein, the domestic wines we serve are produced in local wineries. What is more, the services such as maintenance works are carried out by local enterprises based in Cyprus. Every year, the Purchasing Officer under the instructions of the Purchasing Committee, places invitations to tender in the local press for the main supplies of the hotel, both for products and services.

99% of our suppliers are based in Cyprus

Selection of eco-friendly suppliers

According to our environmental policy, we assess and select eco-friendly suppliers based on product quality, safety and compliance with laws and regulations. We collaborate with our suppliers to conserve energy, reduce water use and incorporate more sustainable materials.

New suppliers may be requested to make samples of their products, which will be subsequently tested prior to being introduced.

Key figures – Stademos in a snapshot

We analyse the organisation’s potential, our operating expenses and the results and effects we achieve from the financial and non-financial capital perspective.

Like any hotel institution, we invest our resources, which translates into notable benefits, such as:

- increased equity (e.g. through reserves),
- increased quality of human capital (e.g. through salaries, training courses),
- increased production capital in the form of offered products, services and their delivery quality,
- increased social and relational capital (trademark, quality of relationships with clients, employees and market representatives).¹

Financial capital		
	2017	2018
Revenue	32,190,516	36,724,325
EBITDA	11,377,886	12,050,658
EBIT	9,412,239	9,994,589
Operating profit before tax and non-recurring items	7,512,853	8,244,464
Net profit	6,398,628	6,998,232
Total non-current assets	210,441,430	232,571,682
Total current assets	54,754,871	56,782,875
Assets held for sale	19,200,410	16,365,974
Total assets	265,196,301	289,300,557
Taxes	1,114,225	1,246,232

Human capital (consolidated)		Customer Experience	
2017	2018	2017	2018
853 employees 	846 employees	293,536 customer nights per year	255,264 customer nights per year 
279 training hours 	568 training hours		
15 work accidents 	17 work accidents		21 awards in 2017-2018

¹ All capitals listed above are based on the International Integrated Reporting Council (IIRC) guidelines. Together they represent stores of value that are the basis of an organization’s value creation.

Infrastructural & natural capital			
Mediterranean		Elysium ²	
292 rooms		290 rooms	
5% electricity reduction compared to 2017		24% electricity increase compared to 2017	
16% heating reduction compared to 2017		29% heating increase compared to 2017	

² Please note that Elysium was closed the first two months of 2018, therefore electricity consumption between 2017 and 2018 is not comparable.

99%

local suppliers

The procurement budget for all Cyprus purchases in 2018 was

€4.5m

out of which €2.95m related to activity in Paphos.

Donations of hotel furniture to local community shelters and churches.

Employees are

99%

EU Citizens



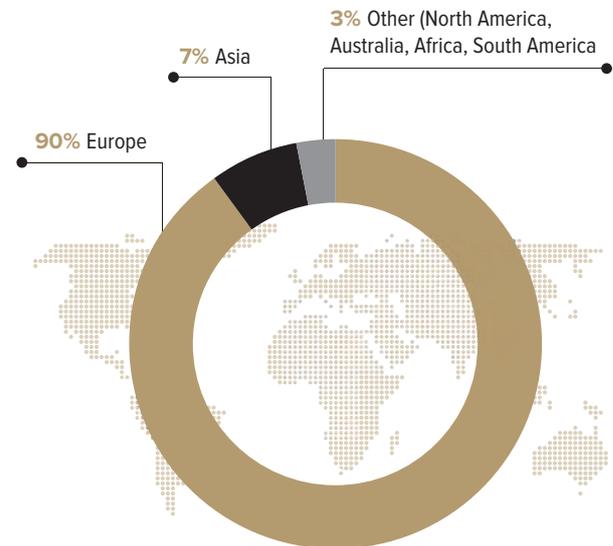
Know your friends. A profile of our guests

Cyprus is one of the most popular summer holiday destinations in the Mediterranean for Europeans and not only. Many of our guests have come from as far as Korea, Australia, South Africa, as well the US and Canada.

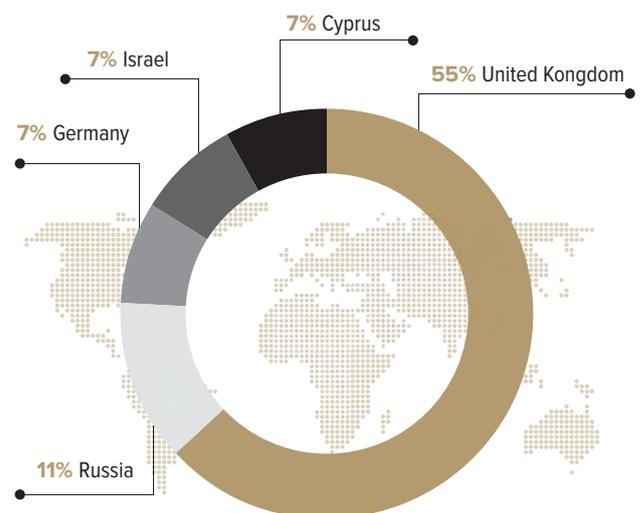
Even though the number of guests decrease substantially during the winter months, we operate all year long, unlike most hotels in Cyprus. Organizing various activities and events, we attract visitors from around the world. The large number of repeating guests is more than just an indication that they feel welcomed and at home.

At the Elysium hotel, as well as at the Mediterranean hotel, most guests come from Europe (more than 90%). In both cases, the second largest group comes from Asia (approx. 9.2% at Elysium and 5.6% at the Mediterranean). At the Elysium hotel, the most frequent guests are British (55%), followed by Russians (11%). The third largest group (7%) are Germans, followed closely by Israelis and Cypriots. Interestingly, compared to the previous year, the number of guests from Israel increased by 152%, while the number of Cypriots more than doubled. On the other hand, the total number of guests from Russia increased by 19% compared to 2017.

Visitors in both Elysium & Mediterranean – 2018



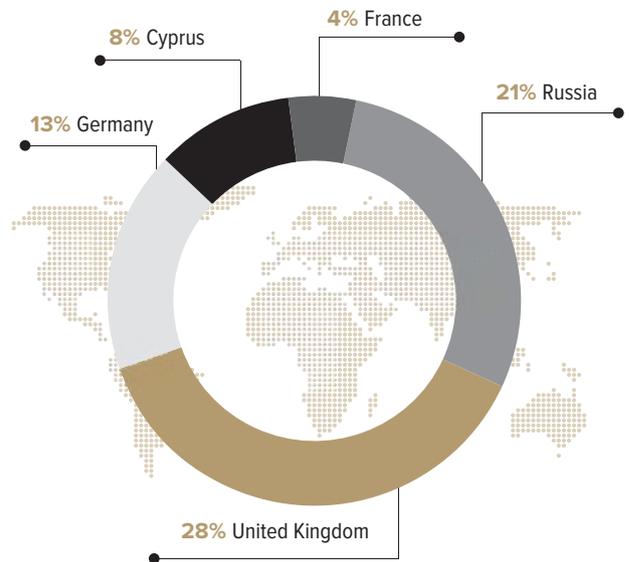
Elysium Hotel – Top 5 most popular nationalities



Similarly, at the Mediterranean Hotel just about half of the overall number of guests are British and Russian who represent 22% and 28% of the total guests respectively. Just like at the Mediterranean Hotel, Cypriot guests represent 7% of total guests.

At the Elysium hotel, as well as at the Mediterranean hotel, more than **90%** guests come from Europe

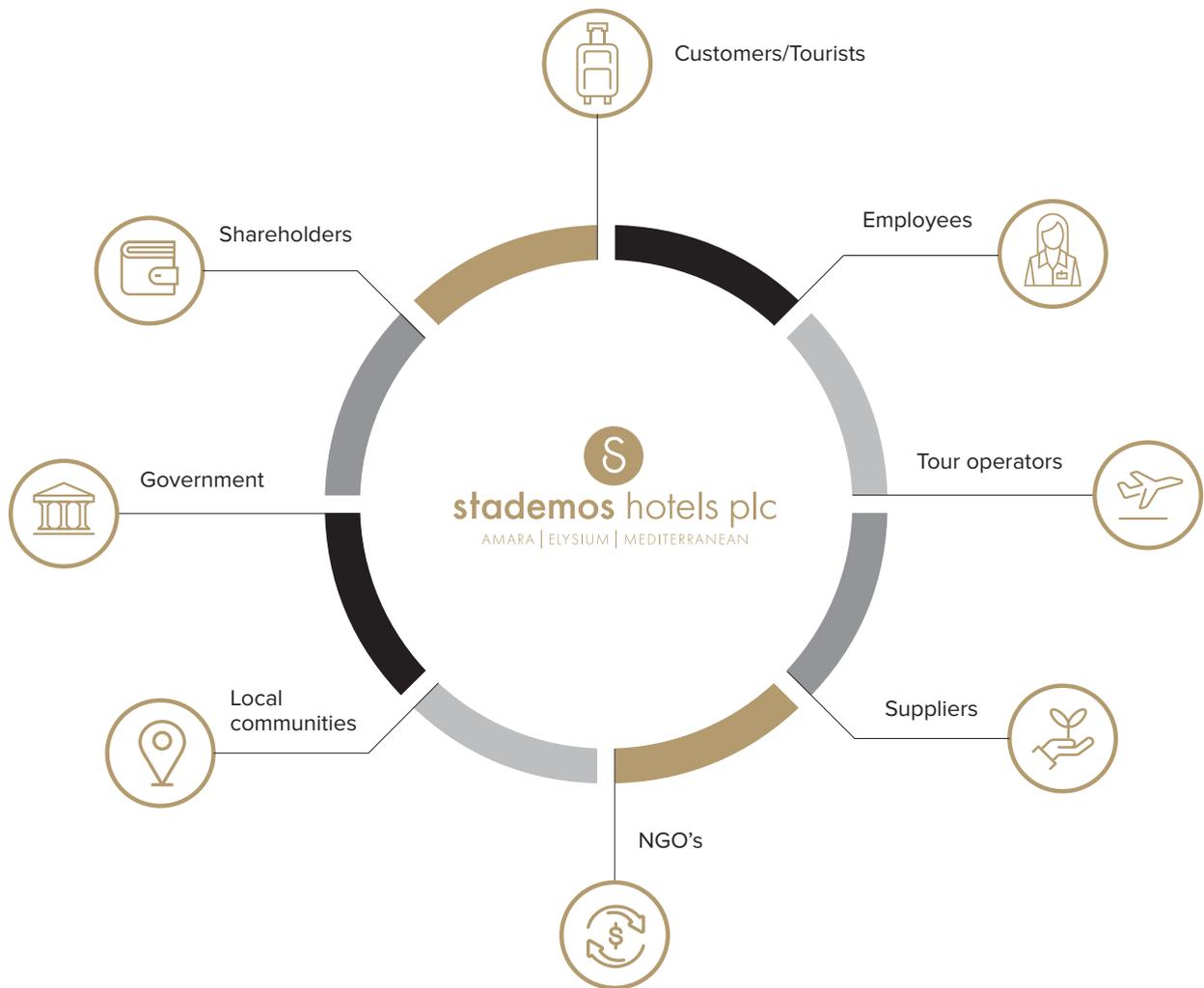
Mediterranean Hotel
– Top 5 most popular nationalities



[102-13; 102-40; 102-42; 102-43]

Stakeholders

Constant development and desire to improve ourselves is the driving force behind what we do. We aim at continuous improvement and higher performance levels. This is achieved by establishing an appropriate and professional communication with our stakeholders and customers. With this report, we aim to keep our stakeholders informed and involved in our strategy, growth, and environmental concern.



