

ARCHER | HOTELCAPITAL

LONG-TERM INVESTORS IN HOTEL REAL ESTATE

2023 ESG REPORT
27 MARCH 2024

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1. About Archer - Introduction

This report contains information about Archer Hotel Capital's 2023 Environmental, Social and Governance (ESG) performance. Our report has been prepared in accordance with the INREV (European Association for Investors in Non-Listed Real Estate Vehicles) and Greenhouse Gas (GHG) Protocol standards.

Our business

As a specialist European hotel investment vehicle, Archer Hotel Capital B.V. ("Archer") owns one of the best quality hotel portfolios in Europe. Archer was established in December 2018 and is jointly owned by affiliates of APG Asset Management and GIC. The company focuses on acquiring institutional quality assets of scale in gateway cities across Europe and has equity commitments and a mandate to expand the existing portfolio. Archer is competitively positioned in the European hotel investment market, with its specialist team, long-term horizon, and high-quality capital sources giving it opportunities to unlock complex investment and value enhancement opportunities.

The hotels owned by Archer fall into two distinct categories; those that are managed under long-term management contracts by well-known international operators such as Marriott or Hilton and those that are self-operated by Archer, either independently or under franchise agreements (currently exclusively with Marriott). The Group continued to develop its own in-house management capabilities in 2023, Archer Hotel Management Limited ("AHM"), to operate hotels and at year end 2023, AHM manages five hotels across Paris, Brussels and Stockholm. AHM does not provide its services outside of the Archer group.

Archer aspires to build one of the highest quality, most environmentally and socially responsible hotel portfolios in Europe while creating long-term value and delivering commensurate risk-adjusted returns for our shareholders.

On 21st December 2023 Archer added two exciting hotels to the portfolio – Hoxton Shoreditch and Hoxton Holborn based in London. Energy, carbon, water, waste and social KPIs in this report do not include data for these assets, which will be included from January 2024 onwards. The effect of this is not material.



1. About Archer - Portfolio in 2023



Renaissance Vendome



Renaissance La Defense



Royal St. Honoré Paris



Renaissance Amsterdam



Hilton Amsterdam Airport Schiphol



Sheraton Stockholm



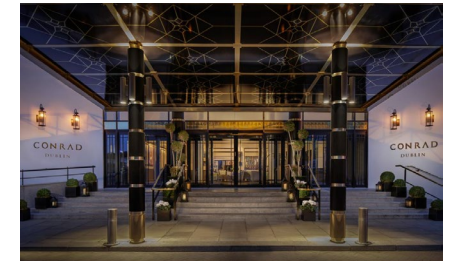
Hotel Arts Barcelona



Westin Palace Madrid



Madrid EDITION



Conrad Dublin



Marriott Brussels



Hoxton Holborn



Hoxton Shoreditch



Seville Tobacco Factory
Under Development

- 4,002 ROOMS
- 14 ASSETS (1 underdevelopment)
- 9 GATEWAY CITIES



2. ESG STRATEGY

*Render of
community
allotments,
Renaissance
Amsterdam*

2. ESG strategy - Stakeholders and Material Topics

Archer's stakeholders

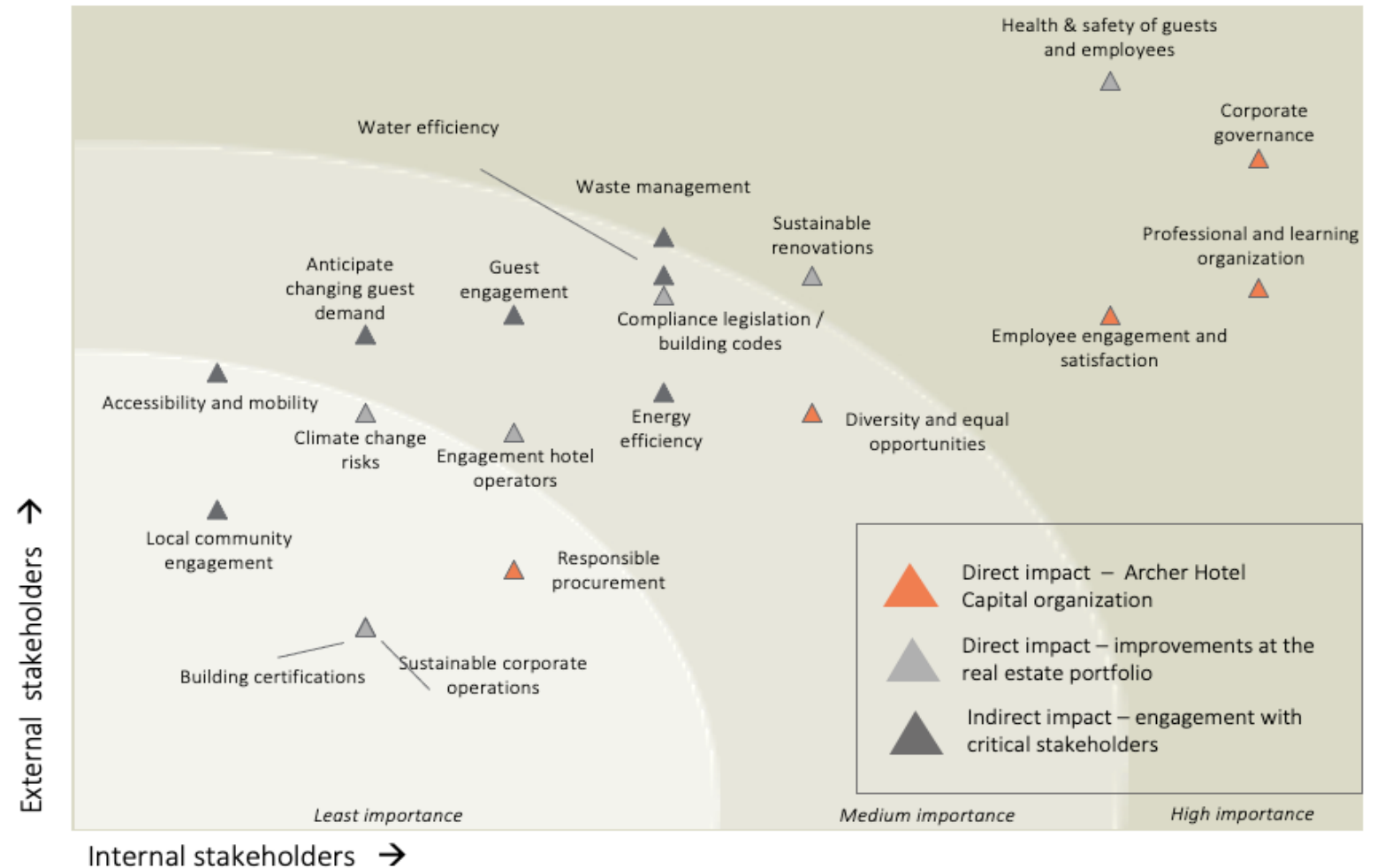
As a hotel asset manager, Archer has different stakeholders – not just investors, but also hotel operators, guests, employees, local governments, investors, regulators, community groups and non-governmental organisations. Archer is also aware of its wider obligation to society as a whole: to operate as a responsible company, help protect the environment, and support sustainable economic development. Ultimately, Archer aims to create value for all key stakeholder groups.

Materiality

In 2019, we conducted a detailed assessment to identify those sustainability topics most material to our organisation in order to inform our ESG strategy.

In this report, we explore and explain the performance of the most material aspects.

In 2024 Archer will run a double materiality review of the business given its growth and expansion into new areas such as major renovations and hotel operations. This also aligns with the requirements of the EU Corporate Sustainability Reporting Directive. A double materiality review looks at both how Archer is impacted by ESG issues and how its activities impact society and the environment.



2. ESG strategy – Pillars



Building a responsible organisation

Archer strives to provide an attractive place to work for employees. Through investing in talent we make more effective business leaders tomorrow. Curiosity, Transparency, and Responsibility define company culture and determine all behaviours internally and with key stakeholders.



