



HOUSE OF HOTELS | בית של מלונות

SUSTAINABILITY REPORT

2019-2020

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Dear Readers,

Throughout 2020, even in the face of unprecedented difficulties, the Fattal team has stayed true to its mission of serving its global community with love. The driving characteristics of Fattal – love, excellency, and innovation- that led to its remarkable growth, from a single hotel management company in 1999 into a global Israeli-based chain 209 hotels strong, are the same characteristics that made it resilient to the many challenges of the past year, and the same characteristics that will carry us through challenges yet to come. Today we are a public company, traded on the Tel Aviv 90 Index of Israeli stock exchange with hotels spanning across Israel, Central Europe, the UK & Ireland, Benelux as well as the Mediterranean Basin.

Our success is not only measured by the number of hotels or by the reputation for quality that we uphold. Our success, or to say the least, the secret of our success, our true

strength and what sets us apart, is our people – staff members and managers who work side by side, as a team and a family, and who are committed to making a good thing great! The combination of diverse people who represent different cultures - urban dwellers and nature lovers, new immigrants and locals, men and women - each bring their own unique and personal contribution. Human capital development is an important and leading value for us, so we have many development programs and management tools for our employees and managers. We understand that the role of our team besides hospitality is to be ambassadors of the hotel industry.

Corporate responsibility is our guiding principle and is reflected in our high level of social engagement, work with the local communities and people with special needs. We always keep the environment in mind and comply with the standards of the corporate governance of a public company.

Alongside fostering human capital, we believe in looking ahead to the future, so we have developed highly innovative technological processes for accessibility and service efficiency. They allow us to respect our guest's time and to promptly care for their needs while arranging their accommodations prior to their arrival and during their stay at the hotel. Our guests have access to tools and apps, which give them a variety of actions implementable across different channels running side by side.

At Fattal, we are constantly looking for

opportunities to reduce the impact of our activities on the environment both on the global and local scale through various programs.

A continuously growing number of our hotels have become a part of local Green Tourism programs, which provide a framework to help our businesses tackle the long-term sustainability issues and reduce overheads. Furthermore, our European hotels have collaborated with Löfbergs Coffee Group that is certified as organic and fair trade, and is a member of the rainforest alliance. Through this partnership, we are working to build a socially, economically and environmentally sustainable business.

As a further development, the network began to create large-scale projects designed to meet additional needs of our guests, such as: short-term apartment rental, launch of the “ROOMS” project - joint work complexes near and within the hotels, establishment of “Fattal Terminal” at Ben Gurion Airport, which allows fast border crossings, accommodations and more.

Thanks to our human and technological resources, we continue to develop and conquer the markets. Today, the chain has more than 209 hotels in 20 countries and maintains its status as the largest hotel chain in Israel, despite the competitive environment.

Thanks to the wonderful people who have accompanied Fattal from its founding, we have been able to develop, preserve and when necessary change over the years according to the spirit of the time.

Our commitment to our guests and our company’s moto is “to lead the hospitality culture, to stay professional, dedicated & devoted, and to create exciting experiences and memories for our guests”.

Each hotel has its unique approach to understanding and meeting the needs of the communities. One of our community project highlights is accommodation of ill children and their families. In 2018 we started building two hostels for children with cancer and their families at Rambam and Ichilov hospitals in Israel which will contain resources for patients and their family including guest rooms, a dining hall, study center, and activity room. In Europe, we work with Ronald McDonald Foundation to build new rooms at the residence for sick children and their families. While, in the UK & Ireland, we collaborate with Scope, a national disability charity that campaigns to challenge and change negative attitudes about disabilities, as well as the majority of our hotels receiving the Disability Confident accreditation.

As a community-based network, we operate and work with the community and for the community. Our hotels are situated in many diverse locations and cater to every type of guest: - families, business guests or travelers, couples, medical tourists, religious tourists and more. We see this as a realization of our value, “Hosting with Love”. Our mission is to provide great hospitality and make guests feel at home.



A NOTE ON COVID-19

In March of 2020 our hotel operations were legally mandated to shutdown across the globe.

They remained shut down until February of 2021 when vaccination campaigns allowed for the partial reopening of the travel and hospitality industry. Since then we gradually opened our hotels and increased occupancy in full cooperation with the local and national guidelines. Our guest and staff's health remain our utmost priority and we continue to act in accordance to all local and national safety precautions. Extra sanitation, masks, social distancing and other safety measures are all being implemented closely to insure the health and comfort of our guests and staff.

In order to insure business continuity during closure we were forced to make many tough decisions including reducing our work force, making wage reductions and placing employees on unpaid leave. Additionally, we received state-guaranteed loans from the Israeli and German government.

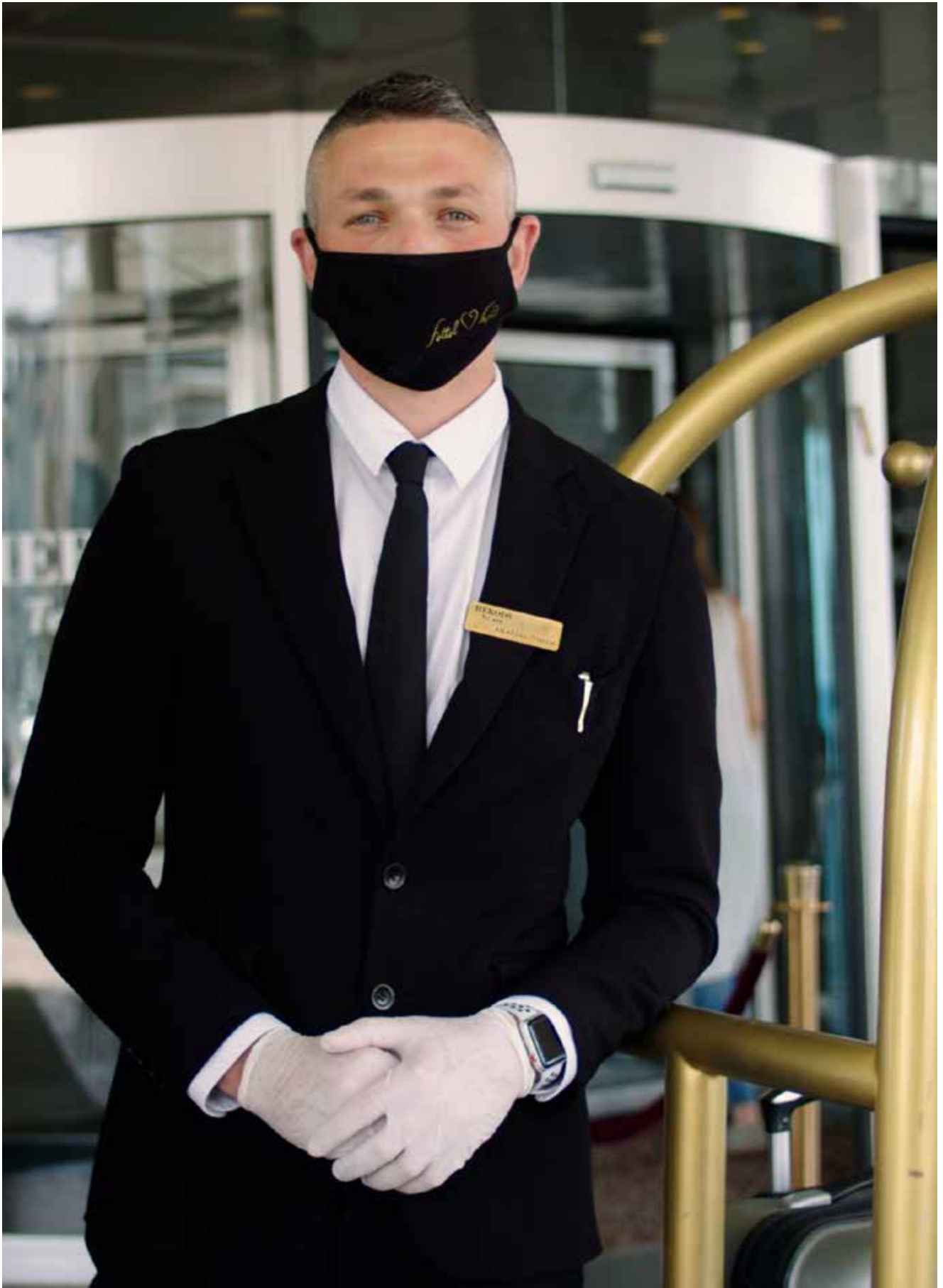
Doing our part in the battle against COVID-19 meant operating two of our Israeli hotels for people who needed to be isolate either because they tested positive for COVID-19 or because they were returning from abroad. Staff at Leonardo Negev and Leonardo Jerusalem were trained by the Home Front Command on necessary precautions to take while hosting COVID-19 positive guests. For a four-month period the hotels hosted COVID-19 guests with diligence and perseverance supporting guests and helping keep the general public

safe during a tumultuous period.

In 2020 our Central Europe hotels established a social fund called "Share & Care" which provides monetary assistance for employees who are facing situations of financial hardship, for example during COVID-19. Employees can apply via email or through a direct conversation with their local HR and the application is reviewed by a Social Fund Advisory Board which reviews the situation and makes the allocating decision. The idea for the fund was developed by the 2019/2020 Leonardo Academy Expert group as a way for the hotels to offer ongoing support for their community of employees.

We would like to thank all the nurses, doctors and frontline workers from the bottom of our hearts. Their bravery was instrumental in saving lives and successfully diminishing the spread of the virus so we could hug our loved ones again. Their work was instrumental in allowing us to get back to what we do best: Hosting our guests with love.

During COVID-19, the Benelux hotels developed the initiative "Hospitality from Home" in order to continue to serve their community and combat loneliness. Acts of hospitality such as delivering flowers, supplying home cooked meals, donating books to open air libraries and writing postcards were preformed to bring comfort and create community despite quarantine.



ABOUT US

The global Fattal Hotel Chain encompasses more than 209 hotels, 40,000 rooms and over 12,000 employees and is currently active in Israel, UK & Ireland, Central Europe, Benelux and the Mediterranean Basin. The chain's hotels include the Leonardo brand, Herods, U Hotels, Hotel Rothschild 22, NYX Hotels, Jurys INN, Apollo Hotels and Bachar House.

While the Fattal Hotel Chain attributes its continued growth to the combined talents of its many gifted and dedicated people, ultimately this success is due to the determination and vision of its founder, David Fattal. David started his career as a waiter and acknowledges that this modest beginning gave him early insights into the core values necessary to attract guests and convert them into repeat customers. Showing a natural aptitude, he gained rapidly promotion to positions of influence. In 1984, at the age of 27, he was appointed Assistant General Manager of the prestigious Dan Accadia Hotel in Herzliya. By 1988, he became General Manager of King Solomon's Palace in Eilat. David Fattal founded the Fattal Hotel Chain in 1999, with the chain's headquarters based in Israel and operations constantly expanding to other regions.

For many years now, the Fattal name has been synonymous with innovation in the hotel industry, and continues to make inroads into the hotel markets across the globe. It attributes this success to a strong determination to ensure that guests leave with an enduring feeling of satisfaction and good value.

Our vision, values and commitment to sustainability

Vision: We will lead the hospitality culture, host professionally and lovingly and create exciting experiences and memories for our guests.

Guiding values:

1. Host with love
2. Responsibility and setting a personal example
3. Excellency
4. Cultivating human capital
5. Innovation and creativity
6. Taking personal initiative and continuous improvement
7. Community involvement

Commitment to sustainability

The World Tourism Organization recognizes that the tourism industry continues to generate 10% of world jobs annually. As an international hotel chain, Fattal aims to contribute to the positive developments of the tourism economy and to create a valuable economic, social and environmental impact.