We have established a robust sustainability communication plan whereby we engage our stakeholders on wider sustainability concerns, as it is essential to cater for the implementation of sustainable development. Our engagement strategy involves carrying out regular surveys to feel the “pulse” of our stakeholders.

In our effort to identify material sustainability issues, we have continuously been engaging our personnel in a series of workshops. Furthermore, we incorporated sustainability aspects into our yearly customer experience surveys to gauge customer impressions and expectations.

Stakeholders group	Some entities that are part of the stakeholder group	Approach and type of stakeholder engagement	Frequency of their engagement by type	Key issues and problems raised by stakeholders
Tour operators 	<ul style="list-style-type: none"> • Main tour operators, such as Biblio, TUI, Thomas Cook, Jet2Holidays, British Airways Holidays, Sovereign, Travel World Vacations, Schauinsland Resien, Der Touristik, Booking.com, Expedia.com, and Travel Republic 	Surveys, meetings, social media	<ul style="list-style-type: none"> • Twice a year for contracting, annual gatherings • Weekly basis communication and upon request 	<ul style="list-style-type: none"> • Terms of cooperation • Environmental management
Customer/guest 	<ul style="list-style-type: none"> • Families • Repeater guests 	Company's website, guest satisfaction surveys, social media, customer experience survey, exhibitions, loyalty program rewards	<ul style="list-style-type: none"> • Upon making a booking • Upon check in & check out • Weekly management cocktails, • Upon request 	<ul style="list-style-type: none"> • Sustainability issues • Environmental management • Reliable business • Ethical approach • Use of local products • Personal data protection
Shareholders 	<ul style="list-style-type: none"> • Participants of the capital market • Shareholders • Bondholders • Institutional and individual investors • Rating agencies 	Annual Report, Sustainability Report, Annual shareholder meetings, analyst meetings	<ul style="list-style-type: none"> • Annually 	<ul style="list-style-type: none"> • Sustainability image • Environmental management • Employee engagement • Meeting clients expectations
Government 	<ul style="list-style-type: none"> • Regulators • State institutions 	Briefings, meetings	<ul style="list-style-type: none"> • Briefings, meetings 	<ul style="list-style-type: none"> • Implementation of new initiatives and policies • Strategic partnerships • Investment in disadvantaged • Communities



Stakeholders group	Some entities that are part of the stakeholder group	Approach and type of stakeholder engagement	Frequency of their engagement by type	Key issues and problems raised by stakeholders
Employees 	<ul style="list-style-type: none"> • Employees and their families 	Meetings, Workshops	<ul style="list-style-type: none"> • Annual gathering with employees and spouses • Trainings and workshops once or twice per year 	<ul style="list-style-type: none"> • Stability and attractiveness of employment • Family-oriented HR policy • Fair workplace • Development opportunities • Health and safety issues
Suppliers 	<ul style="list-style-type: none"> • Food and beverage suppliers • Manufacturers and Vendors 	Meetings, newsletters	<ul style="list-style-type: none"> • Annual tendering process and meetings with high volume suppliers • Meetings are held with Purchasing Manager regularly, daily contact 	<ul style="list-style-type: none"> • Terms of cooperation • Transparent rules of tenders and cooperation • Good, long-term relationships • Cooperation as part of industry initiatives
Local communities 	<ul style="list-style-type: none"> • Local neighbourhood 	Magazines, social media	<ul style="list-style-type: none"> • Preferred employment of people from local communities • Taxes paid to local Municipality. 	<ul style="list-style-type: none"> • Environmental management • Destination image • Use of local products
NGOs 	<ul style="list-style-type: none"> • Foundations • Social and environmental organizations • Cultural institutions 	Conferences, workshops	<ul style="list-style-type: none"> • Cyprus Anticancer society: a monthly basis • Local sports teams sponsorship: annually • Labour unions: annually • Radiomathonios (children with disabilities charity) annually • Christodoulas March: annual charity walk 	<ul style="list-style-type: none"> • Implementation of new initiatives and policies • Strategic partnerships



Facts & figures

As the leading market participants and members of ACTE (Association of Cypriot Tourist Businesses), we assume an active role in understanding key issues that are currently affecting the tourism industry, both at regional and national level.

We bring vitality to cities and communities we operate in by creating economic value that benefits our stakeholders and, implicitly, the communities themselves.



2.

The Stademos Perspective

**We design the future
with you in the center**

“By experience, we mean the stream of sensations, images and feelings that altogether form an unforgettable bundle. As well as conviction that during all our holiday activities we remain in harmony with the planet. Stademos Group is in the avant-garde of those trends, which allows us to leave competitors behind”.

Mary Nicolaou

Sales Manager at Stademos Group

“Whether you are really into whisky with trace of smoke or peat, noble wines from stone-cold abbeys or Cypriot specialties like Brandy Sour from my grandpa’s cellar, we are here to deliver”.

Yiannis Stefanidis

Head Sommelier, Elysium

Global Hospitality Trends. Times are changing

Globalization has been one of the most popular buzzwords of the last decades. Globalization is a process of rapid civilizational change that necessitates adaptation. This is why the foresight team of Stademos Group works hard to analyze the latest hospitality trends and insights into the needs of prospective guests. The brand new Amara hotel not only adapts to the global hospitality trends but also co-creates them. The following are the most dynamic trends reshaping hotel industry these days:

Empowering environmental sustainability

Due to the increasing global environmental awareness, eco-friendly practices have become a norm. The need to employ renewable energy, save water resources and limit waste production should not be perceived as an option but it must be seen as a way of living. Environmental sustainability has become a desirable way of life and a means to preserving humanity's most precious resources.

Interactive experience precedes everything

As one of our managers has said, "the times when our guests kept coming just to stay in a hotel, sunbathe and relax are over". This however, does not undermine the services offered to guests. It rather means that people are looking for something over the top. They expect that their holidays will be luxurious and at the same time sustainable. Our hotels deliver the unique and luxury experience that people nowadays are looking for.

The digital shift keeps accelerating

Internet of things, big data are just a few words that have been added to our vocabulary over the last years. Online activity and the interlinked world have been seamlessly embedded to our everyday life. Hence improving technology in our hotels is essential for our guests. Time saving, interaction enriching and pleasure generating factors are crucial for holiday and customer satisfaction. We consider that automation and digitalization are opportunities to enhance our hotels.



“Sustainable luxury”. Can it be achieved?

As the world confronts new challenges and at the same time opportunities, new trends emerge in hospitality industry – and we shape them for you. Emphasizing on careful tailored experience and environmental friendly solutions, we choose to provide local products and promote the local community. This reduces the negative impact on the environment and maintains the simple and unique experience. We are applying innovation to our practices in order to blend luxury, elegance and tranquility.

This is what we call sustainable luxury. In investing in sustainable luxury goods, services or experiences we reduce environmental stress on our planet, limit the use of natural resources, while exceeding our guests' expectations. After all, luxury does not have to be a synonym to the pejorative image of excessiveness and exaggeration. Quite the opposite, sustainable luxury means embracing the emerging trends leading to a positive impact on both guests and the environment.

With the above trends in mind, we have designed The Stademos Perspective, which defines a new approach to hospitality encompassing the ideal sustainable luxury. All of our activities aim to perfect the holiday experience, while at the same time implementing sustainable solutions. Because of our dual approach, both sustainability and customer satisfaction are increasing. This in turn will have an impact on the overall perception of luxury offered by our hotels.

Streaming experiences. Sustainable luxury in Stademos

At Stademos, we respond to the three civilizational megatrends listed above: the priority of experience, the empowering potential of sustainability and the inclusion of digital activities into daily life.

We implement solutions in accordance with those trends while adding an additional local spin to their dynamics. In principle, our market advantage over competitors stems from imprinting the principles of sustainable luxury in the daily functioning of our hotels. First, we make our guests' experience as personal, unique and comfortable as possible. We offer three different hotels, each one with unique architecture and style allowing guests to decide themselves what kind of experience they want.

However, this is only the beginning – as we are streaming different kinds experience depending on different kinds of needs. Some of our guests would prefer to stay indoors most of the time, whereas some would like to venture outside to explore Cyprus.

Elysium. Explore the “nectar of Gods”

Whether you are a connoisseur, or a simple lover of the drink that locals once worshipped as the “nectar of the Gods”, we will take you on a special journey to discover and explore the local wineries situated in rural areas. Escorted by the Hotel's Head Sommelier, guests will have the opportunity to taste a variety of local wines accompanied by delicious local treats (homegrown nuts, olives and halloumi cheese).

On our way to the winery, the tour takes a short detour to the must-visit Chrysorogiatissa Monastery founded in 1152 AD, to admire a collection of icons and treasures.



Experience a true Cypriot breakfast

“Kalimera” in Greek means “Good Day”. We know that the best start to ensure that our guests in fact have a good day is to make sure they have a great breakfast. That is why our hotels served what is officially certified as the Cyprus Breakfast Kalimera”.

When you have breakfast with us, you will be served all the best Cypriot food, straight from our local suppliers in the adjacent communities. Start off with a healthy and fresh carrot or apple juice and then move on all the delicacies that make us Cypriots proud, from Kefolotiri and Anari cheeses, halloumi, olive bread, and homemade granola. For vegans and vegetarians, we have a wide array of options, from our lentil, potato, and bell pepper salad, to sun dried tomato dips, to oats and rice pudding. If you like breakfast on the sweeter side, try our pure fresh fruit jams made just a few kilometres inland from our hotels. Did we mention you could enjoy this all with a coffee with a digital printed image made right on the foam?

Treasures Rewards Scheme. You are our most valuable treasure

We love seeing familiar faces. We want to return the trust you are bestowing upon us, that is why we launched the Treasures Rewards Scheme for our returning guests. The scheme includes discounts, room upgrades, flexible check-in and outs, as well as special complimentary services. We want you to feel special because you are special to us.

A family adventure

Relax and enjoy your holiday, while your children play. Our hotels are known for being family-friendly thanks to Kid’s Clubs that meet the recreational needs of children aged 2 to 12.

Travelling with children makes your journey a thousand times more memorable. It is also of great value to the young ones, as visiting new places allows them to experience new cultures and widen their social skills. In order to ensure your children have the best possible experience during your stay, we have equipped all of our hotels with state-of-the-art facilities and enthusiastic professionals that will inspire younger guests.

We also facilitate reciprocity in information exchange, which allows us to materially change our hotels in accordance with your needs. Many of our enhancements, refurbishments or even new architectural solutions have been implemented after positive feedback from the guests who feel happy knowing Stademos Group is growing. We like to keep an open dialogue with our guests, and therefore, we ensure that the changes we introduce make their stay with us even better.