Delivering sustainable asset value

Archer is determined to deliver sustainable asset value. Long-term success is achieved through active and positive working relationships with hotel operators and suppliers. By working together, Archer can operate with the lowest environmental impact possible to create lasting sustainable value for future generations.



















Caring for our customers and community

Working closely with our operating partners, Archer aims to provide memorable stays for guests in our hotels. Any investments we make today should result in an improved guest experience, with sustainable choices.

2. ESG strategy – Key Performance Indicators (KPI)

The below table sets out progress against our targets. Where previous targets have been achieved or become embedded in business as usual, new targets have been set.

KPI		2021	2022	2023
 <p>Building a responsible organisation</p>	Improve upon, or at least retain, a net promoter score among AHC employees of at least 90	Ongoing	Ongoing	100 
	Achieve a net promoter score among AHM managed hotel employees of at least 55 by 2025	New target 2023		Ongoing
	100% AHM employees complete annual training on compliance and governance ¹	n/a	45%	70% 
	Annual assessment of training and development needs for AHM employees	-	40%	77% 
	Mental health first aiders in all hotels by 2024	New target 2023		3/11
 <p>Delivering sustainable asset value</p>	Incorporate ESG clauses in all new contracts with third-party operators commencing in 2020 and going forwards	Ongoing	Ongoing	Ongoing 
	Improve upon, or at least retain, a net promoter score among hotel operators of at least 80 by year end 2024	-	-	65
	20% reduction in energy intensity by 2025 from a 2019 baseline	-27%	-10%	-15% 
	50% reduction in Scope 1&2 location-based greenhouse gas intensity by 2025 from a 2019 baseline*	-38%	-25%	-39% 
	10% reduction in water per guest night from 2019 baseline	+57%	+11%	+13% 
	15% reduction in waste per guest night from 2022 baseline	New target 2023		0% 
	Minimum recycling and anaerobic digestion/composting rate of 55% by 2025	37%	40%	43% 
	All hotels certified minimum BREEAM In-Use Very Good by 2025	18%	44%	45% 
 <p>Caring for our customers and community</p>	All hotels achieve a Competitor Indexscore >1 on TrustYou by 2025	4/11	5/12	3/11 
	Include responsible supplier code of conduct in all new supplier contracts & monitor compliance with the code by 2025 for all suppliers	Ongoing	Ongoing	Ongoing 
	Long term community investment programs in place at all hotels	Ongoing	4/12	8/11 

¹ New joiners are given a 90 day period in which to complete all mandatory training

*Previous market based reduction target achieved (70% reduction) and replaced with a location based target

Please see the Data Appendix for more detail and for the scope of Deloitte's limited assurance

All KPIs except BREEAM In Use exclude Hoxton Shoreditch and Hoxton Holborn which were acquired just before 2023 year end.

2. ESG strategy – Key Achievements and Next Year’s Objectives

Archer’s key achievements over the past year and planned areas of focus next year

2023 Achievements

2024 Objectives

Building a responsible organisation



- Regained GRESB 5-star rating
- ESG targets embedded in all AHC staff bonus schemes and all AHM hotel bonus schemes
- Green Team set up at Hotel Arts Barcelona and Conrad Dublin
- Engineering Day held in Brussels for knowledge sharing and training
- Portfolio physical climate risk assessment completed
- Operator NPS score of 65 (survey of all hotel executive management)

- GDPR training compliance across AHM
- Focus on bespoke asset level ESG training and regular news cycle
- Benchmark and update ESG policy to maintain high standards
- Complete transition risk impact assessment and double materiality assessment

Delivering sustainable asset value



- Initiated pan-portfolio water and energy audits and started developing asset specific net zero carbon pathways
- Designed ESG business intelligence dashboard
- Devised ESG scorecard for assets to quantify progress
- 8/11 assets certified BREEAM In Use
- 11/11 sites recycling food waste (increase of 4)
- Measured embodied carbon of new rooms at Hotel Arts Barcelona and Westin Palace and implemented carbon reduction measures

- Net zero carbon audits complete for all sites with clear CRREM pathways and investment plans
- Push ESG business intelligence system into circulation
- Set AHM hotel targets based on ESG performance scorecard
- BREEAM certification of new hotel acquisitions
- Track implementation of energy audit and BREEAM recommendations in renovations

Caring for our customers and community



- Increase in Trust You guest satisfaction score
- New community volunteering partnerships established at Sheraton Stockholm and Marriott Brussels

- Review and update all ESG content across sales & marketing. All marketing teams set an ESG KPI.
- Quantify alignment of procurement against our ESG policy
- Mental health first aiders in all hotels

2. ESG Strategy - Governance and Risk Management

The Board of Directors has ultimate responsibility for setting Archer's strategy, which incorporates ESG-related risks and opportunities. The Sustainability Manager reports directly to the Board quarterly and an ESG Committee convenes quarterly comprising senior representatives across multiple business functions.

ESG risks are included in the company Risk Register and reviewed annually. Climate risk and detailed investment plans for meeting net zero carbon pathways are reported to the Board at least annually. ESG training is mandatory for all AHC employees and role specific sustainability training is in place where appropriate.

Archer's ESG frameworks span the asset lifecycle from acquisition, to renovation and asset management, including a detailed ESG policy for AHM operations. Rolling ESG action plans are in place for each hotel and integrated into the routine monthly business reviews. ESG scorecards for each hotel are tracked and environmental KPIs are monitored quarterly.

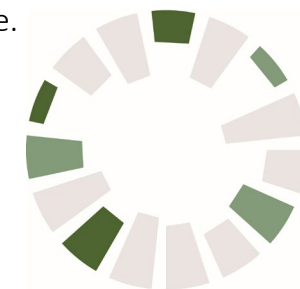
In 2023 Archer put into practice its extended ESG due diligence process with the acquisition of the Hoxton Holborn and Hoxton Shoreditch in London. This included a BREEAM In Use gap analysis and carbon reduction pathway assessment. This will enable quicker onboarding to our ESG programme.

Archer uses GRESB to benchmark its ESG performance in the real estate industry. In 2023, Archer achieved a GRESB rating of 5 stars with a score of 89/100, an increase from 4 stars and 85/100 in 2022, outperforming the Peer Group average. Improvement has been driven by an increase in green building certifications and energy, water and waste efficiency projects.

Sustaining a 5-star rating will be challenging due to new additions to the portfolio and the timing of these acquisition. Archer's business strategy supports acquisition and ESG improvement of existing (non-new build) hotels for the benefit of all. Improvement requires mobilising significant capital investments and mobilising stakeholder engagement which takes longer to implement than just the year of acquisition.

Going forwards Archer is focused on deployment of capital expenditure across renovations to improve quantitative environmental performance.

In 2023 performance-linked ESG KPIs have been extended to all AHC employees and all AHM executive management members. In French and Belgian hotels managed under AHM, we also added ESG KPIs to the government mandated all-staff bonus scheme.



G R E S B

★ ★ ★ ★ ★ 2023



2. ESG Strategy - Climate Risk Management

Physical Climate Risk

In 2023 FM Global, Archer's insurers, performed a physical climate risk assessment for each asset in the Archer portfolio (excluding the newly acquired Hoxtons). Risks assessed span extreme precipitation, wind, temperature change, drought and sea level rise with resulting acute and chronic impacts under short medium and long term climate change scenarios (RCP 2.6, 4.5 and 8.5). Total asset value exposed and business interruption costs if risks are realised were calculated.

The only acute risk Archer is exposed to is flooding. This represents a €26.3m loss expectancy representing 2.5% of the portfolio (across property value insured and business interruption). This is classed as achievable climate risk reduction and is also gross of any city defences. Mitigating actions are being implemented by hotels with follow up checks by FM Global.

The most significant potential chronic risks identified are

- Drought risk – with up to 17% reduction in precipitation in the worst case in Madrid and 10% in Barcelona
- Temperature increase of up to 1.26C in Stockholm and 1.21C in Madrid.