Fattal realizes its ability to enhance the welfare of people, protect nature and preserve cultural heritage by adopting trends of 'micro tourism', 'cultural tourism' and 'sustainable tourism'. These developing sectors of tourism allow people to interact in a genuine and meaningful way with other cultures while helping to



support and revitalize their economies and environment.

Fattal creates jobs and promotes peace, prosperity and observance of human rights and fundamental freedoms, without distinction to race, sex, language and religion.

Journey Ventures

At Fattal, we recognize the increasing role that tech plays within the hospitality industry and the importance of investing in new ideas. With these beliefs in mind we decided to create Journey Ventures, a venture capital firm focused on the fields of tourism and travel technology.

We created Journey Ventures (JV) in partnership with Spring Ventures, a tech-focused investment firm. By joining forces with Spring Ventures we combined their experience investing in technology-based platforms with our in-depth knowledge of the hospitality industry to support innovative start-ups at the intersection of tourism and tech. Since starting in 2019, JV has invested over \$7 million and established a diverse portfolio. An example of the type of companies we invest in through JV is Guesty, a platform that offers specialized services for short-term rental management, working in tandem with services like Airbnb and VRBO to promote the sharing economy. Another example is Thriver, a comprehensive platform to improve companies' work culture and employees' work-life. Thriver's online platform helps offices coordinate team-building activities, volunteer and professional development opportunities, cater healthy food, and much more. Additional companies that JV has invested in are; We Trip, Ontopo, Upstay, Whizar, Avian, Roomernag, and Splitty Travel. This wide array of travel related applications has been particularly important in 2021, helping businesses maximize profits and recover efficiently from COVID-19 shut-down

of the travel industry in 2020. By investing in technology companies at the forefront of the hospitality industry, we see Journey Ventures as not only a strong investment portfolio but as a way to support and improve the hospitality industry as a whole.

Defining sustainable global management approach

In 2021, we prepared our first sustainability report that outlines current projects and initiatives in sustainability and analyzes the material impact of the Fattal Group on the world. During the process we conducted an internal analysis of the topics that are material for the hospitality sector in terms of sustainability. This included an analysis of our peers and of international standards to understand what topics are material to our area of operation:

- Achieving best customer experience;
- Guest health, safety and privacy;
- Prevention of human trafficking;
- Energy usage;
- Waste generated;
- Water usage;
- Food and food waste;
- CO2 emissions;
- Employment;
- Training and education of our employees;
- Diversity and equality;
- Social and economic inclusion;
- Accessibility;
- Caring for local communities;
- Sustainable supply chain;
- Promoting local cultures and products;
- Developing sustainable tourism, raising awareness and engaging our guests;
- Business continuity

In 2021 we aligned our projects with the following Sustainable Development Goals, and in the coming years we will continue these projects and maximize our impact in relation to achieving the SDGs.

SDG**Our Actions**

Vocational education and equal opportunity for both men and women. As seen with the learning opportunities made available to all. See page # 28

- LeoDO
- Fattal Academy
- Leonardo Academy Central Europe
- Grow Academy UK& Ireland
- Leadership Academy BeNeLux



Eliminating discrimination both in recruiting employees, and in the workplace itself through trainings and policies. See page # 25



Creating productive employment and decent work through the vast opportunities of personal growth inside the company for all women and men, including young people and persons with disabilities through the various types of employment provided. See page # 25



Fattal promotes economic inclusion of all people regardless of age, ethnicity, religion and disabilities through inclusive employment practices. In addition to hiring people from different geographical and religious backgrounds we also primarily hire our management through internal hiring (75.5% in 2019 and 82.75% in 2020) meaning dedicated employees have opportunity to grow. Across our hotels we employ 272 employees with disabilities, giving them dignified work and helping them achieve economic independence. See page # 26



Donations of meals to food banks in Israel and Central Europe, as well as community work in all regions with soup kitchens and other NGOs.

Responsible consumption and production in the hospitality sector. Substantial reduction of waste generation through prevention, reduction, recycling and reuse. Adoption of sustainable practices and integration of sustainability information into the reporting. Promotion of public procurement practices that are sustainable. Following sustainable tourism practices that create jobs and promote local culture and products. see page # 36



Fattal implements electricity saving strategies in order to reduce our energy footprint, thus reducing our emissions and helping combat climate change. Energy efficiency actions include upgrading equipment, regularly checking insulation, automatic lights and motion sensors and educating staff on energy usage. Our per room energy consumption decreased on 10% from 8596 KWH to 7794 KWH from 2018 to 2019. See page # 39



In the UK and Ireland we train our staff to recognize the signs of human trafficking. From this initiative we have gained insight into our ability to reduce human trafficking in all of our areas of operation. See page # 22

This was our first step towards defining the sustainable global management approach, based on understanding of our material impacts, existed practices and potential to minimize our environmental footprint and maximize economic and social value.

Our Management Team

Our management team is composed of talented leaders from across the globe that guide us in achieving our vision, values and sustainability commitments.



DAVID FATTAL
Owner Fattal Hotels
Chairman



DANIEL ROGER
Managing Director
Fattal Hotels Europe
and UK



AVIA MAGEN
Managing Director
Israel



JASON CARRUTHERS
Managing Director
Fattal UK & Ireland



YORAM BITON
Managing Director
Leonardo Hotels
Central Europe



RONI ALONI
Managing Director
Mediterranean Region



ALEXANDER KLUIT
Managing Director
Leonardo Hotels
Netherlands & Belgium



SHAHAR AKA
CFO Fattal Group



OFER RAFIAH
M&A Director



MAHER NIMER
CFO Europe & UK



Ethics and corporate governance

Board of Directors

<p>SHAHAR AKA CFO and Director</p>	<p>DAVID FATTAL Chairman of the Board CEO, Owner</p>	<p>YUVAL BRONSTEIN Director</p>
<p>SHIMSHON HAREL Director</p>	<p>SHIMSHON ADLER External Director</p>	<p>YOCHI YACOBI External Director</p>

Our unitary Board of Directors was put together in the beginning of 2017. As of the end of 2019, the board of directors comprised of six members. Two members of the board were employee representatives, as well as two corporate executive officers.

The board was comprised of three independent directors, as well as five non-executive directors. There is CEO duality, meaning that David Fattal is both the sitting CEO as well as chairman of the board.

The term for sitting board members is limited to nine cumulative years, and three years for external directors. Directors are reappointed

annually during meetings, which take place no later than 15 months from the end of the previous meeting.

The Board of Directors has an age range of 50-79, an average age of 65, and no age limit. The Board constitutes one female member.

In 2019, the board met a total of seven times. There was a total attendance rate of 98%¹; independent directors had 93% attendance. In 2020, the board met a total of 11 times and increased its total attendance rate to a remarkable 99% and equally impressive independent director attendance rate of 98%.

Committees of the Board of Directors	Compensation Committee (CC)		Audit Committee (AC)	
	2019	2020	2019	2020
Number of members in the committees	3	3	3	3
Number of Independent Directors on Committee	2	3	2	3
Number of Non-Executive Directors on Committee	3	3	3	3
Number of Committee Meetings	1	4	3	1
Committee Meeting Attendance Percentage	100%	100%	100%	100%

¹None of the Board Members attended less than 75% of the meetings.

Conducting business ethically

Conducting our business honestly and properly is critical to the Fattal Hotel Chain's continued success and growth. At Fattal, we have procedures and policies in place to help us maintain our good reputation, as well as conduct our business activities in a compliant manner.

- Code of business ethics;
- Equal opportunity policy;
- Whistleblower protection policy.

The Code of Ethics which is currently under development will include the responsibility of each employee to act along the principles of honesty, trust, respect, responsibility and security while conducting activities on behalf of the Fattal Group.

Our commitment to stakeholders

We aim to engage our various stakeholders which include: employees, guests, NGOs and international organizations, investors, owners, suppliers, local communities, local governments, local businesses. We ensure their participation through customer surveys, employee surveys, community activities, learning programs, loyalty rewards programs and more.



HOSTING OUR GUESTS WITH LOVE

- 85.17% customer satisfaction rate out of more than 474,000 customer reviews gathered in 2019 ²
- 92% of Jurys Inn and Leonardo Hotels UK & Ireland received Four Star AA Accreditation
- 80% of our Benelux hotels received four stars
- Two our hotels in Eilat were highlighted by the Travelers' Choice Awards in 2019 for being in the top 3 most romantic and family-friendly hotels in Israel.
- We were named “Best Hotel Chain for Business Travel in Germany” for The Leonardo Hotel brand in 2020

Achieving best customer experience

At Fattal, our responsibility and mission is to leave guests with a feeling of enduring satisfaction, as well as complete fulfillment of their needs and wishes. In all regions, we strive to provide a prime experience to our guests, with our employees always going the extra mile to make sure they feel comfortable.

Collecting guest feedback is critically important to us as it provides us an in-depth understanding of our customers and supports us in providing our top-notch service. Working with TrustYou, a renowned feedback software platform in the hospitality sector, we collected more than 232,000 reviews in 2020, and more than 474,000 reviews in 2019 across our

network. Our overall satisfaction rate from our customer survey reviews in 2019 and 2020 is over 82%² speaking to our teams high level of service excellence in the face of COVID-19 challenges to hospitality.

Internal satisfaction survey

In order to gain comprehensive insights into our understanding of customer's needs we use both internal and external methods

² Total Satisfaction rate was calculated based on data from all regions excluding the Benelux in 2019. The average for 2019 was 85.17% . In 2020, the satisfaction rate was 81.1%, based on over 232,000 reviews collected from all the regions.



of collecting data for monitoring guest satisfaction and reviews.

Our internal process includes a guest satisfaction survey sent via email after checkout. The survey includes through questions to best capture the guest's experience, such as;

- How would you rate your satisfaction with the quality of the food at the hotel dinner?
- To what extent did you feel that the team members hosted with love?
- What do you find is most important to improve at the hotel?

****** stars AA Accreditation**

As part of the drive to reclassify Jurys Inn and Leonardo Hotels UK and Ireland as a four star brands, the company is delighted to announce that 92% of its hotels have now received Four Star AA Accreditation and were awarded immediately after inspection. We are expecting to attain the Four Star Accreditation across the group in the coming years.

Customer Relationship Management

We develop long lasting customer relationships with our clients around the world, to ensure that they recognize Fattal as a reliable ally. Representatives at reservation centers, the public inquiry department in the main office and hotels, and hotel receptionists use a CRM System to ensure optimal service and customer satisfaction through each phase of the customers' visit. Our CRM system is accompanied by other systems such as Optima, Digital Assets, UP STAY, Informatics and more, which provide us with a 360 view of our guest's experience.

To guarantee a pleasant and personalized stay, we supply ways for our guests to communicate their preferences, restrictions, and needs when they book with us. This allows us to update the relevant staff and helps ensure a pleasant stay.

Having different forms and channels of communication is of top priority to us. From traditional methods such as phone calls with representatives at reservation centers, to more modern methods including SMS, Chats, WhatsApp and Facebook. We make certain that no matter who or where our guests are, they can always be in contact with us.

Our hospitality puzzle

The wide selection of Fattal hotels around the world, the variety of brands, hotel types and different accommodation bases, combined with various benefits and discounts for club members, allows each guest to book his or her preferred stay at the desired location and a price for each pocket.