We also offer unforgettable experience for those who love to revisit our hotel. Our Treasures Rewards Scheme offers various discounts, room upgrades, flexible check-in and outs, as well as special complimentary service.



Amara. A jewel in our crown

Amara was erected in accordance with modern aesthetic, blending clean lines with monolithic forms and using locally sourced materials. The Cyprus intricate heritage resonates within the meticulous design and architecture of the hotel, combining the elements of glass, stone, woven textiles and wood. The inspiration for the hotel's entire aesthetic is the essence of its name: a flower in perennial bloom, symbolizing everlasting beauty: AMARANTOS.





Amara aims to offer its guests exclusive and unique experiences, including among others:



207 accommodation options, capable of fulfilling your diverse needs, each one comes with a 180-degree view of the Mediterranean Sea, ensuring utmost comfort and luxury.



Abundance of light. Sustainable luxury shines properly through Amara's vast spaces thanks to multi-layered cultural influences, architectural nuances, white shutter walls, watercolour -effect features, abundance of glass and marbles.



Unity with nature. In Amara, only a few meters separate you from the beach. On leaving the swimming pools, you immediately experience local fauna and cascading water walls that hum your favourite holiday tune in between the palm trees.



Your private swimming pool. Some of our elegant Suites allow you to have a private, truly breath-taking swimming pools at your disposal. When contemplating the seamless merging of the sea with the sky from our Seafront Bungalow, you could feel like an ancient Roman emperor, overseeing the Mediterranean glory of Rome.



Three restaurants. A healthy indulgence. Whatever you eat or drink by the palm trees, the foods and beverages are the region's purest ingredients. Our guest can choose from the variety of food cultures (Japanese? Peruvian? Italian? Greek? They are all waiting for you). Each of our three restaurants express its own regular sense of place. Superb service is to be expected, as well-being of your soul is no less important than your health.



Spa with ancient traditions. A holistic haven, our spa is one of the keys to regeneration of your body and mind. Located by the remnants of a Hellenic bath that has been serving Romans for centuries, our spa allows you to experience azure coastline while you meditate. In addition, if you wish, a personal trainer and nutritionist will help you remain in good shape long after you leave Amara.



Kid's Club. Throw the ball in. We love young guests, from toddlers to teens. Fully qualified professionals through series of both educational and recreational activities will guide them. We all were children at some point, so we know well that childhood memories are remembered forever so we will deliver the best ones.



Shopping therapy. Amara is home to unique selection of boutique outlets. From a designer clothing store, to a lavish jewellery boutique and a flower shop bursting with fragrant creations of nature, we wait for your ideas. A luxury master hairdresser is available as well.

For more information on the how we incorporated sustainable solutions into Amara, see the section *Our environmental strategy* in the subsequent chapter.



3.

Our commitment to preserving beauty

“The natural beauty of Cyprus is a value on its own. We are preserving it for future generations by caring about the environment and natural resources of the island. We have been implementing the most advanced technological solutions of 21st century to make it more sustainable than ever”.

Marios Nicolaou

Group Chief Engineer at Stademos Hotels

Our principles

SUSTAINABILITY

We invest in sustainable practices that enhance energy efficiency and water conservation.

We promote recycling and waste reduction at our properties.

We are keen adopters of the Triple Bottom Line framework consisting of Economic Prosperity, Social Responsibility and Environmental Protection. During the last three years, Stademos has been focusing significantly on reducing the energy and water consumption. Being key players in an industry that is among the major consumers of energy and producers of emissions, it is of utmost importance to undertake initiatives to promote environmental responsibility.

We follow in the footsteps of Star Trek

“Even Star Trek characters know lack of environmental responsibility ends up badly.

In one of the episodes, Home Soil, humans meet a new lifeform that resembles rocks; they learn to respect it only after it calls them “ugly giant bags of mostly water”.

Indeed, we are all made of similar particles.

Hence by protecting environment we protect our future selves”.

Xenios Laos

Chief Engineer at Mediterranean Beach Hotel



Carbon dioxide – [305-1, 305-2, 305-5, 305-7] [302-1, 302-2, 302-3, 302-4, 302-5] [307-1]

Water consumption – [303-1] Waste management – [306-2; 306-3]

Our environmental strategy

Stademos Hotels PLC is a pioneer in environmental management. Apart from our legal responsibility to comply with environmental regulations, we have injected a culture of environmental responsibility within our Group, setting one of the highest standards the industry. In 2018, no violations of any environmental laws were noted.

A great example of our sustainable luxury philosophy is Amara, which implements top eco-friendly solutions. Similarly, we are currently upgrading the infrastructure and facilities of Elysium and Mediterranean hotels in order to achieve similar levels of environmental sustainability, including the installation of photovoltaic energy generators.

HOW?	
	Hotel electricity & heating energy consumption (lights, facilities)
	Hotel water consumption
	Cooling system
	Laundry (towels, etc.)
	Gardening
	Paper, bath products
	Food & beverages
	Use of printers, paper, IT, telephones, e-waste
	Employee travel
	Construction and renovation
WHAT?	
	CO ₂ footprint
	Water consumption
	Waste

A hotel room at the new Amara Beach Hotel – Sustainable luxury at its finest

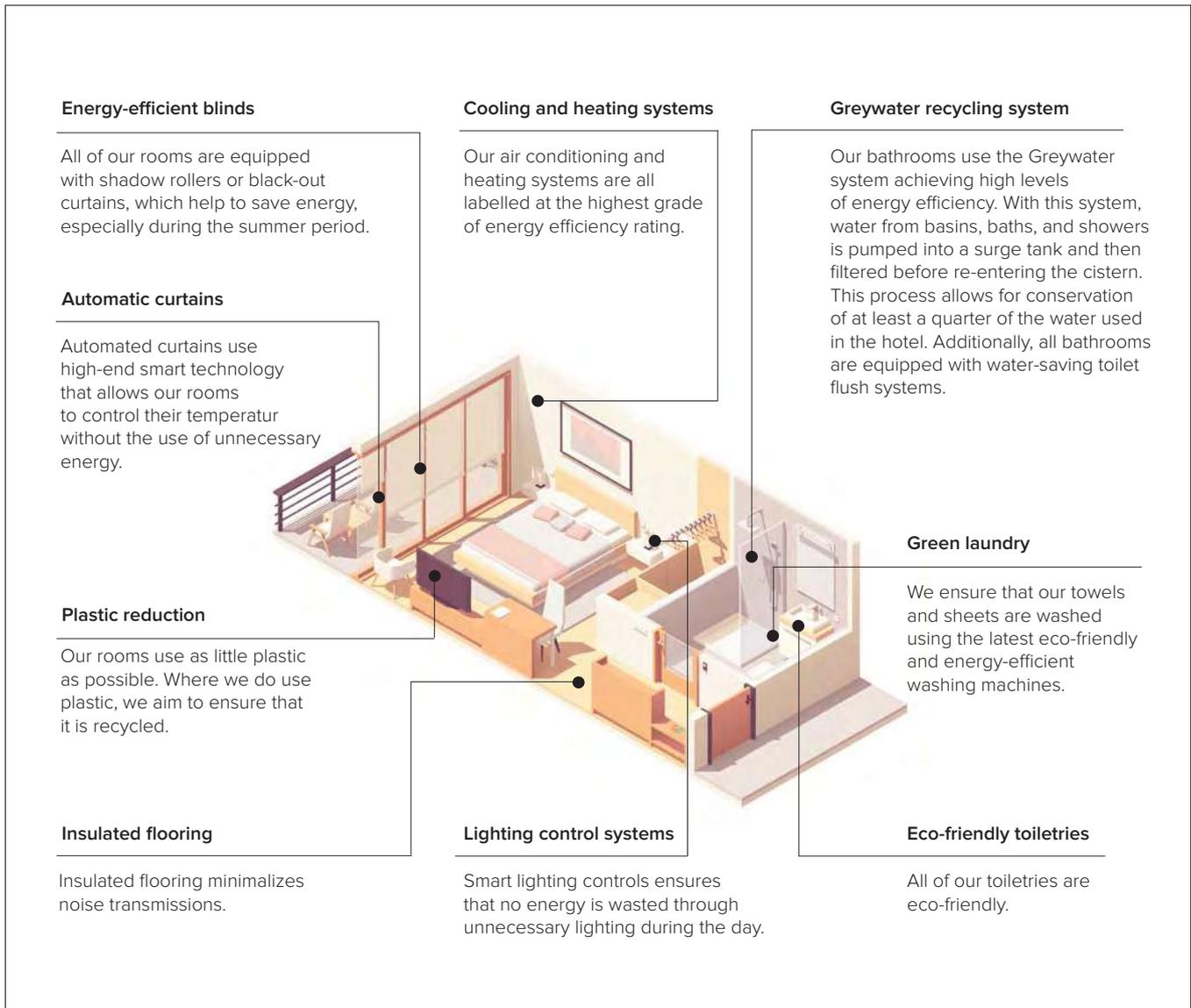
The rooms at the Amara Beach Hotel are leading edge in terms of sustainability and luxury. At Amara, our guests have many accommodation options, with Luxury Size rooms ranging from 45m² to 110m², bungalows at 125 m² and private suites with a private pool at 230 m². All our beds are each King or Queen-sized, and each room features a sophisticated seating area, en-suite marble bathrooms, hardwood veneer fitted wardrobes, and a private balcony. The architecture of the hotel and the interior of the design of the rooms are inspired by traditional Cypriot culture. All the rooms have cultural influences that promote the island's history and heritage. The interior design in these rooms

is simplistic and evokes a sense of natural harmony, with details of natural edge wood, marble vanity stations, woven benches, white shutter walls, and watercolour-effect features.

Each room in the Amara Beach Hotel is packed with the latest eco-friendly solutions. All rooms are constructed with a high-end smart technology to that enables energy saving and reduce of waste. The insulated flooring achieves minimal noise transmission, while the atmospheric automated mood lighting, the automatic curtains, the wireless lighting control system, and the A+ high-energy cooling and heating systems are all optimised to lower the hotel's energy consumption.



An example of a hotel room in the Amara Beach Hotel. Packed with latest eco-friendly solutions, Amara embeds environmental care into your daily routine.



When it comes to our care of the environment, we believe in spontaneity. Although we do not have any formal policies or procedures in place, we voluntarily and carefully measure our impact and act accordingly to minimize it. Our meticulous engineers manually record our impact, which allows us to acquire a very adequate image of the process. This allows for managing our portfolio in a sustainable manner.

Plans and goals for the future:

We are raising the bar for performance and environmental responsibility in the new constructions. In our new hotel – Amara we are using solar panels to produce electricity and heated water as well as thermal insulation in all our buildings.

[305-1, 305-2, 305-5, 305-7]

[302-1, 302-2, 302-3, 302-4, 302-5]

CO₂ footprint

Currently, Stademos Hotels is responsible for tracking and measuring the overall Carbon Footprint of each hotel, under the Hotel Carbon Measurement Initiative (HCMI) undertaken jointly by the International Tourism Partnership (ITP) and the World Travel and Tourism Council (WTTC). The HCMI has brought together over 27 hotel companies in order to agree on a common methodology for measuring carbon emissions.