Archer addresses climate resilience through its ESG Framework for Developments which includes consideration of greywater recycling, rainwater harvesting and other water conservation measures, as well as green roofs which can reduce heat gain. Due diligence with respect to climate risk is included in our review of potential acquisitions. Deeper studies are performed for assets undergoing major renovation.

Transition Risk

In 2023 Archer held a workshop to start quantifying the impact of key transition risks. These risks have been updated since 2022 and include:

- **Policy and legal risks:** Enhanced environmental reporting obligations such as CSRD and the accompanying resource costs, carbon taxes and increasing prices of high quality carbon offsets which will likely need to be purchased to reach net zero carbon by 2030
- **Technological risks:** Costs of adapting existing hotels to net zero carbon
- **Market risks:** Increasing prices of natural resources required for renovations and of utilities and food & beverage supplies to operate hotels. Increased insurance costs and devaluation of stranded assets. Consumer behaviour is also likely to change as consumers become more aware of the environmental impact of their purchasing decisions including travel modes and destinations

Potential data sources and calculation methods were discussed and will be modelled with the aim to complete this work in 2024.



A photograph of sunlight filtering through green leaves, creating a bright, glowing effect in the center. The leaves are in various shades of green, from light to dark, and are arranged in a dense, overlapping pattern. The sun is positioned in the upper right quadrant, casting rays of light across the scene.

3. BUILDING A RESPONSIBLE ORGANISATION



3. Building a responsible organisation

Code of Conduct

Archer expects the highest ethical standards from employees and other personnel in carrying out its business. Our code of conduct outlines expectations regarding employees' behaviour and applies to all employees and contractors. We expect everyone to foster a well-organised, respectful and collaborative environment.

Compliance Policies

In addition to the Code of Conduct, Archer also has a full compliance manual which includes but is not limited to:

- Conflicts of Interest Policy
- Inducements, Gifts, Benefits and Anti-Bribery Policy
- Anti-Bribery Risk Assessment
- Data Security Policy
- Whistleblowing Policy
- Social Media Policy
- Business Continuity Plan

Diversity, Equality and Inclusion (DEI)

In October 2023 Archer established a DEI Committee with the following mission: **Archer's DEI Committee will promote a company culture that is inclusive, respectful, and transparent and ensures that everyone feels represented. It will integrate best practices for diversity, equity, and inclusion into company policies and programs and impact change where necessary.** comprised of 8 volunteers from across the business. The Committee meets quarterly to discuss and implement initiatives including a holiday and events calendar and review of policy and procedure. The Chair of the DEI Committee reports to the Operating Committee.

Archer understands the importance of DEI across all areas of the business but especially with recruitment and is committed to working with recruiters with the same values. Archer continues to partner with B Corp certified search firm Society who provide valuable DEI data and reporting with every placement.

eNPS Target

In 2023 Archer conducted an employee survey which showed an employee NPS score of 100, an increase from 72 in 2019. This is an outstanding score, especially considering the significant increase in number of employees.

Target: Improve upon, or at least retain, an employee net promoter score (eNPS) among Archer employees of at least 90



3. Building a responsible organisation

Volunteering and donations

In 2023 Archer partnered with Employee Volunteering to run two online business forums with Balik Arts and Salford Survivor Project, sharing expertise to help solve a specific challenge. We also held a sports challenge with Race the Thames. In total we donated over €10,000 to charity in 2023.

Working with our Operators

Archer selects hotel operators who share the same values in building a responsible organisation. They have strong governance procedures in place and manage their own extensive training and development, diversity, inclusion and wellbeing schemes for employees. In December 2023 we acquired two Hoxton hotels in London and are excited to commence working with Ennismore, one of the most ESG committed brand.

Archer's own operating platform AHM has included ESG in its core vision and values with a detailed ESG tracker and scorecard for each hotel.

Archer collected employee diversity, training and compliance data for AHM assets from conversion to year end 2023. Details can be seen on page 36 of the Data Appendix.

In 2023, AHM introduced some new HR platforms to improve the data quality and tracking of these indicators and expand reporting to health and safety indicators. A health and safety champion has been appointed for the portfolio and more extensive GDPR training is being rolled out.

Archer aims to provide ESG specific training at least annually to all hotel teams in 2024.

Operators also run their own health & wellbeing programs for their employees, for example Marriott's Take Care calendar and Hilton's Appreciation Weeks.

In 2023, AHM introduced 'Elective', to some hotels, an employee survey that uses AI based learning to tailor questions to particular groups. We will be able to check in on our teams more frequently with more relevance. Roll out will be completed in 2024.

Targets:

- 100% AHM employees complete annual training on compliance and governance
- Net promoter score among AHM employees of at least 55 by 2025
- Mental health first aiders to be trained in all hotels by the end of 2024



3. Building a responsible organisation

Archer Head Office Environmental Impact

In previous years, Archer committed to offsetting carbon emissions at AHC head office level. This included Scope 1, 2 & Scope 3 greenhouse gas emissions from travel, employee commuting, working from home, and office water and energy consumption (see Appendix – Reporting Criteria.) Our head office emissions in 2023 have partly (29%) been offset by credits in our inventory, supporting preservation of rainforest in the Brazilian Amazon through the VCS certified Unitor REDD+ project.

For the remaining carbon, Archer has taken the decision not to continue with traditional offsetting. Current focus is on developing net zero carbon pathways for our hotels, which make up 99% of our group carbon footprint. Investment is focussed on carbon reduction at source rather than compensating with offsets.

However, a carbon cost price of €40 per tonne, the market rate of a high quality European offset, has been applied to our remaining head office carbon footprint and dedicated to specific charitable causes focused on local environmental benefits.

Overall head office operational location-based greenhouse gas emissions have fallen 12% between 2022 and 2023.

Business travel emissions in 2023 were down 31% from 2022 due to a conscious shift away from aviation and an increase in the use of the Eurostar for travel between London, Amsterdam, Brussels and Paris. Employees are now required to submit annual business travel plans and demonstrate how they will limit travel.

Office energy emissions have also decreased, as despite the London office moving to a larger space in 2022, more modern equipment such as automatic lighting and heating controls has enabled us to save energy.



4. DELIVERING SUSTAINABLE ASSET VALUE



4. Delivering sustainable asset value

Our goal is to make Archer’s hotels and operations as resource-efficient as possible to reduce our environmental footprint per hotel while at the same time growing the business. Archer asks all partners to combine efforts and actively participate to improve the portfolio’s ESG impact.

Collaboration with Hotel Operators

With 7 hotels out of 14 operated by Archer Hotel Management in 2024, the deployment of AHM's dedicated operational sustainability policy has been a great success in 2023 and will be reinforced in 2024 and beyond through an upgrade of our procedures.

The acquisition of 2 Hoxton Hotels in London in 2023 will also offer the opportunity to work with Ennismore (part of Accor), one of the most active operating companies on the ESG front and very aligned with Archer's philosophy.

In 2023 Archer gathered all hotel chief engineers in Brussels for knowledge sharing, training and inspiration with a particular focus on carbon reduction.

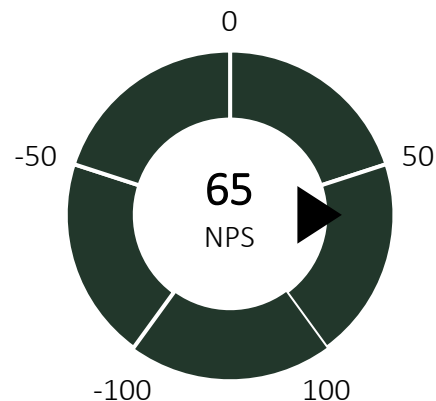
Engagement Survey

In 2020 we held our first engagement survey of all Archer hotel General Managers. Archer received an exceptional Net Promotor Score (NPS) of +80. In 2023 we relaunched the survey with additional questions and extended it to all hotel heads of department, and with these updated questions achieved a new NPS question scoring +65. This is still a great result as achieving higher a positive score is good and higher than 50 is excellent.