Guest memberships

Fattal Loyalty programs are one of the main ways we continually provide guests with exceptional experiences. Club members enjoy receptions, entertainment, staff service and performances throughout their stay as well as in-room gifts and lots of treats and surprises. The packages are available to club members and include special benefits at any Fattal hotel. Even beyond their stay, we give our guests inspiration and experiences within their daily routine. Our Members Club recently underwent a re-launch and a new benefit was added to the club members: "Night 11 Gift". The new benefit allows our club members to receive the 11th night for free. In keeping with the core value of the Fattal Club "Beyond

Expectations", we hold in all our regions monthly conceptual events and weekends, which include music and entertainment shows, chef dinners, lectures and quality content activities with first-rate artists and stars.

As part of the Fattal membership group, our guest can enjoy a 10% discount on rooms, restaurants, spa, and other experiences any time of the year. Additionally, we also treat our guests with:

One month of your choice	15% off the room rate
Birthday month	20% off first room and 10% off 3 additional rooms
Wedding anniversary	20% off first room and 10% off 3 additional rooms

With Jurys Rewards membership in the UK & Ireland the more our guests stay, the more they can enjoy. Members can collect points for money spent on rooms, food and drinks in the hotel. They can then swap points for gifts like free stays, vouchers, dinners and enjoy exclusive booking discounts, member only sales and other benefits.



With the Leonardo Advantage Club in Central Europe and Benelux, our guests can collect points with each stay and exchange them for free night stays, exclusive booking discounts, invitation for special events and more. Our well-known partners Lufthansa Miles & More program and the Deutsche Bahn, collaborate with the Leonardo Advantage Club to allow our members to use their points towards free flights and train tickets.

Private terminal at Ben Gurion Airport, Israel

Launched in 2019 The Fattal Terminal is the first private terminal in Israel to serve passengers on private flights, government officials, senior executives, international delegations and travelers seeking to upgrade the experience of their departure and entry to Israel. The Fattal Terminal allows passengers to choose between 3 packages: Lounge Hall, Private Room, or Accommodation, which is a full VIP service. In each package passengers enjoy private and fast transit services that include private passenger hallways, check-in services, border checks, security and transportation to aircraft. The terminal also includes private rooms that offers a steward service, attached showers, and rest rooms. The facility includes a couple advanced business centers equipped with a projection and amplification system, video conferencing equipment, and high-speed internet making them perfect for press conferences and a variety of business events.

Masters Collection

The Masters Collection is a project exclusively presented by Leonardo Hotels as a fresh new approach to premium accommodation. It is designed for those who love to immerse themselves in every location they visit and is currently operational with 53 apartments spread across three cities in Israel: Tel

Aviv, Haifa, and Beer Sheva. The Masters Collection offers guests centrally located serviced apartments with deluxe hotel-style amenities plus all the comforts of home. Each apartment comes with a dedicated concierge who is available round the clock for tips on food, culture, entertainment, and everything in-between. The Masters Collection also offers a Master of Business option for professionals that includes airport transfers and round the clock support.

Working ROOMS by Fattal

In 2019, we launched a co-working venture that is combined with hotels to create a new kind of hospitality, ‘workspitality’. This new workspace venture is embracing and innovating the future of the shared economy, allowing an affordable workspace for our local and international guests and supporting their business. ROOMs co-working spaces offer super-fast internet access, printing hub, an array of working spaces and various sized meeting rooms. We also bring to the experience our hospitality amenities offering a lounge area, room service, bar access and a community concierge. Currently there are already five locations servicing solo workers and teams across different areas of Israel.



Respecting the diversity of our guests and fulfilling their special needs

Fattal's Equal Opportunity Policy is a handbook of rules and guidelines for our employees that explains how to treat all guests. The policy distinctly states that refusing to provide goods or services to a customer based on their sex, gender, pregnancy, color, race, nationality, disability or ethnic and national origins on any level is considered discrimination and is illegal.

Accessibility

Making our hotels accessible to guests with all forms of disabilities is a matter we take seriously. We consider it our duty to make reasonable adjustments that accommodate disabled guests including removing, adapting or altering hotel facilities to make them more accessible. Our commitment in the coming years is to expand our hotels' accessibility to allow our disabled guests to feel more comfortable and at ease during their stay with Fattal Group.

In the majority of our hotels physical access is made available for various disabilities, including wheelchair accessible hotel rooms. In addition to this, our hotels in Israel are equipped with special accessibility features on televisions, allowing guests with sensorial disabilities watch and enjoy. All hotels in the UK and Ireland region have a public accessibility statement that varies according to accommodations offered at the site.

In Israel, a mandatory course about hosting guests with disabilities must be completed by all members of staff, teaching:

- What is: accessibility, equality, discrimination
- What are: the various disabilities
- How to provide service that is accessible, sensitive and respectful of the various disabilities.

In the UK & Ireland region a majority of our hotels have received the Disability Confident Accreditation. This campaign supports employers in hiring people with disabilities through better requirement practices, networks and inclusive work culture.

Food safety and dietary needs

Our staff is trained to be conscientious of guest allergies and dietary needs such as, diabetics, celiac, milk sensitivity etc. Our hotels are prepared for a guest's request to change and/or prepare special dishes.

Head Chef Shalom Kadosh prepared a booklet that is handed out to all chefs in our hotels, and includes a list of products that must be stocked and available at all times to make a hotel friendly to dietary sensitivities. The booklet also includes special recipes hand-picked by the head chef that are gluten free, vegan or vegetarian.

Food health and safety for our guests is under the direct responsibility of our staff. Every hotel conducts food safety and hygiene trainings that is undergone by all staff members. In Israel, the staff has full access to computer manuals in case of any questions or concerns. Furthermore, we work with a bio-lab that performs lab checks of the food three to four times a month to ensure quality and hygiene.

In 2019-2020 there were no cases of foodborne illness outbreak associated with Fattal restaurants.

Caring for our guest's safety and privacy

Guest confidentiality and privacy

As part of our business, we collect and process personal data in respect of our guests. Information is collected with the consent of our guests and is used purely for serving the guests' needs. In all regions we comply with the General Data Protection Regulation (GDPR) that is applicable to privacy.

The Fattal group has detailed policies dealing with privacy of guest data that is specific to every region. In addition, in Central Europe we have two external companies that control the processing of personal data in our hotels, ensuring the highest level of protection.

We are committed to continuously improving our cyber security to prevent breaches of information. Across all our operations we had eight leaks in 2019 and four in 2020, however none of them resulted in the loss of confidential guest information. In order to eliminate future security risk a cyber security evaluation was performed across the company by an outside vendor. We continue to strive for a high level of

security excellence across our whole company sphere.

Guest safety and security

We are committed to providing a safe and secure environment for our guests and have appropriate security measures in place to protect them.

All our hotels have active policies on sexual harassment, and staff go through extensive harassment trainings. Each hotel has an annual training on the topic of harassment prevention and appropriate workplace behavior. Additionally, employees also go through an anti-harassment training as part of their onboarding process when they start working at Fattal.

In the UK and Ireland 80% of our employees have completed bespoke online training to educate them on preventing human trafficking. From this initiative we have gained insight into how we can to reduce human trafficking in all of our areas of operation.





NURTURING OUR EMPLOYEES

- 25.7 hours of training per employee in 2019³
- 376,773 total hours of training in 2019⁴
- Women are holding 48% of UK and Ireland management positions
- 75.5% of Hotel managers were hired from within the company in 2019
- Fattal is a leader in gender equality with an overall pay gap of only 1.93 % throughout the company

Our vision is to be leaders of the hospitality culture globally, and we understand that our employees play a crucial role in achieving this. The Fattal Hotel Chain attributes its continued growth to the combined talents of its many gifted and dedicated people, bound together by a common corporate culture that is greatly influenced by David Fattal's personal story, which has given him insights into creating a positive experience for our employees.

We apply the same philosophy we have about our guests towards our employees. We want them to feel special and we are committed

Internal Communication Platforms

LEAPP

In Europe, we have more than 3000 employees and mutual communication and distribution of information is important to us. We use an internal social media platform called LEAPP. In this application, our employees will find the LeoWiki which covers a lot of basic information, vacancies in LeoJobs and of course a lot of current information in our main stream LeonardoAll, where all employees can post about best practices and their experiences from everyday working life.

In 2021 we integrated LEAPP with our online training program. Employees can now access a library of useful online trainings through our Grow Online program.

BeeKeeper

In Israel, we simplify daily communications by using the mobile communication platform BeeKeeper. This app helps our teams stay connected, organized and on-task. BeeKeeper also has an analytics dashboard that gives us real-time usage data to help benchmark and measure internal communications and engagement efforts.

³ Total hours per employee was calculated for all the regions

⁴ Total training hours was calculated for Israel, Central Europe and UK & Ireland.

to fostering a work environment that allows them to reach their full potential.

Communication with our employees and teams is a crucial part of how we engage them, convey important information and ensure overall satisfaction. For this purpose, it is important for us to create a culture of open feedback and to establish communication through various internal communication platforms, employee satisfaction surveys, hotlines, assessments and more.

Keeping in touch with retired employees

The Leonardo Academy Group created a networking platform in 2019/2020 to keep connected with retired employees from the Central Europe Leonardo Hotels. The senior club lays foundation for passing down acquired knowledge to new generations of hospitality workers. All former employees were invited to join the Senior Club with plans to continue to invite employees who retire in the future.

Employee Satisfaction Survey

We run engagement surveys or other modes of measuring such as 1 on 1 talks in all regions and use them to establish two-way communication between our employees and the management team, to measure and increase employee engagement and to understand key improvement areas. In addition to that, managers have informal conversations with small groups of workers on a monthly basis to gauge employee satisfaction, contentment and concerns in an environment without apprehension.

In 2020, the employee satisfaction rate⁵ was 82%, above the sector average of 79%. We have assessed this outcome to a greater extent and are implementing changes to further improve this score.

Diverse employees

At Fattal we take pride in the diversity of our work place, and are committed to providing a harmonious and fair working environment. We support this commitment with an Equal Opportunities Policy that ensures we are creating an organizational culture that is inclusive, respectful and safe. This policy discusses the prevention of direct and indirect discrimination and treatment on the grounds of sex, gender reassignment, pregnancy, color, race, nationality, ethnicity, origins and disabilities.

During orientation, employees go through training on accessibility and sexual harassment. We take additional measures to combat sexual harassment including have designated management members who are responsible for receiving and processing complaints, tip

Employee story: Oshrit

For the past 7 years, Oshrit has worked her way up to her position in Guest Relations at the U Coral Beach in Eilat. Her first job was at the Méridien Dead Sea Spa. From there she advanced to many roles, including a dining room waitress and lobby waitress. Born with disabilities, Oshrit had difficulties finding work, but Fattal grabbed onto her and has not let go since. Through the support of various employees and their encouragement, Oshrit has harnessed her potential for growth through the Fattal chain. The “humane warmth” and “equal opportunity to advance” within Fattal has inspired Oshrit to strive towards “self-fulfillment” and reach her goal to run a division or department within the hotel.

⁵ Employee satisfaction rate is calculated from surveys performed in Israel and Benelux region.

lines for reporting cases and additional training on the topic for managers. Upon hiring in the UK & Ireland, all new employees participate in the BELONG induction program and are given a 'New Recruit Buddy' to more quickly and comfortably integrate into the team while completing their statutory learning.

Employees with disabilities

From the day it was founded, the Fattal Hotels Chain has been integrating disabled people into its workforce in various capacities. This is one facet of incorporating the chain's core values in our everyday operations. We have achieved our commitment to having at least one disabled employee for every 100 rooms for all our hotels in Israel. In Central Europe, we have been partnering with an organization that has assisted us in provide disabled people with work in all areas of hotel operations since 2015. In 2019 we employed 272 employees with disabilities across our hotels.