Reductions in CO₂ emissions (percentage) per guest night in 2016 in 2017 and 2018:

	Mediterranean	Elysium
Year	% Reduction	% Reduction
2016	11.38%	1.01%
2017	2.13%	2.99%
2018	-5.94%	-7.36%

Our CO₂ emissions are presented below:

	Mediterranean	Elysium
Year	CO ₂ emissions (Kg)	CO ₂ emissions (Kg)
2016	2.427.000	3.376.000
2017	2.333.000	3.247.000
2018	2.162.000	4.142.000

We take pride in reducing our CO₂ emissions by

18.5%

(Elysium)

8.3%

(Mediterranean)

Please note that Elysium was closed the first two months of 2017, therefore electricity consumption between 2017 and 2018 is not comparable.

Please note that Mediterranean was closed on December 2017 and the first two months of 2018, therefore electricity consumption between 2017 and 2018 is not comparable.

Good practice

Air condition units

All our air conditioning units use eco-friendly refrigerants. In our hotels, the use of ozone-depleting refrigerants is not an option.

Energy

On 19th June 2014, we established a CSR Committee at Stademos Hotels, consisting of the heads of each department along with the top management and third party consultants. The Committee holds quarterly meetings to thoroughly discuss all ongoing initiatives, to plan future actions and to review the period end results. What is more, the relevant information is shared with our teams on a regular basis. This vital communication flow constitutes a key driver in our Employee Engagement Programme.

Our goal to lower electricity consumption at our existing hotels has been achieved with electricity consumption being reduced by 1.95% (Elysium) and 2.30% (Mediterranean)

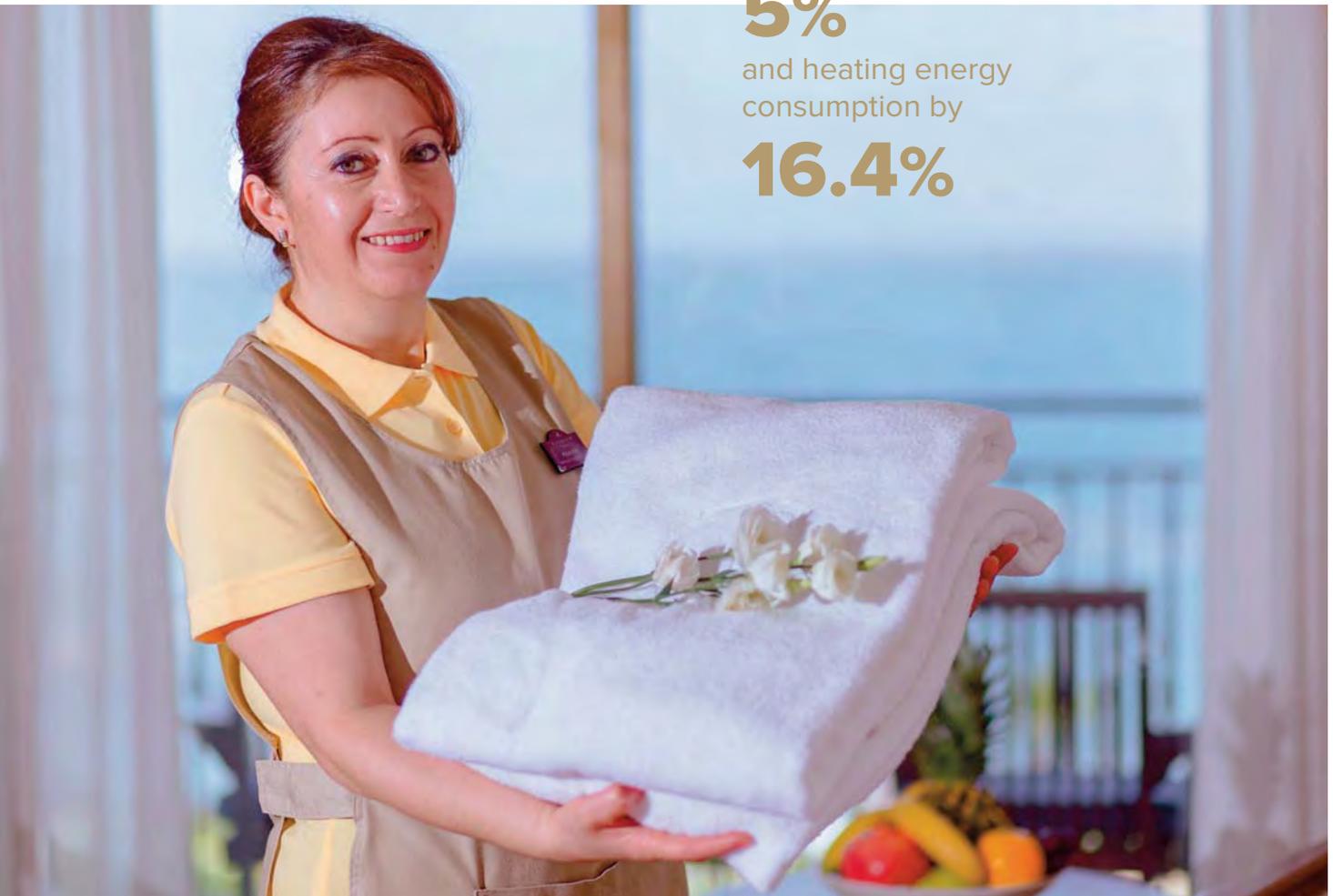
in 2017. Additionally, we have achieved 8.94% (Elysium) and 9.80% (Mediterranean) reductions in heating consumption. In 2018, the Mediterranean Hotel has further reduced its electricity consumption by 5%, and heating energy consumption by 16.4%. Since Elysium was closed for renovation from January to February 2017, and Mediterranean was closed December 2017 to February 2018, the data for this year is not comparable.

In 2018, the Mediterranean Hotel has further reduced its electricity consumption by

5%

and heating energy consumption by

16.4%



Here are the key examples of the practices and improvements carried out by both hotels (the Elysium in Paphos and the Mediterranean Beach Hotel in Limassol) in order to reduce energy consumption:



Heat recovery from chillers

Energy consumption for cooling in the hotels accounts for 29.01% of the total energy consumed at the Elysium hotel and 28% at the Mediterranean hotel. The chillers installed at our hotels have heat-reclaim capabilities, which means they produce chilled water maintained at a constant temperature while generating hot water as a by-product of the chilled water system. This has enabled a significant reduction of energy consumption at our buildings.



Building Management system and load shedding

The Chief Engineer is responsible to monitor and operate the building management system. Any decisions that need to be taken in regards to load shedding will be made with the approval of both the hotels' General Manager and the Chief Engineer. Load shedding is the automatic reduction of power consumption according to pre-set parameters. The building management system automatically switches several electrical loads off (and/or switches on again) to keep the power demand below a defined level. Additionally, one of the main benefits of using the building management system for load-shedding is that it provides an economic approach, as specific loads may be scheduled to operate during periods when the electricity unit prices are lower.



Lighting

In both our hotels, more than 10,000 bulbs have been replaced with LED and CFL electronic lamps. LED technology offers many additional advantages over incandescent, neon and compact fluorescent lighting devices – such as exceptionally longer life span (50,000 hours) and considerably lower energy usage (90% more efficient). Besides creating greater energy efficiency in our facilities this has also reduced the costs as well as improved the quality of light and safety. We managed to reduce our carbon footprint and operating cost through the adoption of these energy efficient solutions which led to the increase of our profitability and ultimately the asset value of our Group. Both existing hotels are now using more than 7,500 LED light bulbs.



Class A electric appliances

In accordance with a European Union Directive, all electrical appliances used at our hotels are accompanied by their energy rating label where the product's energy class appears. Moreover, we use refrigerants with Zero Ozone Depletion Potential (ODP) and minimal Global Warming Potential.



PIR sensors at toilet cubicles, stores, staircases

Simple yet highly effective for energy efficiency and environmental conservation, these sensors are installed in all public bathrooms, stair landings and the back of house areas.



Variable Frequency Drives (VFD) on pumps and motors installed at the Elysium and at the Amara hotel

The horsepower required to operate a fan or pump varies according to the cube of its motor speed, resulting in large energy and cost savings where the motor speed is allowed to modulate in response to demand. In a report on variable air volume systems, the U.S. Environmental Protection Agency estimated that installing VFDs can result in a 52% of annual energy savings on average. The main benefit of these drives is that they regulate the electricity consumption of certain devices by adjusting the speed at which they work, thus reducing the overall electricity consumption. They are being set up once during their installation and are being monitored through the building management system.



Electric Car Chargers

Our hotels are equipped with charging stations for Battery Electric Vehicles (BEV). Therefore, it is no problem for us to hosts guests who drive electric cars. .

It is noted that all the above consists of energy consumed within our hotels and that no energy is consumed outside of the company. We pride ourselves on constantly implementing innovation and change that makes our operations more energy efficient.

In 2018, our initiatives reduced energy consumption by

252,506.40
joules

Energy reduction Initiatives	Amount of reduction in energy consumption achieved as a direct result of the initiatives, in joules
Pilot installation of motion sensors for the lightning control in stores and in offices	5606.40
Installation of 140KW Photovoltaic systems	225000
Installation of energy-efficient LED Lamps	21900

Electricity Consumption (KwH) per guest night (GN):

Year	Mediterranean ⁴		Elysium ³	
	Electricity (KWh)	Electricity /GN (KWh)	Electricity (KWh)	Electricity /GN (KWh)
2015	2,869,710	19.52	4,074,060	28.16
2016	2,782,520	17.30	4,039,120	29.47
2017	2,728,304	17.26	3,946,276	29.04
2018	2,593,032	18.76	4,832,360	29.93
Year	% Reduction	% Reduction	% Reduction	% Reduction
2016	3.04%	11.42%	0.86%	-4.64%
2017	1.95%	0.17%	2.30%	1.45%
2018	4.96%	-8.66%	-22.45%	-3.06%

Heating Consumption per Guest night (GN):

Year	Mediterranean		Elysium ³	
	Gas Oil Consumption (Lt)	Gas oil/GN (Lt)	Gas Oil Consumption (Lt)	Gas oil/GN (Lt)
2015	240,944	1,64	360.000	2,49
2016	229,947	1,43	280.700	2,05
2017	207,408	1,31	255.600	1,88
2018	173,407	1.25	424,682	2,97
Year	% Reduction	% Reduction	% Reduction	% Reduction
2016	4.56%	12.81%	22,03%	17,71%
2017	9,80%	8,18%	8,94%	8,15%
2018	16.36%	4.42%	-47,11%	-23,80%

³ Please note that Elysium was closed the first two months of 2018, therefore electricity consumption between 2017 and 2018 is not comparable.

⁴ Please note that Mediterranean was closed on December 2017 and the first two months of 2018, therefore electricity consumption between 2017 and 2018 is not comparable.

[303-1]

Water consumption

Reducing water consumption is another key to sustainability. Water shortage periods are not uncommon in Cyprus and therefore water conservation is of great importance for the local community. This, together with our care about our guests' experience, has made us implement multiple water conservation approaches that lead to a company-wide reduction in water consumption.