Areas of significant improvement since our first survey include Archer’s recognition of employee efforts, and perception of guest experience and value for money, linked to renovations at two hotels. Focus areas for improvement include provision of training and resources, and quality of dining options that meet guest expectations. AHM has hired a Learning and Development Manager in January 2024 to improve this, and a wide range of exciting restaurant projects are already underway including new concepts and renovations under the guidance of our specialist Head of Restaurant and Bar Operations.

New Target: Operator NPS score of at least 70 by year end 2026

NPS question: How likely is it that you would recommend working with Archer as a hotel owner to a friend or colleague?



NPS is calculated by adding the Promoters (scores 9-10) minus the detractors (scores between 0-6). Passives (score between 7-8) are not incorporated in the final NPS.



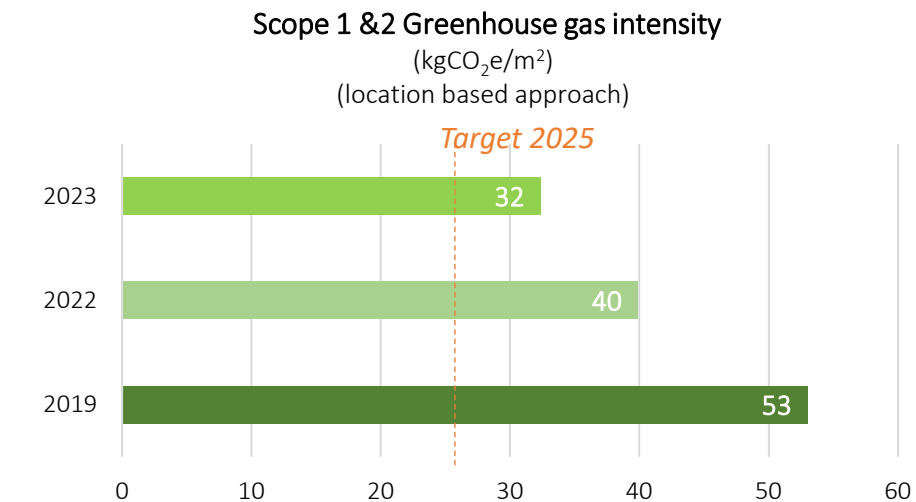
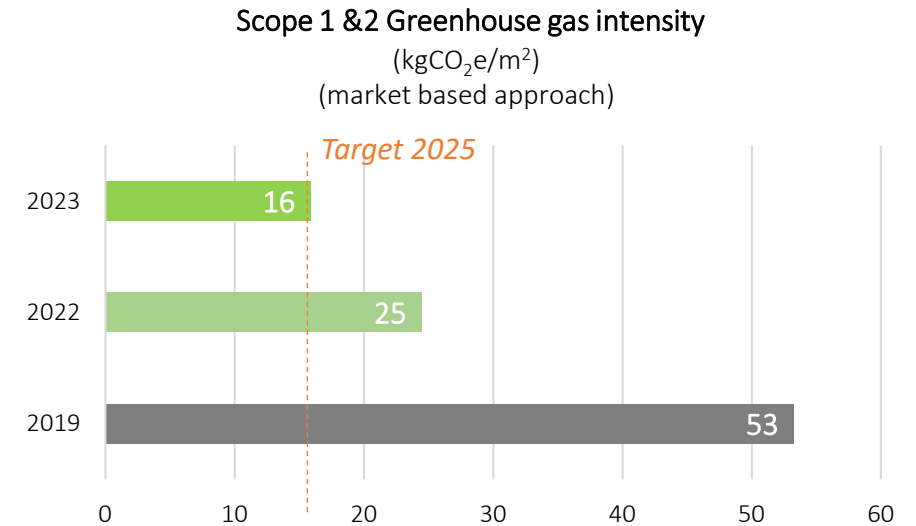
4. Delivering sustainable asset value - Climate Change and Resilience

In 2023 the market-based Scope 1 & 2 GHG intensity of our hotels averaged 16 kgCO₂e/m²*, a reduction of 70% from a baseline of 53 kgCO₂e/m² and down from 25kg CO₂e/m² in 2022. This **already** meets our 2025 target and is mainly driven by increase in the proportion of total electricity from renewable sources from 72% in 2022 to 94% in 2023, as Renaissance La Defense and Vendome moved to renewable contracts under AHM. This also includes the first full calendar year of operation for the Madrid Edition. As at year end, 9/13 hotels are on renewable electricity contracts. The remaining four include 2 new hotels acquired just before year end and two locked in long-term contracts. Archer aims for 100% renewable electricity by 2025.

Archer has set a new target of 50% reduction in location-based GHG intensity by 2025. In 2023 the location-based Scope 1 & 2 GHG intensity of our hotels averaged 32 kgCO₂e/m² a 39% reduction from a baseline of 53 kgCO₂e/m² and down from 40 kgCO₂e/m² in 2022. This is partially driven by reduced occupancy in two hotels undergoing renovation but also energy reduction measures installed in those renovations, and switch from gas to electric kitchens in Marriott Brussels.

In 2023 Archer commissioned Deerns Engineering to perform detailed net zero carbon audits. As of the date of this report, 7/13 hotels have net zero carbon pathways mapped. Archer uses the CRREM (Carbon Risk Real Estate Monitor) as a benchmark for pathways to 2050 in line with EU commitments to limit global warming to 1.5C. Pathways of increasing investment are modelled, including degasification and carbon offsets only as a last resort (and in many cases not required at all). Archer continues to aim for net zero operational carbon emissions by 2030. Archer has been incorporating recommendations into renovation designs and underwriting whilst expediting more quickly implementable projects.

* The scope of Deloitte's limited assurance includes 2023 market based GHG intensity



Target: 70% reduction in market-based GHG intensity by 2025 achieved
 New Target: 50% reduction in location-based GHG intensity by 2025



4. Delivering sustainable asset value - Energy Efficiency

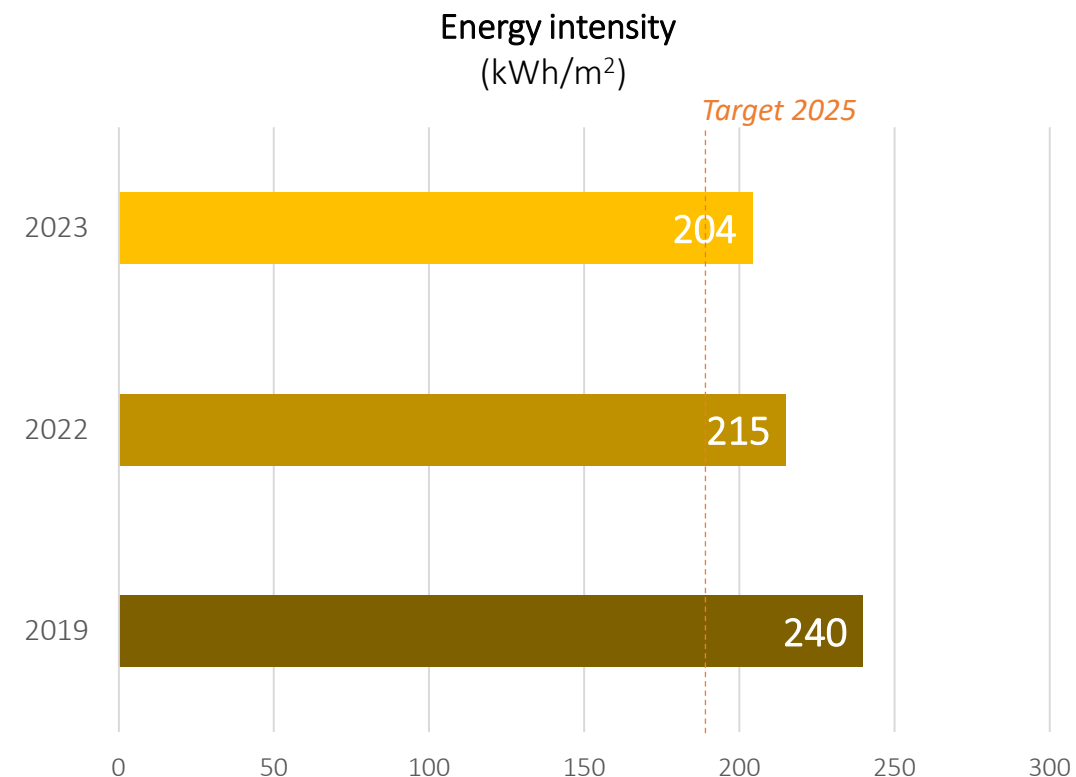
Archer is targeting a 20% reduction in portfolio energy intensity by 2025 and 30% by 2030 from the 2019 baseline. These targets have been restated to be more ambitious based on the planned renovation envisaged and the initial results of energy audits.