Gender Diversity

At Fattal we strive for a workplace in which all employees regardless of their gender can feel safe and comfortable being themselves. We recognize that having a diverse work force where all employees can thrive is critical to the health of our business by bringing in different perspectives and assets.

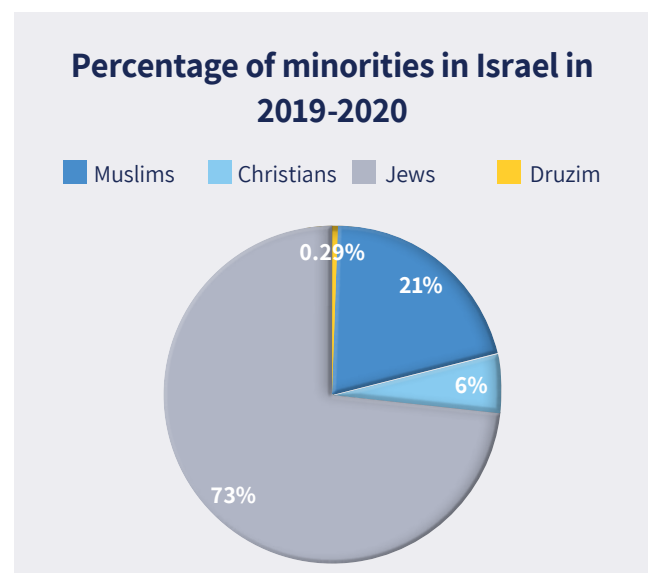
Our workforce in Israel and UK consists of 37% of women.

As an equal opportunities employer, we uphold the Gender Pay Gap Reporting obligations in the UK, and are looking to implement it globally. The pay gap for the women employed by Fattal is 2% median in the UK; 1.7% in Central Europe and 4% in Benelux. In Israel no gender pay gap was

found to exist as wages are set strictly by skill set parameters.

Ethnic Diversity

We are openly committed and actively working towards the inclusion of minorities within Fattal. In Central Europe, we work with employees from 90 nations worldwide. In Israel, we provide work visas for Palestinians in Israel and Jordanians in Eilat, which now is dependent on COVID-19 rules and regulations. Also in Israel, an impressive 24.25% of managers are part of minority groups.



Health and wellbeing

All employees have a right to expect the workplace to be safe and secure. At Fattal, we all have a duty to assist in protecting this right by complying with the Health and Safety policies and immediately reporting any accidents, injuries and/or unsafe conditions. The Safety Policy is reviewed and updated annually.

The Group's Health and Environmental Manager is responsible for the overall implementation of the Health & Safety

Personal Disaster Fund Pilot

Graduates of the Leonardo Academy developed a project that is now piloted in Europe. The graduates created a social fund where our employees can donate money. Employees that are facing personal disasters can apply to receive financial aid from this fund. So moved by this project, David Fattal jumpstarted the fund by donating 10,000 euros.

Management System and advising Fattal at all levels on safety matters.

Each manager, or head of department, or supervisor is responsible for the safety of both the staff and work areas under their control. These responsibilities include the communication of the Safety Policy to their staff, accident reporting, training and enforcing the hotels rules.

Occupational injuries are a serious matter and must be reported by employees to their superior and the HR Department immediately. This also includes injuries that might happen on an employee's way directly to or from work. Injuries, which cause inability to work for more than 3 days are recorded in an occupational injury report.

Hotels across the company support employees' health in a variety of ways including encouraging physical activity by allowing use of gym infrastructure, health eating and mental health workshops, adapting workplace menu to offer healthy and nutritious options. Hotels in the Netherlands, Germany and Britain also offer additional financial support to employees going through mental health issues.

Financial Wellbeing

Financial wellbeing is built on a foundation of a stable and consistent income that allows individuals to meet their needs and support their family. It is very important to Fattal that our employees feel financially secure and fairly compensated for their work. In Israel this translates to 90% of our employees earning more than a minimum wage before tips and an average hourly wage of \$14.3 in 2019 and \$14.81 in 2020. In the UK our average hourly wage was \$11.5 in 2019 and \$12.09 with 40.16% of all employees receiving more than minimum wage before tips. By paying employees more than the minimum wage we can help contribute to the financial wellbeing as well as reflect our appreciation for the value of their work.

Work-life balance of our employees

We are committed to finding innovative and practical solutions to the problems that our employees may encounter with work-life balance. We recognize that there are times when our employees physically and mentally need support, and we make sure it is available. Employees who need help can voluntarily seek assistance directly from their HR Manager, who will put them in touch with an external company that provides confidential employee assistance programs and is not noted on the employees personal file.

In the UK and Ireland a work-life balance policy shines a light on various work-life balance solutions, which include: job sharing, part-time working, term-time working, and flexitime⁶ working. We also provide career breaks, which allows an employee to take unpaid leave for a period of time and for a variety of reasons such as furthering education, traveling or volunteering opportunities.

In Central Europe, we provide regular health days to teach our employees how to better care for themselves, regional jogging groups and access to fitness centers. Since 2018, our Germany hotels received the official governmental certification for going above and beyond the legal requirements in promoting work-life balance in each and every area of employment conditions, including worktime options, working from home, job sharing, unpaid leave and child care. Additionally, they help support families of kids with special needs by helping them navigate finding resources and understanding their rights, offering flexible hours and daycare options.

In Israel, hotels take various measures to support employees who have children, subsidizing camps and offering financial advising for families.

Learning and development

Being part of the Fattal group means gaining practical, hands-on experience and accessibility to first-class learning and development opportunities. We believe that ongoing support and encouragement of our employees helps us to establish a world-class team. We are committed to ensuring that our employees find their place within the company, and have clear paths for their future. We turn our service vision into structured career paths that maximize employee experience and elevate their sense of value and professionalism.

In recent years, the hotel industry has experienced quite a few challenges in raising

human capital. Therefore, we have created throughout our regions various learning opportunities that we believe will inspire passion for the service industry. We trust that through these opportunities, Fattal Group will:

- Help employees acquire knowledge of professional and managerial tools, creating a desire to develop their career in the hotel industry.
- Improve employee satisfaction.
- Help employees to find meaning a sense of pride in their role and work.

**Employee Training and Development
cost for 2019
\$6,440,400**

The various learning opportunities throughout the Fattal Group were created as a derivative of the Group's vision: "We will lead our people to develop careers in hotels, enrich them with information and professional knowledge and give them administrative tools."

LeoDo Academy

At the Leonardo Academy in Central Europe, every employee can join and grow their career. The Academy accepts 100 employees annually to participate in one of the four levels available: Beginners, Management, Expert and Expert Senior.

In the UK, Ireland and Central Europe our employees have opportunities to benefit from further learning development via GROW Learning and Development programs and award winning e-learning platform GROW Online.

The Fattal Academy in Israel is based on enabling development pathways, enrichment, training, career building and promotion. The courses include professional tours, management training for all levels and practical development in Israel and abroad.

⁶Term-working time is a British term referring to part-time employment contracts that give employees with children the flexibility to have extended time off during school holidays. Flexitime is a type of employment where employees can take ownership of determining when they will start/end their work day and how long they can take for lunch breaks etc within certain pre-set guidelines.

In order to further motivate our learners, we decided to implement a point system to help us track their progress.

In Israel we developed an initiative called “learning from the field”, where team members share insights from the field that can lead to an improvement.

Training next generation of chefs

Fattal Group places an emphasis on our restaurants and dining culture, and pride ourselves on catering to a variety of tastes. To create an authentic, unique and exciting dining experience, our hotels are initiating projects and cooperation with chefs from around the world in our kitchens. Through this, we are promoting local tourism, exposing the local culinary culture and building connections for future international collaborations.

We are aiming to develop and train the next generation of great chefs who will lead the future of hospitality and gastronomy. In Germany, we created a new university study for Culinary Management that is accredited by the German Government as an official bachelor’s degree. In Israel, we are supporting Darka School in Dimona with their specialization in cooking and graduate training program and are planning to open a first-of-its-kind school for chefs and hospitality, spearheaded by our award-winning head chef, Shalom Kadosh.

Promotions and employee advancement

We are a family and make it a priority to support promotions and fill our positions with people who understand our values and internal culture. In all of our hotels, we have “Golden Lists” where we mark employees that have the potentiality for advancement within the group. We give preference to employees who have grown alongside us, resulting in

a high mobility rate. Across all regions our internal hiring rate for management positions was 75.5% in 2019 and 82.75% in 2020.

Piotr Matusiak – Hotel Manager – Leonardo Glasgow West End – High Potential Programme

Piotr began his hospitality journey in 2011 as night porter. After about a year in Glasgow, Piotr was offered the position of Night Manager, which presented a unique opportunity to learn several aspects of running a hotel – financial, forecast, reception and F&B. After 3 years in this role, he transitioned to a Front Office Manager role and joined the Accelerator Program. Piotr’s career further developed as they became acting Operations Manager in Glasgow and later the Leonardo Aberdeen Airport for 10 months. From there, he moved to Leonardo Glasgow and joined the HiPo training program to prepare for the position of Hotel Manager/General Manager.

Yannick Goossens

Yannick started his career as a night audit in the Leonardo Hotel Brugge. He developed his career step by step to become Front Office Manager. He then was Operations manager in 3 different hotels (Aachen, Cologne, London) before he took over at the age of 30, the Leonardo Royal Munich which he has managed since.

**Deanne Fowler – Meeting and Events
Office Manager Jurys Inn Oxford –
Insights Programme**

Deanne began her journey with Jurys Inn in 2016 as a Meetings & Events Coordinator. Within her first three years, she was promoted three times to Senior M&E Coordinator then Insights Trainee Manager to Duty Manager. With the support and development opportunities offered to Deanne by the Jurys Inn network and the Insights trainee management programme, she was able to quickly move up to the position of Meetings & Events Office Manager. Deanne was runner up in apprentice of the year in Oxford in 2019 and also visited Parliament to discuss the use of apprenticeships in the hospitality industry to develop employee skills. Deanne is looking to progress her next move into an operational role in the future to help progress her into becoming Operations Manager.



Jasmin Wartenberg

Jasmin began her work with Leonardo Hotels Europe as an intern at the reception. After gaining insights at the reception desk, she moved on to be the assistant to the Hotel GM. After several years in that position and gaining more and more experience, she moved on to become Operations Manager and in the next step General Manager of the Leonardo Hotel Düsseldorf Airport Ratingen. Following that, she moved back to her Leonardo Hotel Cologne as General Manager.





MAKING A DIFFERENCE IN OUR COMMUNITIES

- In 2019 donated more than \$ 786,170

“The company’s worldview regarding activities benefiting the community begins with its founder, David Fattal, who has championed love for people and love for hospitality, and has passed it on to every one of the workers,” - Ganit Buchman, one of the top managers in Israel responsible for employee training and community projects. Within the Fattal hotel chain, “hosting with love” is not just a slogan, but a value rooted within all of our Fattal group.

At Fattal, we chose to leverage the power of hospitality making the best use of our resources and professional skills to assist the communities around us. Our many years of experience in recreating the comforts of home allows us to extend this feeling to those who need it most in the community, including: at-risk teens, seniors, holocaust survivors, soldiers, disabled people, and sick children.

We are enthusiastic about the communities that our hotels are a part of, and understand their significance in our success, as they provide us with the resources and markets we rely on. For this reason, it is vital for us to reciprocate in different ways, whether through donating money, donating free rooms, or engaging by hosting diverse types of events.