The measures undertaken include water limiters on washbasins and bath mixers fitted with EcoSmart technology allowing up to 60% less water usage as compared to conventional products. Additionally, effluent water and pool backwash water are being used for irrigation.

Lower hot water consumption means lower energy requirements, which reduces our CO₂ footprint. Another example of a more efficient water management is the use of biodegradable detergents, which not only require less water to be produced, but are also effective and soluble in cold water. Biodegradable detergents are being used in both the kitchens and in laundries at our hotels, thus limiting environmental pollution.

Good practice

Dual flush

All toilets at the Elysium and Amara hotels are dual flush to conserve water on a daily basis.

Recycled water for gardening

In order to better understand our impact on the environment, we have started creating a meaningful reporting system. Grey water recycling systems are a secondary system of plumbing that divert grey water from baths and sinks and use it for the gardens' irrigation.

Water Consumption (m³)

Mediterranean		
Year	Water (m ³)	Water / GN (Lt)
2015	72,786	495
2016	79,772	496
2017	63,522	402
2018	59,767	432
Elysium		
Year	Water (m ³)	Water / GN (Lt)
2015	69,042	477
2016	70,202	512
2017	61,329	451
2018	73,430	455

Water Reduction (%)

Mediterranean		
Year	Reduction	Water / GN Reduction
2016	-9.60%	-0.2%
2017	20.37%	18.95%
2018	5.91%	-5.22%
Elysium		
Year	Reduction	Water / GN Reduction
2016	-1.68%	-7.33%
2017	12.64%	11.91%
2018	-19.73%	-0,88%

[306-2]

Waste Management

On a grand scale, reduction of the waste produced by a hotel, contributes immensely to the preservation of natural resources for future generations. At Stademos Hotels PLC, we are committed to a monitor, manage, sort and recycle paper, batteries (recycled semi-annually), toners (annually), plastic (once a week), glass, cooking oil, light bulbs and electric appliances.

In 2013, we established a program to collect waste data. Our performance in this area is shown below:

Mediterranean Beach Hotel

“Our hotels are famous for their excellent cuisines, which blend different tastes and sensitivities. While you might not necessarily think of it when indulging your appetite for delicious fried zucchini or moussaka, the principles of healthy cooking necessitate frequent change of oil used on our frying pans and in our ovens.

In 2018 alone, we consumed more than 10 thousand liters of kitchen oil in the Mediterranean. In this particular respect, there is no way we can consume less oil, as your health is our top priority. Unless, of course you would go for the steamed salmon!”

Achilleas Vlingas

Chef De Cuisine, Mediterranean

Our goal to systematically reduce waste is showcased in our latest available data for 2018:

Mediterranean

Waste Reduction in 2018

Pmd and Plastic Packaging	25%
Glass	30%
Cans	11%
Light Bulbs	7%
Maintenance Chemical Containers	6%

Elysium

Waste Reduction in 2018

Pmd and Plastic Packaging	2%
Glass	9%
Cans	6%
Light Bulbs	20%
Maintenance Chemical Containers	4.6%

Case study

One of the creative ways of making a positive impact is our participation in the recycling of cooking oil. We sell our used cooking oil to a company that filters it and then sells it to other companies, which produce recycled biodiesel. During 2018 alone, the Mediterranean Hotel sold 10.6 tonnes of used cooking oil, whereas the Elysium sold 14.6 tonnes.

Waste stream type ⁴	Mediterranean (2018 quantities)	Elysium (2018 quantities)
Used kitchen oil	10.6 tonnes	14.6 tonnes
Paper and paper packaging	65 Skips	70 Skips
Pmd and plastic packaging	98000 bottles	160000 bottles
Glass	250,000	403,000 bottles
Can	8000	10,000
Batteries	4,000	4,700
Light Bulbs	700	2398
Maintenance of chemical containers	400	620

⁴ Disposal method for all stream types is managed by an approved recycler

The curse of plastic. Why do whales ingest plastic waste?

Plastic waste is a curse of our civilization and we are witnessing this each time a news surfaces in the media about harm caused by plastic waste. For example, in March 2019 in Philippines local officers found a 1,100-pound beached whale, 15 feet long, with 88 pounds of plastic inside its body. During the necropsy, it was revealed that, “the plastic in some areas of its body was so compact it was almost becoming calcified, almost like a solid brick. Scientists suppose the whales ingest plastic, as it gives them a false sensation of fullness in their stomach. Yet it leads to malnutrition and increased vulnerability to predators.

Life with plastic is far from being ideal. This is why in all our Stademos hotels we have introduced good practices to limit the production of plastic waste, as demonstrated next:

Good practice

Minimising plastic waste production

We have been replacing plastic items with eco-friendly alternatives whenever and wherever possible. We prepare cocktails that can be ingested without the use of straws; we got rid of plastic toothpicks, plates or cutlery. After all, their biodegradable equivalents like bamboo cutlery or palm plates not only look better, but they limit production of waste. We also limit the use of plastic bags, and instead, we use special marble, bag-free bins.

Chlorine-free paper

Bleached paper, which is totally chlorine-free (TCF), has been bleached with oxygen, ozone and/or hydrogen peroxide. These bleaching methods have none of the adverse environmental effects of chlorine chemistry. Chlorine-free paper is being used at all our hotels.

Biodegradable detergents

The detergents used in the kitchens and laundries of our hotels are biodegradable within a month, which means they are far less likely to pollute the environment.

Eco-friendly pesticides and fertilizers

We respect the local environment by using eco-friendly pesticides and fertilizers for cultivating the plants in the landscapes surrounding our hotels.



4.

Shaping Cyprus together

“We are all ears. We have always listened not only to the leaders, but also to the ordinary people of Cyprus. This is why we know how to attract tourism and build partnerships. We have worked out efficient systems for evaluating, engaging and incentivising our employees”.

Efi Plotska
HR Officer at Elysium Hotel

Our principles

PROFESSIONAL TEAMWORK

We continuously invest in the development of our employees and provide competitive pay as well as valuable benefits.

RESPECT

In everything we do, respecting people in and around our organisation is always a top priority.



[Companies Act Amendment 3] [102-8 partially; 102-35 partially; 401-1]

The heart and soul of the company. **Our employees**

Our employees are the heart and soul of our company. Fostering a strong relationship with our employees is what drives them to demonstrate their daily commitment to offer a warm welcome and excellent hospitality for all our guests.

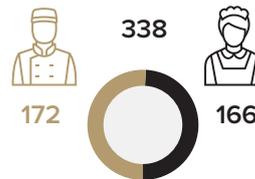
What really matters is a prolonged experience, both for a guest and an employer; an experience that may be more important than any material aspect of well-being. Individuals with ethical values and morals can demonstrate commitment and dedication. By providing them with a friendly and warm working environment, our employees feel comfortable and proud to be part of our team. We are constantly looking for individuals with relevant experience as well as qualifications that resonate with our values, such as friendliness, warmth, authenticity and passion for hospitality and customer care.

However, we believe in reciprocity. Hence, we are not only takers – we are also givers: Our employees need to feel appreciated, trusted and respected. We provide them with the opportunity to enhance their professional development and foster a culture of support. This, in turn creates a positive atmosphere for our guests.

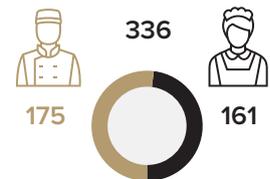
During the reporting year, Stademos Hotels employed a total of 846 people at the Mediterranean Beach Hotel and at the Elysium. At the company’s headquarters, there are 18 people.

Mediterranean

Total employees in 2017

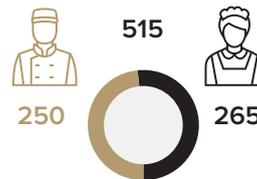


Total employees in 2018

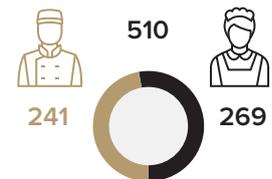


Elysium

Total employees in 2017



Total employees in 2018



Facts & figures

The total number of employees of Stademos Group includes the employees of the construction company (109 employees), the PlusSea (51 employees) and the Amara Hotel (three employees – still under construction).



Mediterranean

Employees by age group in total staff	Number of Employees
---------------------------------------	---------------------

 <30	53
 30-50	157
 >50	126

Elysium

Employees by age group in total staff	Number of Employees
---------------------------------------	---------------------

 <30	80
 30-50	239
 >50	191

Human Spotlight: So many people around

Andreas Panagi works as a Porter at the Elysium since 2002. Previously, he lived in South Africa for 20 years. He leads a successful business that employed 35 persons. After migrating back to Cyprus, he changed jobs 3 times during a single year before starting his work at the Elysium.

Why did he choose to work at Elysium? Well, meeting so many people every day just makes him happy, he says. As an experienced employee, he believes Elysium delivers exactly what you would expect from a 5-star rated hotel. Whenever Andreas takes guests up to their room, he feels confident that the hotel can satisfy their needs and expectations. He also points out that hotel staff, including himself, management and the owners are fully committed to the guests.

[403-2]

Give and take.

Recruitment & retention strategy

Our employees’ skills positively contribute towards the high quality service that Stademos Hotels offer. We are actively looking for talented and motivated individuals to join our team. Our presence at the recruitment fairs will give us the opportunity to share our experience with students and attract talent. We will be offering them great job opportunities with excellent employment conditions and the prospect of personal development.

Employee lifecycle in Stademos



Be a giver. Launching our new HR strategy

We are currently launching an innovative HR strategy that will address the hotels’ needs and challenges that may emerge in the future. An external consulting group has successfully conducted an HR Audit of the Elysium and Mediterranean hotels. As a result, we have mined valuable insight and data that allows us to revise our HR policies.

Our “Be a giver” HR Strategy will be deployed in 2019/2020. We will introduce brand new HR manuals

and new training programs. Emphasis will be given in this new approach in order to promote sustainable and reciprocal relationship within the network of Stademos and offer numerous opportunities for self-fulfillment through work, cooperation and work-life balance.

In accordance with this approach, both employees and employers are perceived as “the givers” – agents of transformative change contributing towards the well-being of others. At the same time, they are also “takers” – they benefit from relations with others.

We are certainly aware of the local conditions: life in Cyprus may sometimes be expensive. To tackle this problem, we are currently designing creative workaround schemes. In principle, we are planning to offer great and affordable accommodation to our employees: we are considering not only hiring some flats, but also building new housing system tailored to our employers' needs!

"It would be fun to work in the first hotel constructed in Limassol in 30 years! However, it is not only about Amara's humming waterfall or company of my friends who already work there. I have long been into hotel industry but I have never heard a company designing new houses just for their upcoming employees. Hell, this means they care."

– Student, 20 years old

Case study

The way to four stars.

Marios Chrysostomou began working at the Mediterranean Hotel in September 1994. He started his career as a Waiter B (at restaurants department) and a year later, in November 1995, he was promoted to Waiter A. In 2002, he became a Head Waiter, an occupation that keeps him fulfilled ever since. Marios is committed to delivering excellent customer service and ensuring customer satisfaction.