In 2023 the energy intensity of the hotels averaged 204kWh/m²*, a reduction of 15% from a baseline of 240kWh/m². This compares to 215kWh/m² in 2022. The decrease is mostly because, whilst overall occupancy has risen from 57% to 62%, renovation of parts of two hotels has reduced consumption. Half of the guest rooms at Marriott Brussels were under renovation January – February 2023 and public areas were under renovation until July 2023. Renovation of half the guestrooms at Westin Palace Madrid has been underway since September 2023. Both hotels remained operational.

Energy saving projects implemented in the year include pipe insulation at Hilton Amsterdam Airport Schiphol and the installation of lighting presence detectors at Renaissance La Defense. Archer also launched a policy on minimising default guestroom heating and cooling settings.

In 2023 Archer commissioned Deerns Engineering to perform detailed energy audits, including calibration and modelling, for the portfolio. This will enable a better understanding of the relationship between occupancy, climate, and consumption specific to each hotel and how base load consumption might be segregated from variable occupancy related consumption.

* The scope of Deloitte's limited assurance includes 2023 Energy intensity



Our goal: 20% reduction in portfolio energy intensity by 2025 from a 2019 baseline

7/13 hotels have completed energy audits to determine improvement measures required to reach net zero carbon



5. Delivering sustainable asset value - Water Efficiency

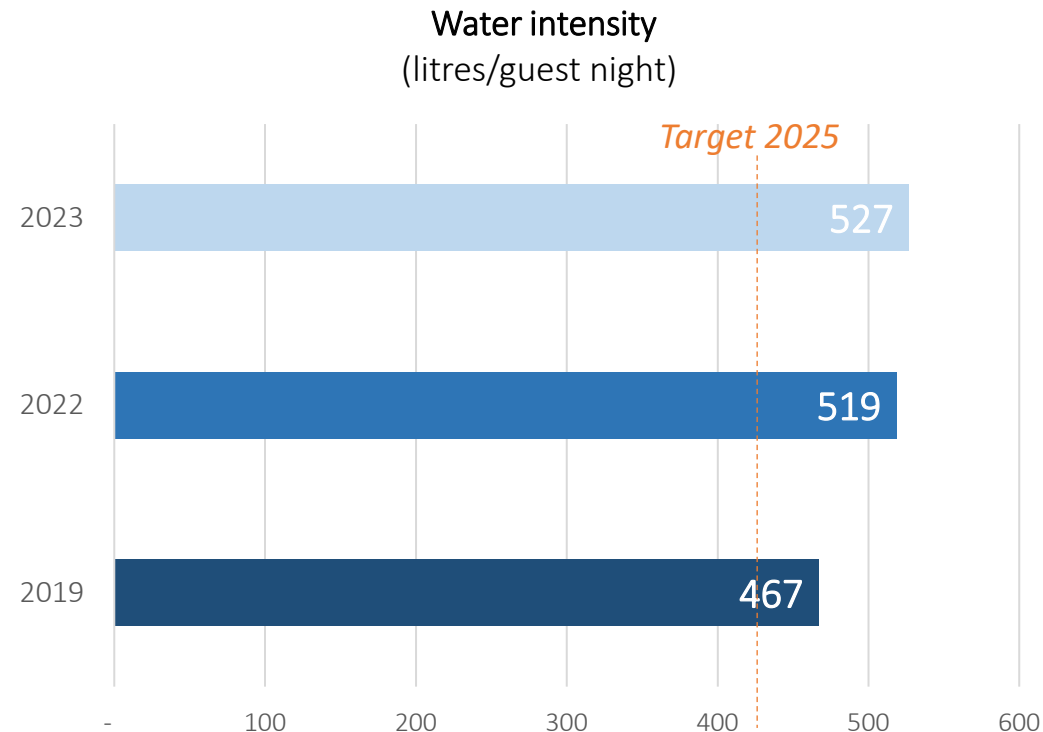
Archer closely monitors water consumption and uses the BREEAM In-Use standard to guide reduction in consumption from key areas such as bathrooms, MEP plant and irrigation. Reduced flow bathroom fittings were installed in 2023 in the renovation of Marriott Brussels and this has become the norm for all renovations.

In 2023 Archer consumed 527 litres/guest night*, a 13% increase from 467 litres in 2019. This is due to occupancy still remaining below 2019 levels (and roughly half in three hotels undergoing renovation) combined with the high baseload water consumption in our older hotels undergoing renovation - this results in consumption not directly proportional to occupancy.

The 2022 acquisition of the high-end luxury hotel Madrid Edition, which whilst having a greywater recycling system, still consumes above the portfolio average due to the presence of swimming pools and spas. In addition, throughout the year three leaks occurred in older hotels. Additionally, waste reduction initiatives that were rolled out, such as providing refillable water bottles and machines to guests, also increases hotel consumption.

Planned capital expenditure including better submetering to separate consumption by guests and kitchens versus plant and equipment should improve performance in future years.

In 2023 Archer commissioned water audits and leak detection surveys to help identify further water-saving opportunities.



Target: 10% reduction in water per guest night by 2025 from a 2019 baseline.

* The scope of Deloitte's limited assurance includes 2023 Water intensity



5. Delivering sustainable asset value - Waste Management

The vast majority of our assets have implemented single stream recycling, however, general residual waste remains by far the largest waste stream and its treatment varies greatly between regions. Archer aims for zero waste to landfill, however being able to achieve this depends on local infrastructure.

In 2023 the portfolio recycling and anaerobic digestion/composting rate was **43%** for a total of 2,274 tonnes* of waste collected (40% and 2,189 tonnes in 2022). The increase in volume is driven by increase in occupancy. The slight rate increase is mainly driven by the implementation of food waste recycling in four further hotels. All hotels now have food waste recycling. In Madrid however, approximately half of food waste is recycled and half is sent to landfill. In other jurisdictions, all segregated food waste is sent to anaerobic digestion for energy and fertiliser production.

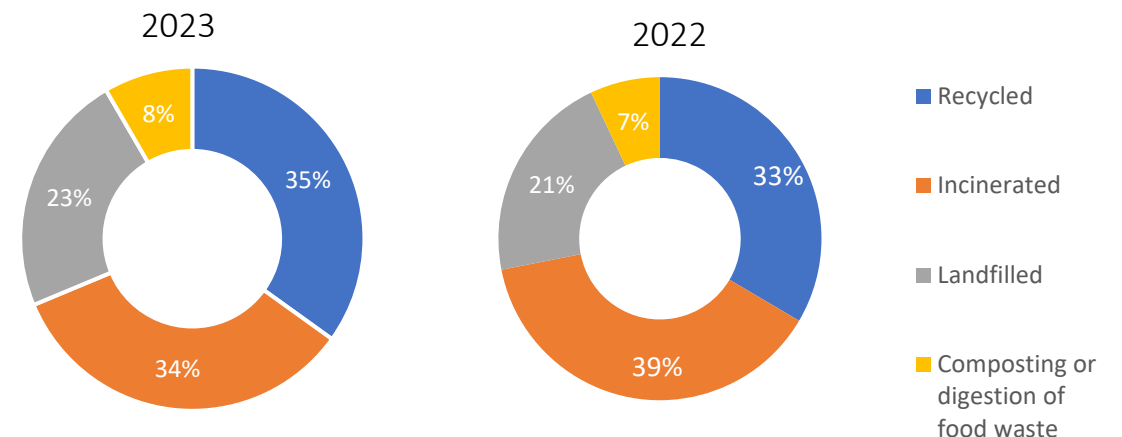
In Spain, general residual waste is sorted at a waste facility and a significant amount is still landfilled. Since 2022 the waste facility used by our largest hotel, in Barcelona, suffered fire damage and sorting is now performed manually, now resulting in a higher landfill rate, therefore in September 2023 the hotel switched to a different contractor and improvements are expected.