Engaging employees in the community

We are committed to developing the culture of community donating and volunteering, and encourage our employees to be actively engaged. Having the power to improve the lives of others is a privilege and donating is a great way to reinforce our corporate values, and feel like our actions stay true to our ethical beliefs. We further believe that community projects initiated by individuals or our hotels helps boost morality.

In Israel, our employees initiated engagements, resulting in the opening of “Place in the Heart”. A shop set up at the Lev Fattal, employee residence, where clothing, tools, furniture, and a variety of other items are sold, with all proceeds donated to children in need.

Since 2018 in the UK and Ireland, we hosted a charity challenge, where our mascot ‘Leo the Luggage’ journeyed to all our hotels in the region. Funds were raised by holding bake sales and games to celebrate Leo’s departure, and also by sponsoring the number of miles the transporting teams completed. The funds raised during his long trip were then matched by head offices and donated to charity. In 2018, the fundraiser’s inaugural year, we raised \$70,208 in total and in 2019 we increased the total to \$101,430 raised. Just like the rest of us Leo the Luggage did not get to travel in 2020, but is looking forward to continuing his fundraising travels in 2021 or the years to come.

Being active in the community is one of the company's core values with which all the employees are instilled.

The LeoDo Program is a project developed by Leonardo Academy graduates, and created to support employees participating in social initiatives. Incentives are chosen based off the "three Ps" people, planet, and profit and, there are currently projects across Central Europe in a wide range of areas including being run that support homeless families, underprivileged children and children with cancer.

To celebrate the achievements of the LeoDo

program the annual LeoDo Awards bring together employees from across the Leonardo Hotels to participate in a meaningful and interactive celebration. While in previous years three top projects were chosen as winners it was decided for the meeting in January of 2020 that the awards would focus on unity and celebrating the success of all projects- rather than placing them in a competition against each other. As part of this event the employees painted a collaborative mural highlighting the importance of CSR which now hangs in NYX Mannheim.



Helping students from economically disadvantaged areas

We provide internships to students from economically disadvantaged areas in Poland, Czechoslovakia, and Hungary. For about three to four weeks, for 6 hours a day, the students get practical training at our facilities. They are assigned a mentor that they follow around and help with daily business, allowing the interns to get to know the insides and outs of these positions.

Additionally, in 2021 our Benelux hotels initiated a program in collaboration with two universities in Croatia, IST and Aspira, for a holistic scholarship and trainee program. We will cover the university tuition for three years of the students' studies during which they also participate in three traineeships each three month long at one of our hotels in Central Europe. Between eight to twelve students will get to participate in this enriching program annually.

Assisting Holocaust Survivors

A touching initiative where the maintenance team paid a visit to a Holocaust survivor couple to check out the old house and found a broken bathroom, unsafe shower, and rotten pipes. The chain invited the couple to stay at the hotel, and the work team spent a week renovating the entire house. The elderly couple was moved by what had been done for them and the man told his wife as tears ran down his cheeks: "The house is lovelier than a hotel."

Making a difference through partnerships

Over the years, we collaborated with many organizations and foundations that align with our areas of priority. Building these long-lasting partnerships helps us reach a wider community, come up with professional solutions and raise awareness for the cause.

Charity Partner Highlight: We are always looking for more opportunities to give back to our communities, so were excited to join the cause when Room to Reward (R2R) an up and coming UK based charity with the mission of celebrating hard working volunteers reached out to us. Room to Reward provides volunteers a break by partnering with hotels that donate rooms to host 'Hidden Heros' get-away stays. In 2019 we began our partnership by donating nine rooms and while the pandemic put a pause on Room to Rewards work in the in 2020, we are excited to continue to host volunteers and grow the number of rooms we donate in 2021 and beyond.

Fattal Hotel for Children with Cancer

Throughout their treatment, children with cancer have to cope with intensive chemotherapy or biological day treatments, which spread over several days or even weeks. They are thus required to make daily long distance commutes in order to receive necessary medical treatment. At the end of a particularly exhausting day, they return home weak and sore, and so again the next day.

In light of such hardship, the "Lev Chash Association" in cooperation with the Fattal group initiated in 2018 the establishment of the first of five hotels to be built. These hotels will be managed and operated by a professional team of volunteers specialized in taking care of these patients.

The hotels will allow families, whose child is hospitalized for a long period of time, to take a break during the difficult period. A place where families can sleep, eat, enjoy a variety of supportive activities, and get the strength to remain devoted during their child's challenging treatment.

Supporting sick children and their families

In Germany, we are very invested in our partnership with the AKHD, an organization that accompanies children, adolescents and young adults with life-shortening illnesses. Funds for donating are continuously and regularly raised through yearly auctions, contests and comedy shows. In addition to monetary donations, we support the ill people and their families emotionally with meals for the parents, tickets to football games for the children, and hosting support groups for the whole family.

The Fundación Infantil Ronald McDonald is a children's foundation that provides free accommodation for the relatives of hospitalized children with grave illnesses. At our hotels in Madrid, we host days of unforgettable fun, by having a water party for these children and their families. In addition to this, we collect solidarity funds to help

the NGO build rooms of a new residence, specialized to house sick children and their families.

“HaKav HaMeached” operates in Israel and specializes in helping to relieve the burden and alleviate the pain felt by children suffering from severe syndromes, as well as helping victims of terrorism and their families. In many different ways, the Fattal Chain has been contributing and aiding the NGO over the years, assisting them with various activities including fulfilling the children's special wishes.

One of the most noted is the yearly happening, where the association brings children and teenagers suffering from cancer or from severe syndromes to the sea resort in Eilat. Fattal donates all 150 hotel rooms to this event and place importance on making sure their special guests have the best time.

“Whenever I call to coordinate a date, I immediately get a positive answer. Fattal is a home that benefits the community in every sense of the word.”

“HaKav HaMeached's” Association Chairperson Israel Sheinfeld



CARING FOR OUR ENVIRONMENT⁷

- Individual hotels participating in green tourism initiatives in every region and all hotels taking steps towards sustainability
- Our water and energy consumption per room as well as GHG emissions per room decreased since 2018
- All our hotels in the Benelux are certified with Green Key “gold”
- 240,000 meals donated in Israel in 2019

The principle of sustainability is to meet the needs of the current generation without endangering the future generation, and is applied to an ever-increasing extent in our hotel group. We are committed to do what we can to take part in this endeavor, and have instilled diverse approaches in every region.

In the UK and Ireland we have developed an environmental policy that includes aspects of energy conservation, waste reduction, conversion to environmentally

friendly chemicals and reduction of water consumption. As part of our environmental conservation efforts, our hotels have individually become members of the Green Tourism Business Scheme, a commitment to sound environmental practices that grades our hotels against a rigorous set of 145 criteria, covering a range of areas, including energy and water efficiency, waste management, purchasing, travel, biodiversity, usage of locally sourced food, recycling, environmental awareness of our employees and more. All our hotels in the Benelux are certified with Green Key “gold” - leading standard for excellence in the field of environmental responsibility and sustainable operation within the tourism.

In Central Europe, as part of the green procurement policy, we are purchasing our materials from environmental and social licensed suppliers and continue to look for more opportunities to develop our green procurements. As a part of this, we serve our own line of coffee, Café Intencion, which has been awarded the fair trade label. This label guarantees direct trade with partner organizations and fair prices for small-scale farmers in the countries where the coffee is grown.

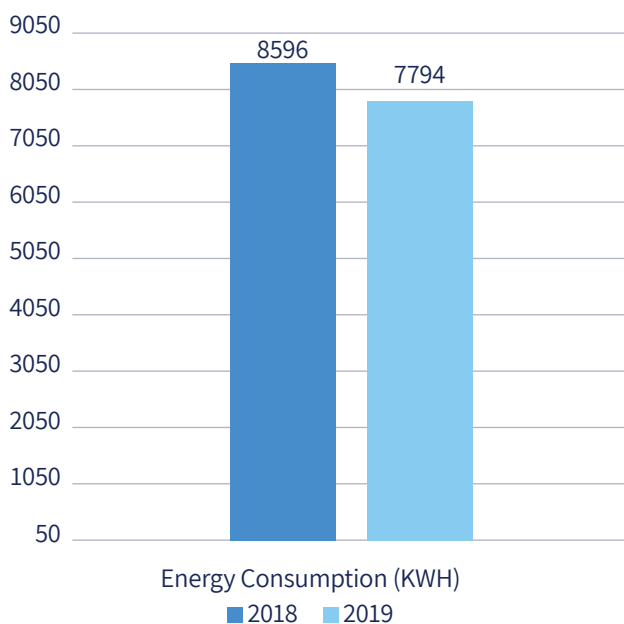
Our company wide efforts are shown in to Israel through offering our guests the option of turning down the service of cleaning linens during the stay, as to save water and energy. We also cooperate with the local Government in their initiatives for energy reduction and efficiency, which includes a grant that is awarded to companies that take part in the process of selecting more sustainable suppliers and changing equipment in the hotels to more efficient ones.

Energy

We aim to operate our hotels by maximizing energy efficiency without affecting the quality of our services. We always identify energy saving opportunities through optimizing the operational efficiency of our equipment, and upgrading them to the latest technology when there is a major refurbishment. Additionally, we also take energy use into consideration during the design process of our hotels, for example hotels like NYX Herzliya reduce energy consumption by maximizing the use of natural light.

We know that having accommodations which curb electric usage can make a huge difference on our environment, so it is important to us to implement energy saving processes across all of our hotels. Our proactive measures to reduce energy consumption include checking insulation, automatic lights using motion sensors or lights turned off by the use of room keys, educating staff on energy usage, and regular electricity checks.

Energy Consumption per Room



⁷ The data in this chapter for energy, waste and water are not listed for 2020 as this information is not an accurate usage portrayal due to Covid-19.

Actions to support our ongoing efforts in energy efficiency:

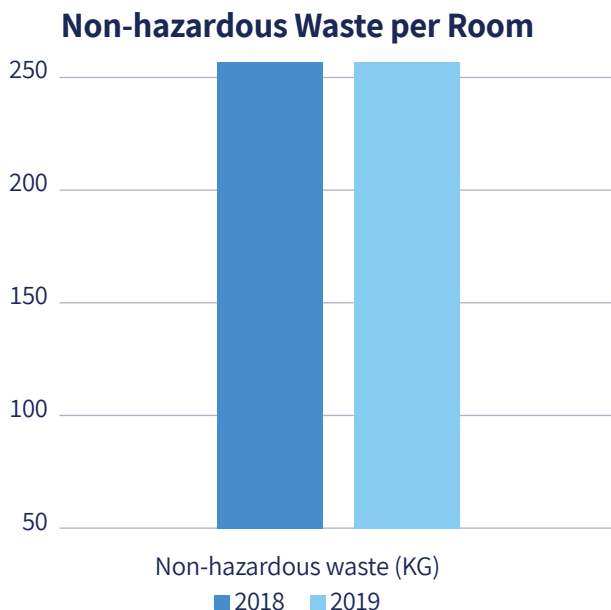
- **Lighting replacements and improvements:** Lighting technologies continue to improve, becoming more efficient. Large-scale lighting retrofits are often tied to other renovation projects, as well as to advances in lighting technology.
- **Building automation systems:** Fattal continues to incorporate and integrate building automation systems and other automated controls to increase the efficiency of the buildings we manage. We also install smart, integrated occupancy thermostat systems that interlock with entry doors and the property management systems to deliver agile temperature setback efficiency without impacting guest comfort and preference.
- **Gearing up for the future of transportation:** Fattal recognizes that in future of travel is electric and is rapidly preparing its hotels across Israel with charging stations for electric vehicles. In just a few years Fattal now has charging stations at 90% of its Israel hotels with a total of 45 stations. It plans to continue to build out its electric car infrastructure to accommodate this exciting future in Israel and across the global Fattal network in years to come.
- **Energy facilities:** We hire experts in the sector of energy and cooling to analyse the performance and efficiency of our chillers and heat pumps and to upgrade our energy facilities accordingly.
- **Source of energy:** We upgraded most of our hotels to a more green method of heating water. It provides us with an automation system that uses different energy sources depending on the time of the day with preference to cost saving and efficiency of the energy facility.