Sustainable learning. Empowering employees

Training and learning is crucial not only for sustaining the high quality service, but also for ensuring that our employees respond to a fast changing environment.

Recent social scientific research shows that it is of crucial importance to motivate young individuals to explore their career opportunities. This is why in addition to individual courses and workshops we provide seminars on a wide range of subjects. Not only are they designed to increase productivity, but also expand the range of skills of our employees. Continuous professional development and personal growth is vital for maintaining our company culture. It should also be noted that we offer our foreign employees the opportunity to learn the basics of the Greek language.

We believe that it is crucial for our staff to have the opportunity to experience different professional environments. To this end, we offer the option to key staff to visit other countries, broaden their knowledge and expertise and be introduced to different professional practices.



TRAINING HOURS

Mediterranean Beach Hotel

2018: 260 training hours offered to our team members

2017: 152 training hours offered to our team members

2016: 253 training hours offered to our team members

Elysium

2018: 308 training hours offered to our teams members

2017: 127 training hours offered to our team members

2016: 250 training hours offered to our team members

Case study

Ingredients that matter.

Andreas Theodorou joined the Elysium Hotel in June 2012. He started his career as a Chef de Partie. He was the Chef of the Bacco Ristorante – the flagship Italian restaurant of the hotel. His hard work and dedication paid off as he was promoted to Sous Chef in July 2013. To expand his knowledge and creativity, the group gave him the opportunity to visit London for a week's training at the Murano restaurant. This Michelin starred restaurant is located in the heart of London, serving the most discerning customers. He had the opportunity to work and observe many useful techniques, which he in turn applied in our hotel's restaurant, at the ingredients selection and dish preparation process among others.

In the spotlight: The man in charge of giving our guests “a part of Cyprus”.

Our Head Sommelier, **Yiannis Stefandies**, has been with us for over 15 years. In that time, he has literally gone from the trainee to the trainer. When he began working at Elysium in 2004, he was only beginning his journey as a sommelier. Today, he leads our sommelier team, mentoring and supervising our two junior sommeliers. During his time here, Yiannis has developed his craft in the classroom and in the field. Yiannis has completed advanced wine courses and certification classes, and participated in various sommelier world championships in all the corners of the world, from France and Belgium to Japan and the United Arab Emirates.

Both in his craft and in his approach to our guests, to Yiannis it is all about going the extra mile. He is all about the hotels “Look at yourself and make sure this is how you want the guests to see you” motto. When Yiannis offers you a glass of wine from one of the many local Cypriot vineyards, it is not just because he's tasted it and he can tell you a story about it, rather it's because, he's visited the vineyard, seen the wine making process and tasted the indigenous grape variety used to make it. Yiannis wants to ensure that each guest at Elysium receives the full breadth of the hospitality of Cyprus, feels the history of our beautiful island, and experiences all that the nature and sunshine have to offer.

Motivation

Our goal is not only to motivate employees to align with our values, but also to make them achieve their own personal goals. We hold performance reviews to assess each individual's performance on an annual basis. Professionally tailored workshops and courses and on-the-job training offered to our staff actively contributes towards improving their skills. It is worth mentioning that since 2014, all hotel employees periodical performance and career related reviews.



“**Employee of the month**” award aims to recognise both effort and performance of an employee that has excelled in their field. This employee receives a certificate and a special voucher, which can be redeemed in cash.

In the spotlight: Sisterly love

Sister act!

The two sisters from Australia: **Elena Papaconstantinou** and **Suzanna Nicodemou** have been working at the Mediterranean Hotel for eight and eighteen years respectively. Their love for their jobs as well as for the hotel guests radiates from their beaming smiles and is a reason why people want to come back to our hotel. Elena is a waitress at the main Aquaria restaurant, while Suzanna is a bartender at the Clouds bar since 2001.

Dedicated linen keeper

Antigoni Demetriou has been working at the Elysium Hotel since the day its doors opened. She is responsible for handling the laundry of the hotel and treating the guests' personal garments with utmost care.

Employee recognition programme: Mediterranean Excellence Keys

The Mediterranean Excellence Keys are part of the Mediterranean Hotel policy to award the employees who excel in their performance, take initiative, and continuously demonstrate their devotion to the principles of the Mediterranean culture. The programme has five award opportunities, which in principle, awards our employees for their effort to successfully share our ideals and philosophy.

The purpose of the policy is not only to create a customer-centric environment but also to create an environment, which recognizes our employees' needs, wants, and stimulates the feeling of loyalty and dedication.

Case study

Stability first of all.

Antonis Mitas works at the Front Office since 2014. After he was awarded Employee of the Month, he felt that his work was appreciated and that an award constitutes an incentive for further professional development. Antonis mentions that the working environment at the hotel as well as the set of good practices that the company promotes are the key success factors for employee motivation. Among these practices, he reiterated the stability the company offers to the employees. In general, Antonis feels that the guests deserve a unique experience.

Recognising the value of every employee is fundamental to our culture. We reward the commitment of our staff annually and various awards and benefits are regularly given to all our employees. Stademos Hotels implement reward programmes such as the “Excellence Scheme”, the “Star of the Month”, and “Sales Performance Awards”. In addition, we also provide birthday presents to all team members.

Additional incentives are on offer through an incentive scheme for exceptional performance shown by any member of our staff. Each employee can gather points that are accumulated over periods of 3 months and can be exchanged for rewards including gift vouchers, dinner vouchers, hotel stays and more.

All employees also receive an “excellence card” that gives them access to preferential rates and discounts in a number of shops and services. We acknowledge the work of our employees is often strenuous, so we want to ensure our employees’ achievements are properly recognised.



[Companies Act Amendment 3] [401-2; 404-1; 405-2]

Safe and fair. Our working environment

Our commitment to provide a fair working environment and support human rights at every level of our activity starts with a set of specified good practices. So far, no violations of human rights have been reported. Through our employment contracts, our Code of Conduct and our day-to-day working practice, we are fully committed to respect the Human rights. We comply with all applicable Human Rights regulations.

In order to safeguard and strengthen our values measures were taken to ensure:

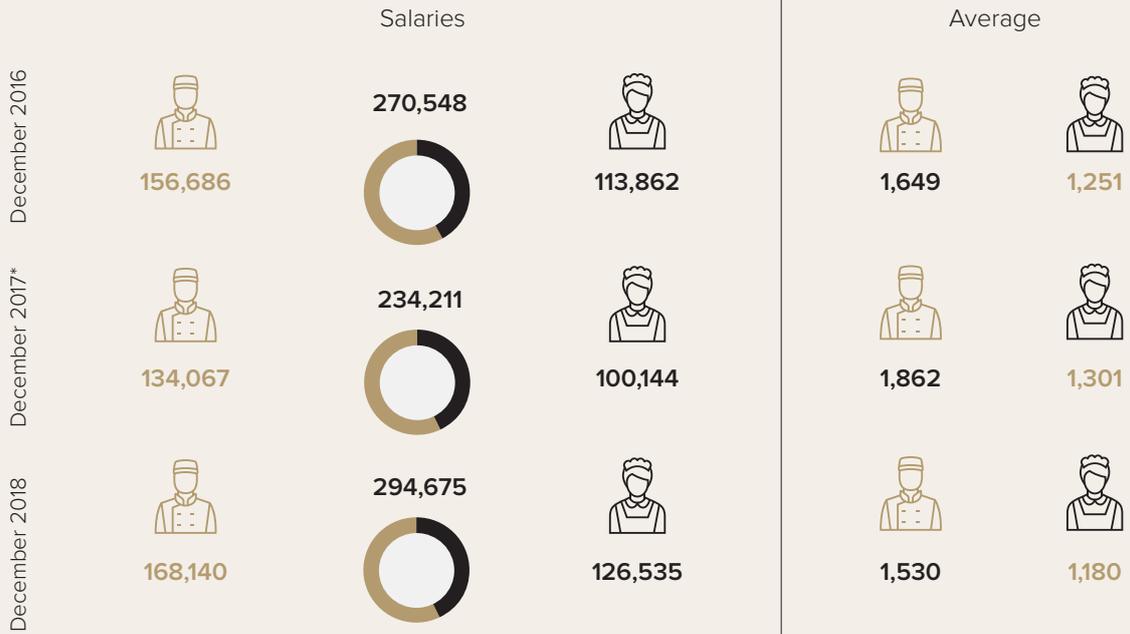
- Ethical behaviour of all Stademos Hotels employees;
- Rejection of all forms of child/human trafficking;
- None of our tour operators or suppliers is considered to incur significant risk for the occurrence of incidents related to child labour, forced labour, or hazardous working conditions;
- None of our tour operators or suppliers are considered to have significant risk for incidents of forced or compulsory labour;

At Stademos hotels, we aim to promote diversification and equal opportunities in all dimensions of the business. We also adhere to an equal rights employment policy and a non-discrimination policy. We consider our company to be a workplace of diverse and equal opportunities, with a highly qualified workforce.

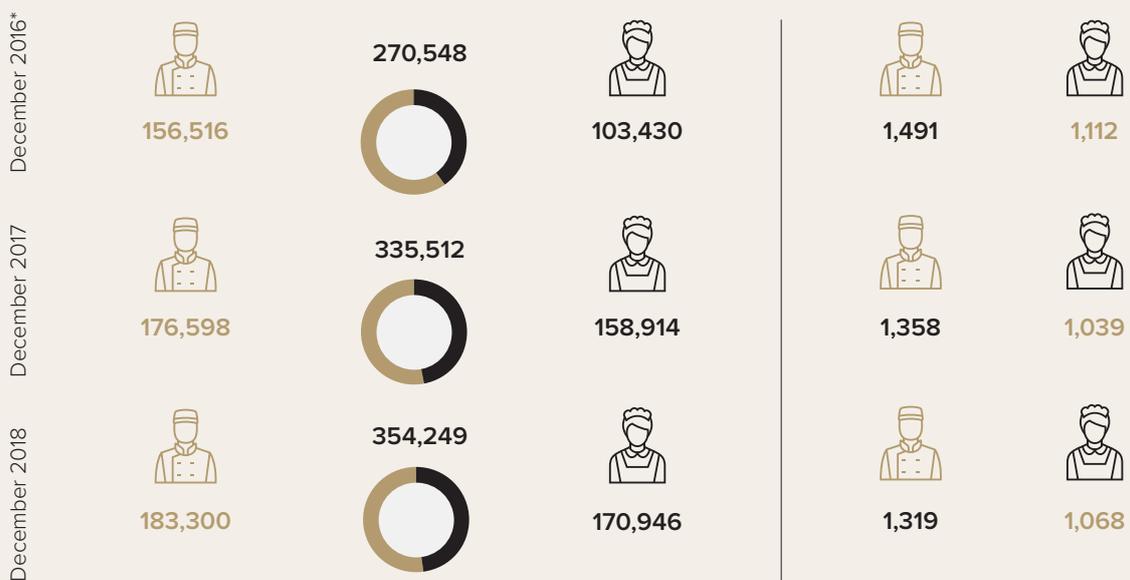
For detailed information on ethics, see paragraph 3. Ethics – rules of conduct in chapter 5



Mediterranean



Elysium



*Closed for renovations

We also adhere to an equal rights employment policy and a non-discrimination policy. Our goal is to work actively to promote gender balance in all parts of the company and to have balanced distribution of women and men amongst our employees.