Waste contact improvements in Paris have also enabled us to monitor waste more accurately, and data previously estimated based on bin volume has been updated.

3.0kg* of waste was generated per guest night, a marginal increase from 2.9kg in 2022. This could partially be driven by lower occupancy in hotels under renovation since there is some baseload waste as well as some clear out waste that was not disposed of through the renovation contractor.

Several waste reduction projects were implemented in 2023. These include: plastic free, refillable drinking water solutions for guests which were introduced at Marriott Brussels and Renaissance La Defense, continued small improvements in reducing packaging used by guests e.g. reusable laundry bags and using large condiment containers instead of mini, as well as food waste reduction programmes and an increased focus on donation through the use of platforms such as Too Good to Go.

Waste by disposal route



2025 Targets:
 55% recycling/anaerobic digestion/composting rate
 15% intensity reduction from 2022 baseline
 All sites recycling food waste ✓

4. Delivering sustainable asset value - Waste Management

Throughout the portfolio, several renovations have been taking place during 2023. Archer has taken action to follow the waste hierarchy, prioritising reuse where possible. Charitable partners of the hotels receive priority choice over materials before resale and recycling efforts.

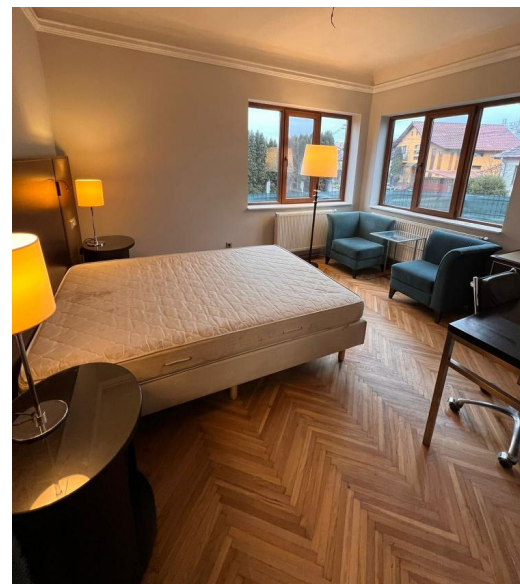
At the Westin Palace Madrid where renovation is ongoing, measures to both reduce embodied carbon and reduce potential waste include:

- Retention of marble bathroom floors, vanities as well as sinks and bathroom doors
- Retention of ceiling plasters and decorative mouldings
- Reinstallation of corridor and wall marble tiles where possible after required dismantling to accommodate new building regulation doors
- Retention of c.50% of guestroom entranceway mirrors (half had to be removed to add additional sound insulation in the walls)
- Refurbishment and upgrade of signature metal room number signs
- Retention of a significant portion of public area artwork and furniture for incorporation into the new design
- Dozens of rooms' worth of furniture and fittings have been donated to Aldeas Infantiles (SOS Children's Villages) sites across Argandas, Navalcarnero, Villaviciosa and Rivas, as well as Ronald McDonald Foundation. The remainder will be auctioned for reuse.

An embodied carbon study and lifecycle assessment for the entire renovation is underway.

In 2023, at Marriott Brussels the furniture from the restaurant has been donated to projects including *Infirmiers de Rue*, a medico-social organisation which helps homeless people find suitable housing.

The Renaissance Amsterdam renovation is on track for a 95% reuse and recycling rate with furniture items being donated to




Picture of one of the rooms in Romania renovated with reused furniture from Renaissance Amsterdam

locations depending on demand. Archer partnered with UHP to reuse all furniture from the 202 rooms being renovated in the first stage of the project at a boutique hotel in Romania. Public area furniture and kitchen equipment was also donated to a local hockey club in Zoetermeer, Netherlands.



4. Marriott Brussels Renovation


Archer completed refurbishment of the guest rooms and public areas of Marriott Brussels in July 2023. The hotel, which has been operated by AHM since February 1st 2023, has made significant changes to allow for the hotel to be operated in the most sustainable manner.




Renewable Electricity
100% certified renewable electricity



Water Efficiency
BREEAM compliant 6 litre/minute showers and 4 litre/minute taps




Sustainable Transport
6 electric vehicle slots including charging stations and separate bike / scooter parking including chargers




Carbon reduction

- Room management systems with motion sensors and ability to switch off room lighting, heating and ventilation if the room is vacant.
- All lighting LED
- New chiller with heat recovery
- Window upgrades to triple glazing (ongoing)
- Energy audit underway to model cumulative impact and determine long term carbon reduction strategy.




Reduce, Reuse, Recycle

- We worked with Rehotel to give guestroom furniture a second life in projects in the Czech Republic.
- Refurbished and reused pre existing bathtubs
- Our new Café Barcine is furnished with reused furniture
- Refillable glass water bottles for all guests, with machines available on every floor, eliminating single-use water bottles, saving 44,928 bottles so far.
- Commenced food waste recycling and working with Too Good to Go to reduce waste
- Compostable coffee capsules
- Installed bulk toiletries to reduce plastic



COMMUNITY SUPPORT

- Furniture donated to charities such as children’s charity Clair Matin & homeless charity Infirmiers de Rue
- Donation of duvets and pillows to Turkey and Syria earthquake crisis
- Launch of an employee volunteering programme aiming for 70 hours of volunteering per quarter with a local charity, including Clair Matin. The targeted hours were achieved by the end of the year so we are setting a higher target for 2024.



Responsible sourcing

- 80% of suppliers used for fitting out the new rooms have an environmental management system or environmental product label.
- Rotisse restaurant partnered with trusted local butcher Hendrik Dierendonck to supply only free range produce with clear traceability to the farm
- Barcine’s coffee is sourced from local company, Wide Awake Speciality Coffee, they ensure the work of everyone in the production process is remunerated fairly, and all their products are delivered in 100% recyclable CO2 neutral packaging
- Barcine also offers a 50 cent discount if customers bring their own takeaway cups