- Reduction of electricity consumption: We have installed in most of our hotels in Israel, devices that are connected to our electricity distribution boards, and adjusting our power voltage ON-LINE. This helps us to reduce our electricity consumptions by 10%-14% for every KWH that is used by the distribution board.

Waste

Being in the business of hospitality, we are aware that hotels generate a large amount of waste. We have increasingly become concerned with reducing the amount of waste sent to landfills and have been implementing waste minimization initiatives.

Across our operations we sort our waste to increase recycling and divert from the landfill. In the UK and Ireland we have taken additional steps separating not only recyclables, but also organic waste, cardboard, glass, batteries, fluorescent and long life bulbs, paper, and have a target to divert 80% of our waste from landfill to recycling and composting by 2020. In Israel, we have many waste initiatives that start in our kitchen. We recycle oils that are then sent to a local company that converts it into biodiesel, compost or fertilizer.



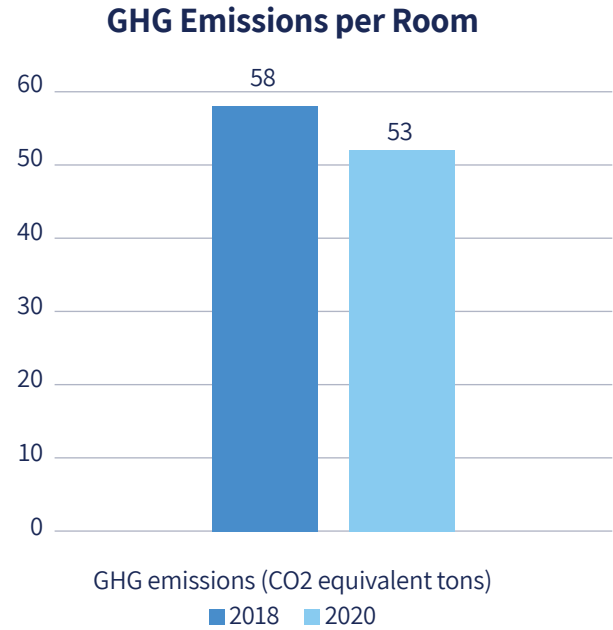
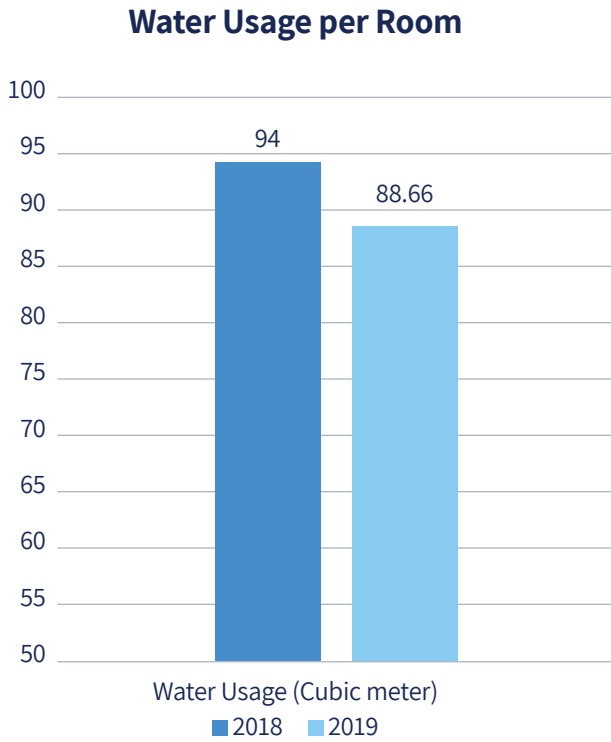
In Central Europe and Benelux, we are working to reduce consumption, especially focusing on products that consist of a lot of packaging, as well as partnering with “Too good to go”, a leading food waste app that allows localsto buy surplus food that would otherwise be thrown out in order to avoid large amounts of food waste. Our hotels are using less paper-articles and have changed our cleaning products to ECO-label. For many years the Fattal hotels in Israel have been working closely with Leke Israel, the leading food rescue organization focused on rescuing healthy surplus food and delivering to the people facing food insecurity. Israel The organization collects cooked meals from 10 hotels of the chain. During 2019 we averaged about 240,000 meals a year. Fattal hotels also work with Latet Israel, the largest non-government organization combating poverty and food insecurity in Israel. The organization operates the leading national food bank and runs impactful aid programs, providing monthly assistance to 60,000 families and 1,000 Holocaust survivors. Hotels in Central Europe donates meals to food banks as well as supports soup kitchens.

Water

With the knowledge that hotel operations heavily rely on water for hygiene and cooking purposes, we are committed to reducing our water footprint through operational efficiency, engaging customers and raising staff awareness.

We take a variety of steps to minimize are water use where possible including procedures such as avoidance of dangerous chemicals in cleaning products, waste water recycling along with re-use of wastewater for watering hotel landscaping, and housekeeping rules which encourage less frequent laundering at guests discretion. Additionally, performing periodic checks for leaks is also important

as leaks can quickly add up to a big impact. Other steps like reducing the operation of air condition systems to save energy offer the extra benefit of reducing water consumption as well. Together all these initiatives add up to tangible water usage reductions. and allow.



In Central Europe, we are reducing the use of products, which produce high CO2 emissions by decreasing plastic articles as much as possible. We will no longer supply small tubes and use large dispensers instead, as well as banning all plastic straws and individually plastic packaged food items that are used in the dining areas. In addition, employees uniforms will be produced from recycled materials.

We are planning to work with suppliers who have good environmental policies to reduce packaging waste and improve the environmental impact of all products purchased. We are also committed to encouraging the participation and education of associates and guests in sustainable business best practices and support positive action in the community where possible.

Emissions

Carbon Dioxide is an inevitable output of the way we all live today, and especially in the hospitality sector. The reduction of carbon dioxide is one of our key objectives for the coming years.

At Fattal, we understand that hotels can reduce their environmental footprint through the integration of more efficient equipment, close monitoring and transitioning to renewable energy. In keeping with our corporate policy of continuous improvement, our hotels are committed to reducing energy consumption and associated greenhouse gas emissions, in particularly CO2.

ABOUT THIS REPORT

This is Fattal's First CSR (Corporate Social Responsibility) Report, and contains an overview of our corporate social responsibility (CSR) projects and activities during 2019-2020 and performance during fiscal year 2019, whose period is from January 1st 2019 to December 31st 2019. Performance during 2020 is reflected in the report as well but due to the pandemic the data is collected only for the 3 month of activity, when the hotels were open. In this report, we share the challenges and successes we faced over the past years in our company's sustainability journey.

In the scope of this report, we have included hotels from the main operation regions: Israel, Central Europe, UK & Ireland, Benelux and the Mediterranean basin. Please consult the appendix to see the full list of hotels included in the scope of this report. That represents more than 85% of operation of the company. The report covers properties in full operation in the regions of UK & Ireland, Israel and Central Europe, under the management of the Fattal Group, during the reporting period unless otherwise indicated. Quantitative data and qualitative information cover all our direct business activities unless otherwise indicated.

This report is written according to the Global Reporting Initiative (GRI) SRS Guidelines – Core Level.

To normalize and standardize the calculations made in the chapter "Caring for our Environment" we used the yearly amount of room numbers.

	2016	2017	2018	2019	2020
UK and Ireland	512	8997	9757	11,400	11,890
Central Europe	9786	14,839	17,419	17,041	16,558
Israel	7829	9087	12,158	9052	9142
Total	18,127	32,923	36,758	40,135	40,232

Going forward, we plan reporting on CSR performance annually, providing clear and easily comparable data on our performance, and actively encouraging discussion about how we can make improvements over time.

Statement from Good Vision

Good Vision – CSR Consulting Firm, of the Fahn Kanne & Co. Grant Thornton Group, supported Fattal with the report. We are a member of the GRI Community and support the mission of GRI to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action towards a more sustainable economy and world.



Contact us

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GRI INDEX

Core option

GRI 2016		
General Disclosures		
GRI Standard	Disclosure	Page Number/Direct Answer
102-1	Name of organization	Fattal Holdings Ltd (Fattal Hotel Group)
102-2	Activities, brands, products, and services	See About Us, P. 8-10
102-3	Location of headquarters	Tel Aviv, Israel
102-4	Location of operations	See Appendix, P. 46 - 50
102-5	Ownership and legal form	Fattal is a publicly traded company incorporated in Israel
102-6	Markets served	See About Us, P. 8-10
102-7	Scale of the organization	See Appendix, P. 51
102-8	Information on employees and other workers	See Nurturing our Employees, P. 24 – 31 See Appendix – Employees, P. 52 - 54
102-14	Statement from senior decision-maker	See Dear Reader, P. 3 – 4
102-15??	Key Impacts, risks and opportunities	See About Us, P.8 – 11 See a Note on Covid-19, P.6 See Annual Report
102-16	Values, principles, standards, and norms of behavior	See About Us, P.8 - 11
102-18	Governance structure	See Our Management Team, P. 12 – 13 See Ethics and Corporate Governance, P. 14-15
102-22	Composition of the highest governance body and its committees	See Our Management Team, P. 12 – 13 See Ethics and Corporate Governance, P. 14-15 See Management
102-40	List of stakeholder groups	See About Us, P. 8-10
102-43	Approach to stakeholder engagement	See Ethics and Corporate Governance, P. 15
102-46	Defining report content and topic Boundaries	See About the Report, P. 40
102-47	List of material topics	See About Us, P. 8 -11
102-50	Reporting period	2019-2020
102-52	Reporting cycle	Bi-Annual
102-53	Contact point for questions regarding the report	See Contact Us, P. 41

102-54	Claims of reporting in accordance with the GRI standards	See About this Report, P. 40 – 41 See GRI Index, P.42 - 43
102-55	GRI content index	See GRI Index, P.42 - 43
302-1	Energy consumption within the organization	See Caring for our Environment, P. 37 See Appendix – Environment, P.55 - 56
302-4	Reduction of energy consumption	See Caring for our Environment, P. 37 See Appendix – Environment, P.55 - 56
305-1	GHG Emissions	See Caring for our Environment, P. 39 See Appendix – Environment, P.55 - 56
401-1	New employee hires and employee turnover	See Appendix – Employees, P. 52 - 54
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	See Occupational Injuries, P. 54
404-1	Average hours of training per year per employee	See Nurturing our Employees, P. 24
404-2	Programs for upgrading employee skills and transition assistance programs	See Nurturing our Employees – Learning and Development, P. 28 - 31
405-1	Diversity of governance bodies and employees	See Appendix – Employees, P.53 - 54
405-2	Ration of basic salary and remuneration of women to men	See Appendix – Employees, P.53 - 54
413-1	Operations with local community engagement, impact assessments, and development programs	See Making a Difference in our Communities, P.32 - 35
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	See Caring for our guest's safety and privacy, P.22