We believe in positive and courteous communication as well as in an inclusive management style, while staying focused on our employees' individual development. It is important that as we grow we continue to work closely as a team across all areas of the business. Our weekly staff meetings are a great occasion for exchanging views and keeping up with important team updates.

Both hotels offer their employees valuable benefits. At Mediterranean Hotel as well as at the Elysium Hotel fulltime employees receive a 13th salary and are offered benefits such as Provident Fund (the employer contribution amounts to 5% and the employees' contribution ranges up to 10%), travel cards and birthday gifts. The hotel also runs a special Employee Recognition System. Employees are recognised for their contribution and rewarded by the Hotel Management. Following a specific performance evaluation procedure, each month an employee receives a Star of the month award.

Respecting work-life balance, we also make sure that there are occasions for celebrating life as well as work. Around Christmas time, we arrange a day dedicated to the families and children of our employees.



A SAFE WORKPLACE

Our safety procedures are outlined in the Health and Safety Manual. Their execution is ensured by a dedicated Manager and safeguarded by a Committee. In both hotels, no fatal accidents took place. All accidents that have occurred and reported were minor, in which no serious injuries occurred.

Mediterranean Hotel

- **6** work accidents,
1156 absent days due to sick leave,
144 absent days due to accidents during work in **2018**;
- **3** work accidents,
578 absent days due to sick leave,
109 absent days due to accidents during work in **2017**;
- **3** work accidents,
388 absent days due to sick leave,
54 absent days due to accidents during work in **2016**;

Elysium Hotel

- **11** Work accidents,
1193 absent days due to sick leave,
100 absent days due to accidents during work in **2018**;
- **12** work accidents,
1240 absent days due to sick leave,
143 absent days due to accidents during work in **2017**;
- **2** work accidents,
480 absent days due to sick leave,
32 absent days due to accidents during work in **2016**

[Companies Act Amendment 3] [203-1 partially]

Community matters.

Our approach to people

Culture and society are core concepts for Cyprus, thus empowering local community is our priority.

We follow a long-term approach whilst assessing our impact on the local community. By opening the Amara Beach Hotel, we aim to increase of the overall employment levels in Cyprus, as it has the capacity to employ 500 individuals. Furthermore, our new HR strategy, will improve the training process, working experience and long-term career management of our employees. Our hotels are also involved in various local events and charitable initiatives to ensure that part of our economic gain is redistributed, thus acting towards the betterment of people and society. Below are a few notable local events and charities we support:

Combating cancer	Supporting the underprivileged	Health
<p>The Elysium hotel donated to the Breast Cancer Awareness Pink Gin Fest on the 24th of October 2018.</p>	<p>The Mediterranean hotel was involved in a number of charities by donating bed sheets, towels and pillows to underprivileged communities as well as organising groups of beach cleaning volunteers.</p>	<p>The Mediterranean was the Silver Sponsor of Limassol Marathon 2017.</p>
<p>The Elysium hotel donated to the Europa Donna Cyprus for fund raising on the 11th of February 2019.</p>	<p>The Elysium hotel has donated money to Margarita Liasidou Foundation that supports people with special needs. Furthermore, all employees donated money in order to assist the efforts of this Foundation.</p>	
<p>A campaign was organized by The Elysium and The Mediterranean hotels whereby guests were encouraged to support the anti-cancer society of Cyprus by donating EUR 2.00 per stay.</p>	<p>We have been donating refurbished furniture to both our employees and the local institutions, such as churches.</p>	
<p>We have been supporting The Cyprus Association of Cancer Patients and Friends (PASYKAF), a voluntary, non-governmental health association.</p>		



5.

Stademos – a business you can trust

We are descendants of the people
who lived here for centuries.
No matter what we do, we follow
best ethical and legal standards.

Panos Loizou

Group Accountant and Internal Auditor

[102-5]

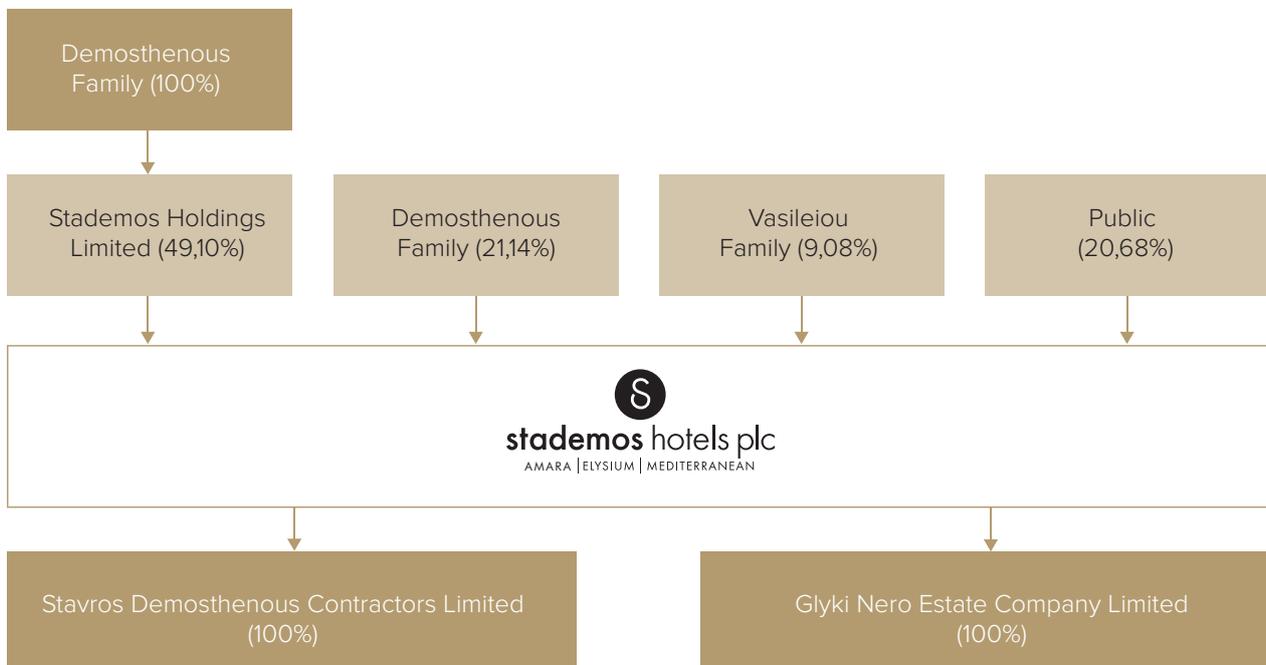
Governance structure

Stademos Hotels PLC has a long-standing commitment to transparency and integrity. Our Board of Directors oversees the management in order to ensure that our budgets, core values and the mission of our company are followed and perpetually enhanced.

Effective corporate governance is an essential precondition for the company’s success. It provides a legal and factual framework and promotes transparency, accountability, the appropriate risk management methods and sound business practices.

We are proud of the reputation of Stademos Hotels PLC and the trust of our business partners, shareholders, employees and the public. We are aware that our reputation highly depends on the commitment of all employees, including the management.

Ownership structure



[Directive 2014/95/EU] [102-11; 102-30]

Risk management

Even though we do not codify risk management procedures, we follow best practices in the following dimensions of risk management:

Risk category	Initiatives to manage these risks
Operational risk	We prepare monthly Management Accounts per hotel (cost centre); we exert a direct control over our income and expenses;
Financial risks such as: <ul style="list-style-type: none"> • Liquidity risk • Currency and interest rate risk 	<p>We monitor the company's liquidity on a daily basis to ensure the viability of our day-to-day operations. The functional currency of the Group is Euro. There are only a few suppliers who are paid in GBP or USD. Therefore, the exposure of the Group to currency risk is not material.</p> <p>Loan and overdraft facilities have been agreed at favourable interest rates for the whole Group. Taking into consideration the current market conditions, the EU basic interest rates are not expected to severely fluctuate during the short-medium term horizon. To that extent, the Group's exposure to interest rate risk is considered to be low.</p>
Health and safety risk	We constantly review the health and safety implications of all services and products provided to our guests. Relevant standards, codes and legislation are considered during the procurement process to ensure the high quality service is maintained.
Safety and security risk	<p>We take the safety and security of our guests, colleagues and visitors very seriously. We manage the safety and security through a risk management system that includes Brand Safety Standards and a combination of risk guidance, training and toolkits that are available to all hotels. Moreover, we continue to enhance our privacy programme to address evolving privacy requirements and best practice, including the EU General Data Protection Regulation.</p>
Recruitment process risk	<p>Staff recruitment is based solely on the individual's qualifications and experience. Our colleagues represent multiple nationalities, as well as many cultures, religions, races, backgrounds and beliefs.</p>
Ethical compliance risk	The Core of our culture is our Code of Conduct, which sets our commitment to operating honestly and with the highest ethical standards. It provides an introduction to our key policies, including anti-bribery, diversity and inclusion, environment, confidential reporting and human rights.
Environmental risk	We recognise the risks our business and local communities face from water scarcity and pollution. We are taking actions to ensure water conservation, to minimise waste and limit the CO ₂ emissions, through the use of smart technologies and renewable energy solutions.

[Companies Act Amendment 3] [102-16; 102-15; 102-17; 205-3]

Ethics – rule of conduct

Stademos Hotels PLC follows an informal set of good practices that safeguard the integrity of the organisation. Our Code of Conduct ensures that we are nurturing a culture of shared value, fairness and mutual respect amongst our employees, guests, suppliers and the local community. We always strive to offer equal employment opportunities and we will never tolerate any discriminatory practices.

There were no identified cases of discriminatory practices, corruption or bribery in **2018**

Staff recruitment is based solely on the individuals' qualifications and experience. Our colleagues represent multiple nationalities, as well as many cultures, religions, races, backgrounds and beliefs. Sixteen nationalities are represented at the Elysium Hotel, including Bangladesh, Philippines and several European countries. A minimum of four members of the management team are engaged in the hiring process: the Human Resources Manager, the head of the relevant department, the Resident Manager and the General Manager who signs off every new contract. The employee promotion process is based on an annual evaluation process, which gives a measurable picture of each employee's performance.

We methodically prepare and monitor the selection process of our suppliers. The selection is made by a pre-selected purchasing committee consisting of the Managing Director, the Financial Controller, the Chief Accountant, the Group Accountant & Internal Auditor, the Purchasing Manager and the two General Managers. Once a year the committee invites tenderers through a media announcement.

The Purchasing Officer forwards the Supplier Questionnaires to all the tenderers in order to get all the required information for the evaluation process. The Purchasing Committee evaluates the tenders and any selected suppliers, are all included in the Approved Suppliers List.

Amongst the basic criteria used to evaluate the prospective supplier are the following:

- Price,
- Quality,
- Credit Period,
- Delivery time,
- Availability of Certificates
- Packaging of product.