Certification achieved



4. Delivering sustainable asset value – Third-party certification

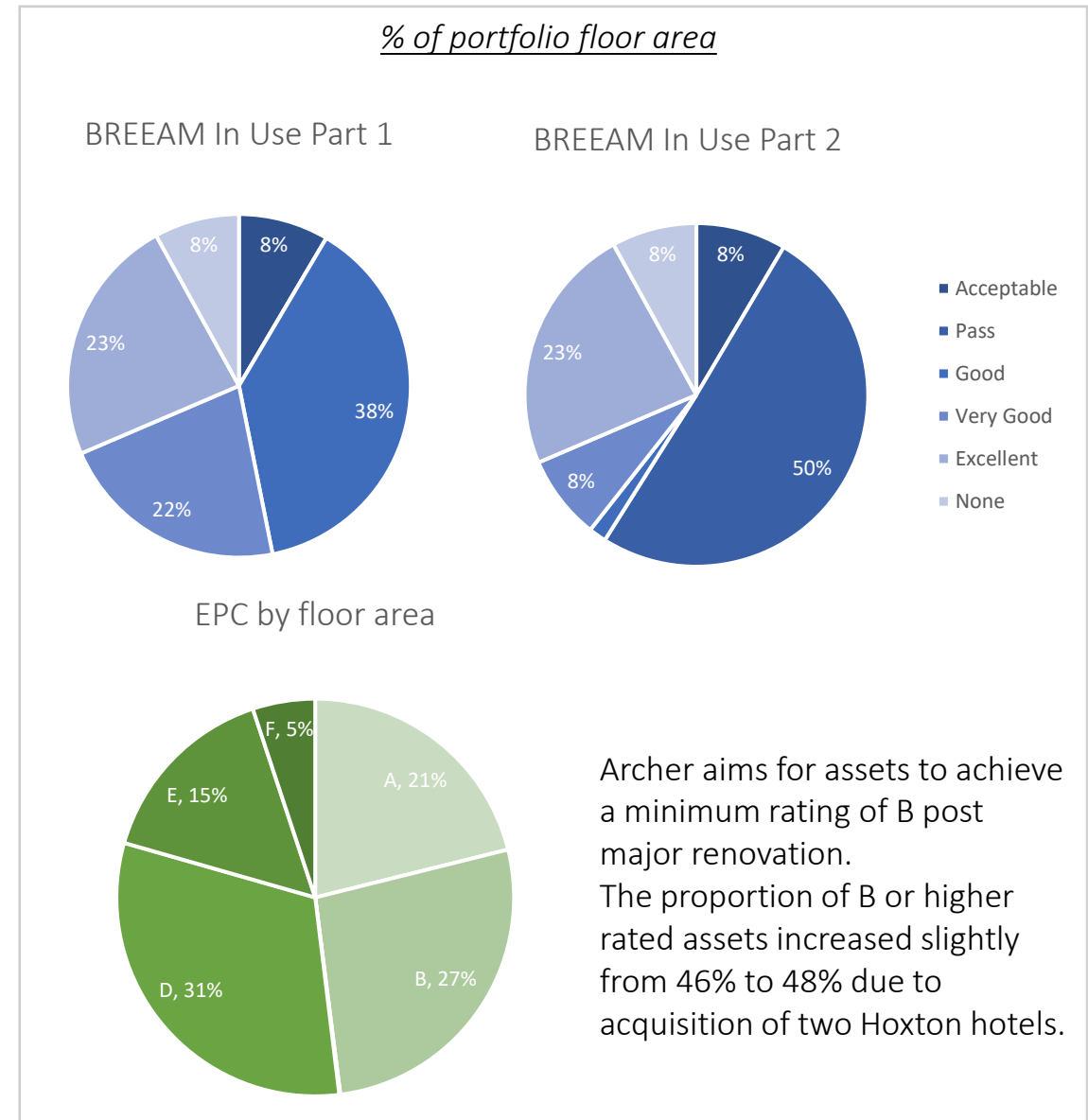
Green Building and Energy Performance Certifications

Archer uses certifications to assess assets holistically, benchmark performance, meet lender conditions and maintain market value & liquidity. 8 out of the 13 hotels held in 2023 have completed certification (7 out of 12 in 2022) with an additional 1 under recertification (Renaissance La Defense). Conrad Dublin was certified in the year, achieving a rating of Good.

Our target was to certify the entire portfolio by year end 2023. Of the remaining four hotels, two were acquired just before year end (Hoxton Shoreditch and Holborn) and will therefore undergo certification in 2024. Pre-assessment commenced for Edition Madrid in 2023 but will complete in 2024.

As of 31 December 2023, 45% of the portfolio by floor area has achieved BREEAM In-Use Part 1 Very Good or Excellent and 31% for Part 2. We are aiming to achieve Excellent or higher for hotels under major renovation.

Target: All operational hotels to achieve a minimum BREEAM In-Use rating of Very Good by 2025



4. Delivering sustainable asset value – Third-party certification

Global Sustainable Tourism Council

Six hotels were certified to Global Sustainable Tourism Council recognised standards by year end 2023 – Renaissance La Defense, Renaissance Vendome and Marriott Brussels with Green Key, Hotel Arts Barcelona with Biosphere and Conrad Dublin and Hilton Amsterdam Airport Schiphol through Hilton LightStay.

These standards are specifically for travel and tourism and are more customer facing than BREEAM. Maintaining certification requires continuous improvement with an increasing number of best practice criteria each year. They are also a wonderful way of rallying staff across all departments of the hotel into making a sustainable impact.

3 out of 5 AHM hotels were certified by year end 2023 (2/5 in 2022), the newest addition being Marriott Brussels. In 2024 Royal St Honore and Sheraton Stockholm aim to achieve Green Key certification.

ISO14001

Westin Palace Madrid continues to hold ISO14001 Environmental Management System certification, along with all Hilton hotels. Archer aims to develop its business intelligence system to align with this standard.



Awarding of Green Key to Marriott Brussels which hosted the ceremony for all newly certified hotels in Brussels

2025 Targets:

All hotels certified to Global Sustainable Tourism Council standard



Barcine café and events space, Marriott Brussels

5. CARING FOR OUR CUSTOMERS AND COMMUNITY



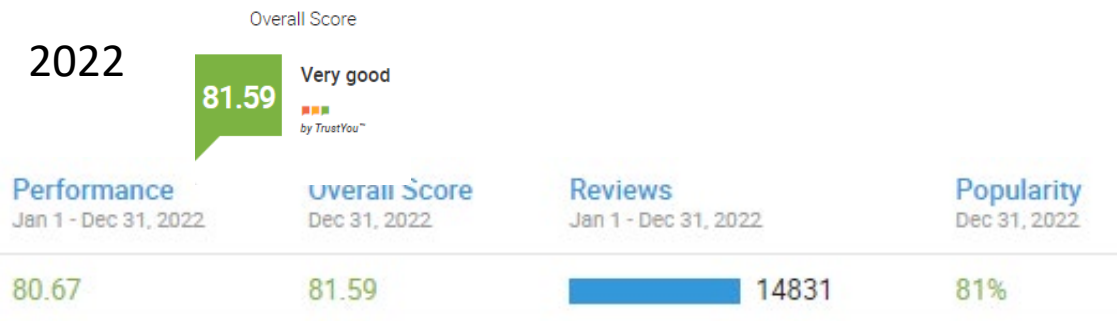
5. Caring for our customers and community

To build one of the highest quality hotel portfolios in Europe Archer collaborates with hotel operators, suppliers and service providers to measure and optimise customer satisfaction and share best ESG practices across the portfolio. Our customers' impact lasts beyond their hotel stay – through our hotels they reach the wider community and each environment throughout our supply chain.

Hotel Guest Satisfaction

Archer welcomes guest feedback and all hotel guests are invited to review our hotels after their stay. Most hotel reviews are directly posted online on platforms like Google reviews, Facebook, TripAdvisor and Booking.com, or directly via the operators' guest satisfaction surveys system (Medallia for Marriott, Salt for Hilton). Our hotel managers track guest reviews that are published, or received directly, and the feedback is passed onto senior management. Archer implemented in 2022 a platform called TrustYou which enables us to better compare feedback across different brands and sources in a standardised format.

2023 was heavily affected by renovations for the Archer portfolio, and in this context, Guest Satisfaction metrics are impacted on a consolidated basis. Despite two hotels being in the midst of material disruptions, performance grew by 0.23 points in 2023. The number of hotels which achieved a Competitor Index score >1 in 2023 decreased to 3/11 compared to 5/12 in the prior year (excluding Hoxtons). Corrective actions are in place e.g. refurbishment plans for older hotels and increased staff development and engagement plans.



Target: All hotels achieve a Competitor Index score >1 by 2025 on TrustYou



5. Caring for our customers and community

Health and Wellbeing

Archer assesses health, safety and air quality against local legislation and through assessments such as BREEAM In Use. Wellbeing is factored into the design of our hotels, including access to natural daylight, fitness & spa facilities, food offerings and choosing healthy materials for our refurbishments.

Archer is currently working on assessing the renovation planned at Hotel Arts Barcelona against the international WELL Certification. This is the most highly regarded wellbeing standard for buildings and if successful would make the hotel the first large luxury hotel in Europe to achieve this certification.