Hotel & Lodging Standards

SAB Standard	Disclosure	Page Number/Direct Answer
SV-HL-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	See Appendix – Environment, , P. 55 - 58
SV-HL-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	See Appendix – Environment, P. 55 - 58
SV-HL-160a.1	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	n/a
SV-HL-160a.2	Description of environmental management policies and practices to preserve ecosystem services	See Chapter 'Caring for Our Environment', P.36 - 39
SV-HL-310a.1	(1) Voluntary and (2) involuntary turnover rate for lodging facility employees	Total Turnover 2019: 26.7% Total Turnover 2020: 25.5%
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations ²	Israel and UK & Ireland Region had zero monetary losses from legal proceedings in 2019 and 2020. Data not available for Central Europe and Benelux.
SV-HL-310a.3	(1) Average hourly wage and (2) percentage of lodging facility employees earning minimum wage, by region	See Financial Wellbeing, P. 27
SV-HL-310a.4	Description of policies and programs to prevent worker harassment	See Diverse Employees, P. 25-26
SV-HL-450a.1	Number of lodging facilities located in 100- year flood zones	n/a
Restaurants Standard		
FB-RN-250a.1	% kitchens inspected by food safety oversight that received critical violations	2019 & 2020: 0% (Israel and UK & Ireland region) Central Europe and Benelux data is n/a
FB-RN-250a.3	# confirmed foodborne illness outbreak associated with restaurant	2019 & 2020: 0 (Israel, Central Europe, UK & Ireland region) Benelux data is n/a



APPENDIX

Hotels included in the scope

Munich	Germany	Leonardo Hotel Munich City Center
Berlin	Germany	Spreewald Inn
Berlin	Germany	Leonardo Airport Hotel Berlin-Brandenburg
Heidelberg	Germany	Leonardo Hotel Heidelberg City Center
Munich	Germany	Leonardo Hotel & Residenz Munich
Munich	Germany	Leonardo Hotel Munich City West
Munich	Germany	Leonardo Royal Hotel Munich
Munich	Germany	Leonardo Hotel Munich City Olympia Park
Munich	Germany	Leonardo Hotel Munich City North
Hamburg	Germany	Leonardo Hotel Hamburg Airport
Hamburg	Germany	Leonardo Inn Hotel Hamburg Airport
Nuremberg	Germany	Leonardo Hotel Nuremberg
Frankfurt	Germany	Leonardo Hotel Frankfurt City
Berlin	Germany	Leonardo Hotel Berlin City Süd
Mannheim	Germany	Leonardo Hotel Mannheim-Ladenburg
Weimar	Germany	Leonardo Hotel Weimar
Hamburg	Germany	Leonardo Hotel Hamburg Stillhorn
Dresden	Germany	Leonardo Hotel Dresden Altstadt
Koln	Germany	Leonardo Hotel Koln
Berlin	Germany	Leonardo Royal Hotel Berlin Alexanderplatz (management only)
Barcelona	Spain	Leonardo Hotel Barcelona Las Ramblas
Milan	Italy	Leonardo Hotel Milan City Center
Zurich	Switzerland	Leonardo Boutique Hotel Rigihof Zurich
Madrid	Spain	Leonardo Hotel Madrid City Center
Madrid	Spain	Leonardo Boutique Hotel Madrid
Madrid	Spain	Hotel Gran Atlanta Madrid
Karlsruhe	Germany	Leonardo Hotel Karlsruhe
Aachen	Germany	Leonardo Hotel Aachen
Koln	Germany	Leonardo Royal Hotel Koln am Stadtwald
Dusseldorf	Germany	Leonardo Hotel Dusseldorf City Center

Frankfurt	Germany	Holiday Inn Frankfurt Airport - North
Dusseldorf	Germany	Holiday Inn Dusseldorf Airport Ratingen
Mannheim	Germany	Leonardo Hotel Mannheim City Centre
Baden-Baden	Germany	Leonardo Royal Hotel Baden-Baden
Koln	Germany	Leonardo Hotel Cologne Bonn Airport
Dusseldorf	Germany	Leonardo Royal Hotel Dusseldorf - Konigsallee
Hannover	Germany	Leonardo Hotel Hanover Airport
Heidelberg	Germany	Leonardo Hotel Heidelberg-Walldorf
Wolfsburg	Germany	Leonardo Hotel Wolfsburg City Center
Hamburg	Germany	Leonardo Hotel Hamburg City North
Hannover	Germany	Leonardo Hotel Hannover
Frankfurt	Germany	Leonardo Royal Hotel Frankfurt
Heidelberg	Germany	Leonardo Hotel Heidelberg
Monchengladbach	Germany	Leonardo Hotel Monchengladbach
Berlin	Germany	Leonardo Hotel Berlin
Munich	Germany	Leonardo Boutique Hotel Munich
Berlin	Germany	Leonardo Mitte Berlin
Mannheim	Germany	Leonardo Royal Hotel Mannheim
Volklingen	Germany	Leonardo Hotel Volklingen
Munich	Germany	Leonardo Hotel Munich Arbellapark
Berlin	Germany	Leonardo Hotel Berlin City West
Munich	Germany	Leonardo Hotel Munich City South
Charleroi	Belgium	Leonardo Hotel Charleroi City
Antwerp	Belgium	Leonardo Hotel Antwerp
Budapest	Hungary	Leonardo Hotel Budapest
Vienna	Austria	Leonardo Hotel Vienna
Zurich	Switzerland	Alden Suite Hotel Splugenschloss Zürich
Barcelona	Spain	Leonardo Boutique Hotel Sagrada Familia
Amsterdam	Netherlands	Leonardo Hotel Amsterdam City Center
Prague	Czech	NYX Prague
Warsaw	Poland	Leonardo Royal Hotel Warsaw
Milan	Italy	NYX Hotel Milan
Munich	Germany	Leonardo Hotel Munich City East
Dusseldorf	Germany	Savoy Hotel Düsseldorf

Granada	Spain	Leonardo Hotel Granada
Prague	Czech	Jurys Inn Prague
Hamburg	Germany	Leonardo Hotel Hamburg Elbbrücken
Ulm	Germany	Leonardo Royal Hotel Ulm
Rhineland-Palatinate	Germany	Leonardo Hotel Bad Kreuznach
Munich	Germany	NYX Hotel Munich
Mannheim	Germany	Whindham Mannheim
Barcelona	Spain	Leonardo Hotel Barcelona Gran Via
The Hague	Netherlands	Crowne Plaza The Hague
Lelystad	Netherlands	Apollo Lelystad
Almere	Netherlands	Apollo Almere
Beyaerd	Netherlands	Apollo De Beyaerd
Amsterdam	Netherlands	Apollo Amsterdam
Amsterdam	Netherlands	Apollo Museum
Vinkeveen	Netherlands	Apollo Vinkeveen
Amsterdam	Netherlands	Ramada Apollo
Utrecht	Netherlands	Apollo Utrecht
Groningen	Netherlands	Apollo Groningen
Breda	Netherlands	Apollo Breda
Papendrecht	Netherlands	Apollo Papendrecht
Ljmuiden	Netherlands	Apollo ljmuiden
Rome	Italy	Venetia Palace Hotel Rome
Bilbao	Spain	Bilbao
Venice	Italy	Leonardo Hotel Venice Mestre
Belfast	Ireland North	Jurys Inn Belfast
Birmingham	England	Jurys Inn Birmingham
Bradford	England	Jurys Inn Bradford
Brighton Waterfront	England	Jurys Inn Brighton Waterfront
Cardiff	Wales	Jurys Inn Cardiff
Cheltenham	England	Jurys Inn Cheltenham
East Midlands	England	Jurys Inn East Midlands Airport
Glasgow	Scotland	Jurys Inn Glasgow
Hinckley Island	England	Jurys Inn Hinckley Island

Inverness	Scotland	Jurys Inn Inverness
Leeds	England	Jurys Inn Leeds
London	England	Jurys Inn Croydon
Manchester	England	Jurys Inn Manchester
Middlesbrough	England	Jurys Inn Middlesbrough
Oxford	England	Jurys Inn Oxford
Sheffield	England	Jurys Inn Sheffield
Swindon	England	Jurys Inn Swindon
Aberdeen	Scotland	Jurys Inn Aberdeen
Aberdeen	Scotland	Jurys Inn Aberdeen Airport
Brighton	England	Jurys Inn Brighton
Derby	England	Jurys Inn Derby
Edinburgh	Scotland	Jurys Inn Edinburgh
Exeter	England	Jurys Inn Exeter
Gateshead	England	Jurys Inn Gateshead
Liverpool	England	Jurys Inn Liverpool
Milton Keynes	England	Jurys Inn Milton Keynes
Newcastle	England	Jurys Inn Newcastle
Nottingham	England	Jurys Inn Nottingham
Plymouth	England	Jurys Inn Plymouth
Southampton	England	Jurys Inn Southampton
Watford	England	Jurys Inn Watford
Cork	Ireland	Jurys Inn Cork
Christchurch	Ireland	Jurys Inn Christchurch
Galway	Ireland	Jurys Inn Galway
Parnell	Ireland	Jurys Inn Parnell
Edinburgh	Scotland	Leonardo Royal Hotel Edinburgh
London	England	Leonardo Hotel London Heathrow Airport
Aberdeen	Scotland	Leonardo Hotel Aberdeen Airport
Edinburgh	Scotland	Leonardo Hotel Edinburgh Capital
Edinburgh	Scotland	Leonardo Hotel Edinburgh City Centre
Glasgow	Scotland	Leonardo Hotel Glasgow West End
Perth	Scotland	Leonardo Hotel Perth Huntingtower
Southampton	England	Southampton

Manchester	England	The Midland Hotel
London	England	Grange St. Paul's Hotel
London	England	Grange City Hotel
London	England	Grange Holborn Hotel
London	England	Tower Bridge Hotel
Tel Aviv	Israel	Leonardo Beach Tel Aviv
Tel Aviv	Israel	Leonardo Boutique Tel Aviv
Tel Aviv	Israel	Leonardo City Tower
Tel Aviv	Israel	Herods Tel Aviv
Rehovot	Israel	Leonardo Boutique Rehovot
Herzeliya	Israel	Herods Herzeliya
Tel Aviv	Israel	Leonardo Art
Tel Aviv	Israel	Rotschild 22
Tel Aviv	Israel	NYX Tel Aviv
Herzeliya	Israel	NYX Herzeliya
Tel Aviv	Israel	Bachar House
Dead Sea	Israel	Leonardo Club Dead Sea
Dead Sea	Israel	Herods Dead Sea
Dead Sea	Israel	Leonardo Plaza Dead Sea
Dead Sea	Israel	Leonardo Inn Dead Sea
Eilat	Israel	Leonardo Club Eilat
Eilat	Israel	Leonardo Privilege
Eilat	Israel	Leonardo Royal Resort
Eilat	Israel	Herods Palace
Eilat	Israel	Herods Vitalis
Eilat	Israel	Herods Boutique
Eilat	Israel	Leonardo Plaza Eilat
Eilat	Israel	U Coral Beach
Eilat	Israel	U Magic Palace
Eilat	Israel	U Splash Resort
Ashkelon	Israel	Leonardo Ashkelon
Netanya	Israel	Leonardo Plaza Netanya
Jerusalem	Israel	Leonardo Jerusalem
Jerusalem	Israel	Leonardo Plaza Jerusalem

Beersheba	Israel	Leonardo Negev
Ashdod	Israel	Leonardo Plaza Ashdod
Jerusalem	Israel	Leonardo Boutique Jerusalem
Tiberius	Israel	Leonardo Club Tiberius
Tiberius	Israel	Leonardo Plaza Tiberius
Tiberius	Israel	Leonardo Tiberius
Haifa	Israel	Leonardo Haifa
Tiberius	Israel	U Boutique Kinneret

	Number of Hotels		Total number of Rooms	
	2019	2020	2019	2020
Israel	47	48	9,052	9,142
Central Europe	93	92	17,041	16,558
Uk & Ireland	51	53	11,400	11,890
Benelux	16	16	2,642	2,642
Total	207	209	40,135	40,232



EMPLOYEES

Collective Agreement

All of our employees in Central Europe have personal contracts under the applicable employment law of each country of operation. Regions in which collective agreements are required we fully comply, and replaces employment law (which we follow). In countries such as Spain, Hungary and Germany collective agreements are not mandatory, and the conditions in the collective agreements are reflected in a different payment system we offer our employees. 100% of our employees in Israel are employed under collective agreements.