Each criterion is evaluated on a scale of 1 (low) to 6 (high). Following deliberation and discussion the Purchasing Committee selects the suppliers. The Managing Director prepares letters to all the evaluated suppliers, informing them of the Purchasing Committee's decision. The heads of each department is responsible to monitor the work subcontracted during execution and/or upon delivery, to ensure that it adheres to the required standards of the hotel.

A number of procedures and practices are in place in order to avoid any instances of discrimination, corruption or bribery. Any suspicion related to the above is immediately reported to the Internal Auditor. The auditor examines the case and decides whether it requires further formal investigation or the involvement of the Police.

Good practice

The Purchasing Officer keeps a list of approved suppliers / subcontractors. The list is reviewed by the Purchasing Committee annually during the supplier evaluation process

In case of suppliers and subcontractors we have previously worked with, the Purchasing Committee reviews any Incident Reports that have been recorded during the past years. Suppliers and subcontractors obtaining a grading higher than 18 are kept on the list of approved suppliers. Conversely, those obtaining a grading lower than 18 are removed from the list and the hotel ceases to cooperate with them.



Inspection of the goods received

The Purchasing Officer is responsible to collect any goods delivered at the Central Stores of the Hotel and perform the following checks:

- quantitative check of goods received vs purchase order,
- quantitative check of purchase order vs supplier's invoice,
- check for obvious physical damage,
- expiry dates.

A qualitative check is carried out in cooperation with the relevant Departmental Head. Upon delivery of the purchased goods, the Purchasing Officer informs the corresponding departmental head to carry out the qualitative check and to complete the Qualitative Receiving Inspection form. In cases where the qualitative check cannot be carried out upon delivery of the goods due to the nature of the product (e.g. bottled wine), the items are accepted by the Purchasing Officer and the qualitative check is carried out by the member of the personnel that uses them first. For health & safety reasons, fresh food is kept in appropriate containers, such as refrigerators and freezers.

102-42; 102-43; 102-44; 102-46; 102-47

102-51; 102-52; 102-53; 102-54; 102-55; 102-56; 103-1

About the report

The non-financial report contains data for 2018 and it is the third report of this type produced by Stademos Hotels PLC. It is part of an overall strategy aimed at understanding and improving sustainability performance and building relationships with key stakeholders.

The report has been drawn up in compliance with the International Global Reporting Standard GRI Standard (core version). These guidelines offer a globally relevant framework to support a standardized approach to reporting, encouraging the degree of transparency and consistency that is required to make information useful and credible to markets and society. Additionally, to fulfil the obligation of disclosure of non-financial information set out in the European Directive 2014/95/EU transposed into Companies Act Amendment 3, the report has been prepared according to its guidelines.

The report has not been subjected to external verification. When defining the substantive content of the report, we conducted a process consisting of the following stages:

- 1. Identification** – selecting key issues in the area of the corporate responsibility and conducted business.
 - We analysed internal documents and materials of Stademos Hotels PLC.
 - We reviewed external publications and press releases concerning the company and the hotel industry.
 - We considered trends and guidelines of international standards regarding non-financial reporting.
- 2. Prioritisation** – we identified the significance level of the issues crucial from the point of view of the Stademos Hotels PLC.
 - The process included consultation with heads of various departments such as energy, environment and health & safety, human resources, communications, marketing, accounting, F&B, front desk, housekeeping, customer services etc. We have also consulted with the management at both the hotel and corporate office level. Our Managing Director was also involved during the discussions.
- 3. Validation** – during the validation workshop, in which representatives of the management staff of Stademos Hotels PLC took part, we confirmed the final list of priority issues, which were included in the report for 2017.

Questions, remarks and suggestions related to this year's report should be sent to Panos Loizou, the Group Accountant and Internal Auditor at the Stademos Hotels PLC, at [<panos@stademos.com.cy>](mailto:panos@stademos.com.cy).



Important aspects identified for Stademos Hotels PLC

General

Relationship with clients (main clients, loyalty and sustainability programmes, policies that regulate customer privacy issues)

Impact on local economy through procurement policies

Corporate governance – Identified risks / Risk management (activities, procedures, policies), Code of conduct, Key operating management policies, strategies and systems

Social

Labour conditions (Human capital development)

Migrant workers (Human trafficking risks, Recruitment and employment)

Natural environment

Water / Wastewater consumption, management and treatment

Energy consumption, Energy efficiency of operations

Emissions to air – CO₂ emissions Hotel operations

Waste management – Generation, disposal, diversion

New challenges – plastic reduction

GRI TABLE – CONTENT INDEX GRI Standard [102-55]

GRI Standard Number	Indicator no.	Indicator name	Page
Rules and basis for reporting			
GRI 101		Rules and basis for reporting	4
Profile indicators			
GRI 102	102-1	Name of the organisation	8
GRI 102	102-2	Activities, brands, products and services	8
GRI 102	102-3	Location of headquarters	8
GRI 102	102-4	Location of operations	8
GRI 102	102-5	Ownership and legal form	8,62
GRI 102	102-6	Markets served	8
GRI 102	102-7	Scale of the organisation	8
GRI 102	102-8 (partially)	Information on employees and other workers	45
GRI 102	102-9	Description of the supply chain	16,64
GRI 102	102-10	Significant changes to the organisation and its supply chain	No significant changes during the reporting period
GRI 102	102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	63
GRI 102	102-12	Externally developed economic, environmental, and social statements, principles, or other initiatives adopted or endorsed by the organisation	Sustainable Development Goals, HCMI (ITP/WTTC) and ACTE
GRI 102	102-13	Membership in associations and organisations	21
GRI 102	102-14	Statement from senior management	4
GRI 102	102-15	Description of key impacts, risks and opportunities	64
GRI 102	102-16	Values, principles, standards and norms of behaviour.	64
GRI 102	102-30	Effectiveness of risk management processes	63
GRI 102	102-35 (partially)	Remuneration policies	49
GRI 102	102-40	List of stakeholder groups engaged by the reporting organisation	21
GRI 102	102-41	Employees under collective agreements	Mediterranean hotel – 33.64%, Elysium hotel – 27.5%
GRI 102	102-42	Basis for identification and selection of stakeholders involved by the organisation	21
GRI 102	102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	21
GRI 102	102-44	Key topics and concerns raised by stakeholders and the organisation's response, also through their reporting	66
GRI 102	102-45	Entities included in the consolidated financial statement	Refer to Financial Statement
GRI 102	102-46	Process for defining the report content	46
GRI 102	102-47	Identified important topics	46, 67
GRI 102	102-48	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement and their impact (e.g., mergers, acquisitions, change of base years/periods, nature of business, measurement methods)	It is our third CSR report, there are no re-statements of information

GRI TABLE – CONTENT INDEX GRI Standard

GRI Standard Number	Indicator no.	Indicator name	Page
GRI 102	102-49	Significant changes from the previous report regarding the scope, reach or measurement methods employed in the report	It is our third CSR report, there are no significant changes regarding the previous version
GRI 102	102-50	Reporting period	66
GRI 102	102-51	Date of most recent previous report (if any)	Sustainability Report 2017
GRI 102	102-52	Reporting cycle	66
GRI 102	102-53	Contact data	66
GRI 102	102-54	Indication of whether the report was compiled as per the GRI Standard in the Core or Comprehensive option	66
GRI 102	102-55	GRI Index	68
GRI 102	102-56	Policy and current practice with regard to seeking external assurance for the report	66
Management approach			
GRI 103	103-1	Explanation of topics identified as significant, with an indication of their restriction	67
GRI 103	103-2	Management approach and its elements	14, 15
GRI 103	103-3	Assessment of management approach	14, 15
Topic indications			
Economic topics:			
Economic performance			
GRI 201	201-1	Direct economic value generated and distributed (including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments)	17
Market presence			
GRI 203	203-1 (partially)	Infrastructure investments and services supported	59
Procurement practices			
GRI 204	204-1	Proportion of spending on local suppliers	16, 64
Countering corruption			
GRI 205	205-3	Confirmed cases of corruption and activities undertaken as response	64
Environmental topics:			
Energy			
GRI 302	302-1	Energy consumption within the organization	39
GRI	302-2	Energy consumption outside of the organization	39
GRI 302	302-3	Unit energy consumption (thermal and electrical)	39
GRI 302	302-4	Reduction of energy consumption	39

GRI TABLE – CONTENT INDEX GRI Standard

GRI Standard Number	Indicator no.	Indicator name	Page
Water			
GRI 303	303-1	Total water withdrawal by source	43
Emission			
GRI 305	305-1	Direct (Scope 1) GHG emissions	38
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	38
GRI 305	305-5	Reduction of greenhouse gas emissions	38
Effluents and Waste			
GRI 306	306-2	Total weight of waste by type and disposal method	44
Compliance with environmental regulations			
GRI 307	307-1	Non-compliance with legal and environmental regulations	35
Supplier environmental assessment			
GRI 308	308-1	New suppliers that were screened using environmental criteria	16, 64
Social issues:			
Employment			
GRI 306	306-2	Total weight of waste by type and disposal method	41
GRI 401	401-1	New employee hires and employee turnover	49
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56
Occupational health and safety			
GRI 403	403-2	Rates of injuries, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	51
Education and training			
GRI 404	404-1	Average hours of training per year per employee	56
Diversity and equal opportunity			
GRI 405	405-2	Ratio of basic salary and remuneration of women to men by held position	56
Supplier Social Assessment			
GRI 414	414-1	New suppliers that were screened using social criteria	16, 64
Customer privacy			
GRI 418	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	63
Customer privacy			
GRI 419	419-1	Non-compliance with laws and regulations in the social and economic area	63

GRI TABLE – CONTENT INDEX GRI Standard

Companies Act Amendment 3 requirements	Companies Act Amendment 3	Chapter
Description of the entity’s business model and key performance indicators	Yes	Chapter 1 – All
Description of the management of risks identified as significant	Yes	Chapter 5 – Risk management
Description of the due diligence procedures and performance indicators related to the entity’s activities in relation to the prevention of corruption	Yes	Chapter 5.– Ethic Rule of conduct
Description of policies, due diligence procedures and performance indicators related to the entity’s activities with respect to human rights	Yes	Chapter 4 – Safe and fair: Our working Environment Chapter 5 – Ethics Rule of conduct
Description of policies, due diligence procedures and performance indicators related to topics relevant to the consumer / customer, quality	Yes	Chapter 1 – Our business model & key performance indicators Chapter 2 – All
A description of policies, due diligence procedures, and performance indicators related to the entity’s activities in relation to employee issues	Yes	Chapter 4 – All
Description of policies, due diligence procedures, and performance indicators related to the entity’s activities in relation to the natural environment	Yes	Chapter 3 – All
Description of policies, due diligence procedures and performance indicators related to the entity’s activities in relation to social issues	Yes	Chapter 4 – Community matters. Our approach to people



stademos hotels plc

AMARA | ELYSIUM | MEDITERRANEAN

60, Amathus Avenue, P.O.Box 56767, 3310 Limassol, Cyprus

T +357 2582 8333 • F +357 2531 0121

www.stademos.com.cy