	2018	2019	2020
Number of Employees	10,911	19,677	13,638

Age Range	Percentage of employees from the entire company	% male employees	% female employees
Up to 29	41.7%	28.9%	12.8%
30-34	11.7%	8%	3.7%
35-44	19.3%	12.9%	6.3%
45-54	13.9%	8.9%	5%
55-66	9.2%	6.1%	0.3%
67-74	1.4%	1.1%	0.3%
75+	0.2%	0.2%	0.03%
Total		66.1%	28.43%

Employee Turnover Rate	2018	2019	2020
	Total	Total	Total
Employee turnover %	37.45	26.7	25.5

Employee Training	2018	2019	2020
Training Hours per Employee	38.6	25.7	NA (COVID-19)
Total Training Hours	409,680	376,773	NA (COVID-19)
Total Cost of Training	1,208,916	\$6,440,400	NA (COVID-19)

Diversity of employees	Israel		UK & Ireland		Central Europe		Benelux	
	2019	2020	2019	2020	2019	2020	2019	2020
# women in workforce	4301	2885	1973	1421	n/a	n/a	n/a	n/a
% women in the workforce	33.00%	34.00%	51.76%	50.68%	n/a	n/a	n/a	n/a
% women management	n/a	n/a	48.30%	46.10%	n/a	n/a	n/a	n/a
# disabled workforce	96	n/a	130	n/a	46	44	n/a	3
# minority* workforce	26%	28%	n/a	n/a	n/a	n/a	n/a	n/a

Pay Gap

Central Europe	2018	2019	2020
Number of employees by gender? (M/f)	1.700/1.068	1.574/989	1.431/899
Paygap for women employees in general	-57,85 € brut/ month	- 74,93 € brut/ month	-88,00 € brut/ month
Paygap for women mid managerial employees	-154,31€ brut/ month	-134,39€ brut/ month	-134,39€ brut/ month
Paygap for women top management employees	-499,26 € brut/ month	-420,16 € brut/ month	-420,16 € brut/ month

UK Data	2019	2020
Number of employees by gender? (M/f)	1383 Male / 1451 Female	1489 Male / 1585 Female
Paygap for women employees in general	8.9% Mean, 2% median	7.1% Mean, 2% median
Paygap for women mid managerial employees	8.8% Mean, 1% median	0% Mean, 0% Median
Paygap for women top management employees	8.6% Mean, -7% Median (in favour of Females)	9% Mean, -4% Median (in favour of Females)

Benelux	2020
Number of employees by gender? (M/f)	50-50 Benelux
Paygap for women employees in general	-5% for women
Paygap for women mid managerial employees	-3% for Woman
Paygap for women top management employees	+5% for women
	4% average pay gap in favor of men

Occupational Injuries

In Israel, UK and Ireland there was a total of one fatality a year in the period between 2018 and 2020. This underlined the importance of our work with employee safety and health to help prevent these fatalities.

Environment

² Energy		units of measure	2018	2019	2020	Indicator GRI
Total Energy Consumption		KWh	315,981,855	312,827,843	173,288,586	302-1, bloomberg
Electricity Used		KWh	314,034,585	310,588,929	171,923,593	bloomberg
Energy intensity	Energy intensity ratio	KWh	12542.44653	12417.25253	6878.441849	302-3
	The metric chosen to calculate the ratio	Number of rooms	25193	25193	25193	
	Types of energy included in the ratio	KWh	Electricity + Fuel	Electricity + Fuel	Electricity + Fuel	
		KWh				302-3
reduction of energy consumption		KWh	20,195,828	3,154,013	139,539,257	302-4

³ Emissions		units of measure	2018	2019	2020	Indicator GRI
GHG Scope 1 - LPG GAS		co2 equivalent tons	3,825,206	4,420,908	3,743,703	305-1, bloomberg
GHG Scope 2 - Electricity		co2 equivalent tons	2,163,075	2,139,341	1,184,212	305-2, bloomberg
Total GHG Emissions		co2 equivalent tons	5,988,280	6,560,250	3,909,198	bloomberg
GHG emission intensity ratio		co2 equivalent tons	238	260	155	305-4
reduction of GHG emission	GHG emission reduced as a direct result of organization's initiatives	co2 equivalent tons	140,307	-23,734	-955,129	305-5
	scope in which the reduction took place	co2 equivalent tons	0	0	0	

²Total energy consumption - is the Summary of Electricity and Fuel consumption combined. As well as energy intensity ratio.

³The calculation shown is by this Formula - 1 kwh = 0.0068880144 CO2

Fuel consumption for internal hotel use	units of measure	2018	2019	2020	Indicator GRI
Gasoline	Liter	0	0	0	302-1
LPG - GAS	Kg	1,328,877	1,504,873	887,468	
Diesel fuel	Liter	618,393	734,041	477,524	
Total	Liter	1,947,270	2,238,914	1,364,992	

Cars	units of measure	2018	2019	2020	Indicator GRI
Gasoline	Unit	288,213.33	303,382.45	91,014.74	302-1
Diesel fuel	Unit	0.00	0.00	0.00	
Hybrid	Unit	0.00	0.00	0.00	
Total	Unit	288,213.33	303,382.45	91,014.74	

Waste amount by type	units of measure	2018	2019	2020	Indicator GRI
Total Waste	1 TON	9587.6098	10,546.37	3,163.91	306-2, bloomberg
Hazardous Waste	Total Hazardous Waste	1 TON	0	0	
	oil	1 TON	0	0	
	electronic devices	1 TON	0	0	
	cleaning products	1 TON	0	0	
	other	1 TON	0	0	
Non-Hazardous Waste	Total Non-Hazardous Waste	1 TON	9587.6098	10,546.37	
	solid waste	1 TON	7876.925	8,664.62	
	paper	1 TON	353.49	388.84	
	plastic	1 TON	0	0.00	
	food waste	1 TON	1357.1948	1,492.91	
	other: glass	1 TON	0	0.00	

Disposal method by waste type		units of measure	2018	2019	2020	Indicator GRI	
Landfill waste	Total landfill waste	1 TON	9587.6098	10,546.37	3,163.91	306-2, bloomberg	
	Hazardous Waste	1 TON	0	0	0		
	Non-Hazardous Waste	1 TON	9587.6098	10,546.37	3,163.91		
Recycled waste	Total recycled waste	1 TON	353.49	388.84	116.65		
	Hazardous Waste	total	1 TON	0	0		0
		oil	1 TON	36276	39,903.60		11,971.08
		total electronic devices	1 TON	0	0		0
		Phones Recycled	1 TON	0	0		0
		other: __	1 TON	0	0		0
	Non-Hazardous Waste	total	1 TON	353.49	388.84		116.65
		plastic	1 TON	0	0	0	
		paper	1 TON	353.49	388.84	0	
		other: Food / Compost	1 TON	0	0	0	
		other: Glass	1 TON	0	0	0	
	Reused waste	total reused waste	1 TON	0	0	0	
Hazardous Waste		other: __	1 TON	0	0	0	
		other: __	1 TON	0	0	0	
Non-Hazardous Waste		other: __	1 TON	0	0	0	
		other: __	1 TON	0	0	0	

Water		units of measure	2018	2019	2020	Indicator GRI
Total Water Use		cubic meter	3483659	3558696	1843580.85	301-1, bloomberg
Hazardous Waste	surface water (rivers, oceans etc.)	cubic meter	0	0	0	
	ground water	cubic meter	0	0	0	
	rainwater collected by the organization	cubic meter	0	0	0	
	waste water from another organization	cubic meter	0	0	0	
	municipal water supplies or other water utilities	cubic meter	3483659	3,558,696	1,843,581	



ASSURANCE STATEMENT FOR FATTAL

Introduction

BDO Ziv Haft Consulting and Management is a business-oriented accounting and consulting firm. Founded in 1983, it is ranked among the top three CPA firms in Israel. Our ESG (Environmental, Social and Governance) team offers our clients a variety of services in the sustainability, CSR (Corporate Social Responsibility) and the ESG field, according to their needs, goals and preparedness.

BDO performed the assurance of Fattal's 2019-2020 Sustainability Report ("Report") in compliance with the AccountAbility AA1000AS v3 standard, Type 1 Moderate level, as a licensed assurance provider. The assurance process was conducted professionally, impartially and independently, based on information provided by Fattal.

This assurance is intended for all of Fattal's stakeholders which include: employees, guests, NGOs, international organizations, investors, owners, suppliers, and local communities, governments and businesses.

Methodology

In order to render our opinion, the assurance methodology comprised of a comprehensive review and assessment of the organization's adherence to the AccountAbility AA1000 Principles, in accordance with the Type 1 assurance requirements. This was established via examination of the Report manuscript and the collection and analysis of several sample data documents.

Limitations

This moderate assurance engagement relies on a risk-based sample of sustainability data and the associated limitations that this process entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Towards the end of the process, a detailed account was provided to the company, comprised of the assurance process's detailed assessment and recommendations, which is presented in the following.

Conclusions

This being Fattal's first Sustainability Report and given their operations in light of the challenges posed during the COVID-19 pandemic, the Report is significant as it details the company's actions and devotedness to corporate social responsibility and sustainability.

Based on the methodology and activities performed within the scope of this assessment, and based on the presented materials, we determine that Fattal's Sustainability Report for 2019-2020 is compatible with AccountAbility's reporting requirements. A summary of our conclusions is as follows:

1. **Inclusivity:** Stakeholders were properly identified, and their engagement was appropriately assessed.
2. **Materiality:** Relevant material sustainability topics were examined as ones that influence and impact Fattal's assessments, decisions, actions and performance of for the various stakeholders, and their presentation was clear.
3. **Responsiveness:** Fattal reacted to the material topics in a timely manner.
4. **Impact:** Fattal's performance, behavior and outcome metrics adhere to the moderate level of AccountAbility reporting standards.

Recommendations

In order to further improve the Report, by introducing a more extensive and expansive one in the coming years, the following is a list of subjects we recommend that the organization expands on and/or considers including in future reporting, organized by importance:

- Set future goals and measurable targets as part of a sustainability strategy built of the material topics detailed in the report;
- Elaborate upon climate change concerns and the extent of Fattal's efforts to combat it, in a prominent section of the Report;
- Increase reporting and data coverage to include all operations;
- Provide further information on waste by collecting quantitative data on recycling of non-hazardous waste (beyond paper and food), and of hazardous waste (beyond oil);
- Collect and provide information on employee injuries;
- Detail Fattal's implementation of the United Nations Sustainable Development Goals throughout the report;
- Supply information regarding Scope 3 emissions.



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