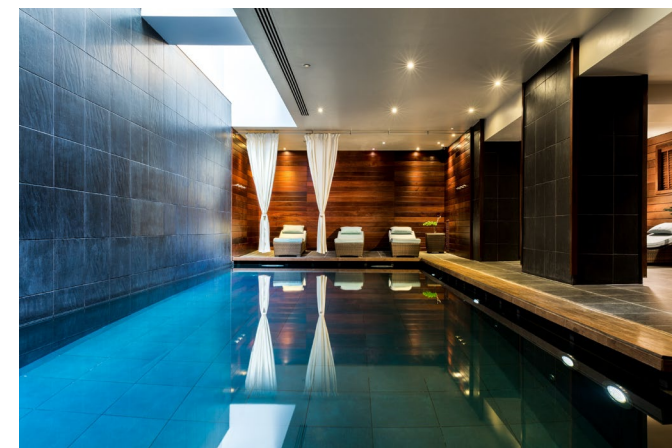
Responsible Procurement

Archer is committed to working with partners who do business in a fair and responsible manner and to using its purchasing power to enable positive change. We have developed a Supplier Code of Conduct which is applicable to all contractors, subcontractors, consultants and other third parties.

Archer encourages local procurement to both create a more unique experience for guests and benefit the community of which we are a part. Particular focus has been placed on food and beverage in operations and on expenditure for renovations. Materials proposed by renovation designers are screened against our ESG Framework. This includes mandatory criteria for certified sustainable timber, paints and adhesives with low volatile organic compound emissions, ISO14001 certified steel, glass and concrete and preference for products with recycled content and Environmental Product Declarations. At our renovation of Marriott Brussels in 2023, more than 80% of architectural materials were sourced from suppliers with an environmental management system or local SMEs with ESG practices.

Our Supplier Code of Conduct can be found at:

<https://www.archerhotelcapital.com/archer-hotel-capital-esg-supplier-code-of-conduct>



Hotel operators also set responsible procurement policies for their operational spend. For example, Marriott has committed by 2025 to responsibly source 95%, by spend, of its top 10 purchasing categories and to locally source 50% of all produce, in aggregate by spend. At AHM, the ESG policy extends to further categories of procurement. In 2024 Archer will focus on quantifying compliance with policy.

Target: Include responsible supplier code of conduct in all new supplier contracts and monitor compliance with the code by 2025 for all suppliers



5. Caring for our customers and community

Operator Level Community Investment

Employability

The hospitality industry has a huge opportunity to support people into employment through its large workforce, variety of roles, and customer facing nature. Examples from 2023 include:

- Conrad Dublin's successful scheme Barista Academy program which provided a 5 week course for adults with Down Syndrome has been picked up by the Irish government with plans to roll out nationally. Graduates from last year have found employment nationwide, helping promote wider inclusivity.
- Sheraton Stockholm has partnered with Talita, an organisation that supports women out of prostitution, pornography, and sex trafficking by providing rehabilitation and training. The hotel makes a monetary contribution and provides training opportunities, whilst Talita provides staff with human trafficking awareness training.
- Hilton Amsterdam Airport Schiphol is engaged in a program supporting neurodiverse individuals into employment within hospitality and also attended a refugee job fair to reach a more diverse talent pool.

Volunteering

In 2023 our hotel staff volunteered 3,668 hours to help the local community, an increase of 87% from 2022. The proportion of skills-based volunteering has decreased, partially due to difficulty finding partners who require skills specific aid rather than e.g. Donation, and also due to renovation work. Example projects include:

- Renaissance Amsterdam hosted a Salvation Army Christmas dinner, while Hilton Amsterdam Airport Schiphol hosted a 150 person BBQ in support of 'Ons Tweede This' an organisation which offers support to individuals and the families of those with disabilities.
- Further afield, 10 chefs from Renaissance La Défense volunteered with Chefs du Coeur in Morocco for a week to cook for and give cooking courses to children in orphanages and those who had been impacted in the recent earthquake.



Images from the chefs' time in Morocco



5. Caring for our customers and community

Cash Donations and Fund Raising

Sponsorships and fundraising activities such as raffles, bake-offs, and flea markets are organised regularly. Several Marriott hotels participated in a scheme to donate 1 euro per meal consumed in their restaurants to a local charity. As part of AHM's management knowledge sharing days, we organise fun activities with donations made to local charities.

In-Kind Donations

Our hotels regularly donate clothes, toiletries, furniture, and food to community causes. This can both reduce waste and benefit the community.

- Conrad Dublin engaged with Grafton Street Kitchen food shelter to donate food to the local homeless community
- Hotel Arts Barcelona has engaged with a local Animal Shelter, La Llagosta to donate clothes and blankets to the value of €1350
- Across the portfolio room nights have been donated to raise funds for various causes. Westin Palace Madrid donated in response to specific crises - donating both meals and room nights to raise funds for those impacted by natural disasters such as the Earthquake in Morocco and extreme weather across Hawaii and Florida.

See also Page 22 for information on donations from our renovations.

Travel with Purpose week

Conrad Dublin took part in the Hilton wide Travel with Purpose Week where staff dedicated time and efforts to the local community and environment. As part of this a Beach Clean with organised on a local beach with the organisation Flossy. Together the team collected 20kg of waste.



Conrad Dublin team at beach clean up as part of Travel with Purpose week



5. Caring for our customers and community

Space Donations

Space is our largest asset and our hotels are proud to donate both guest rooms and event space for community needs.

The Westin Palace Madrid has a beautiful event space and frequently donates room space for charity meetings and dinners with a September donation to the Amusdan Charity dinner, and meetings rooms to Asociación Antía Sueiro to support disabled children.



Our goal: Long term community investment programs in place at all hotels

Guest Engagement

Due to the nature of the hotel sector, Archer recognises the role that individual visitors play in ensuring the successful implementation of our ESG strategy so has sought to engage visitors with sustainability campaigns.

Earth Day was celebrated at the Marriott Brussels with a one-hour lights-off within rooms which was encouraged by a Gin and Tonic promotion in the bar. Guest have also planted 3098 trees by using Dripdrop, an umbrella rental service. Umbrellas are available in the main hall and a tree is planted each time one is used. Guests travelling by train to the hotel receive €15 credit to spend on food and drink.





Rotisse, Marriott Brussels

DATA APPENDIX

Archer Hotel Capital - Employee Indicators

Employee Diversity	Category	2021	2022	2023
Total number of employees	Number	17	20	27
Gender - Board	Male	87%	73%	86%
	Female	13%	27%	14%
Gender - Operational Committee	Male	100%	100%	100%
	Female	0%	0%	0%
Gender - All	Male	71%	65%	67%
	Female	29%	35%	33%
Age	Under 30 years old	13%	20%	19%
	Between 30 and 50 years old	75%	70%	70%
	Over 50 years old	12%	10%	11%
Ethnicity	Chinese	6%	9%	6%
	Indian	6%	4%	4%
	White (other)	88%	61%	43%
	Not Specified	0%	26%	14%
	Black African	-	-	4%
	White Irish	-	-	4%
	White British	-	-	25%

Archer Hotel Capital - Employee Indicators

Impact Area	Indicator	2021	2022	2023
Training and development	% of employees for whom training requirements have been assessed	100%	100%	100%
	% of employees who received professional training	100%	100%	100%
	% of employees who received training on compliance and governance	100%	100%	100%
	% of employees that have been offered a professional development plan	100%	100%	100%
	Annual performance appraisals	100%	100%	100%
Employee engagement*	Employee turnover	0%	5%	7%
	Net Promotor Score	-	-	100
Employee health & safety	Workstation and / or workplace checks (%)	100%	100%	100%
	Absentee rate (%)	0%	0%	0%
	Injury rate (%)	0%	0%	0%
	Lost day rate (%)	0%	0%	0%
	Work-related fatalities (number)	0	0	0

nr= not reported

*An engagement survey was previously performed every 3 years, from 2023 onwards this will be performed annually

Archer Hotel Management - Employee Indicators

Employee Diversity	Category	2022	2023
Total number of employees	Number	404	468
Gender - All	Male	54%	52%
	Female	46%	48%
Age	Under 30 years old	31%	30%
	Between 30 and 50 years old	44%	47%
	Over 50 years old	25%	22%
Training and development	% of employees for whom training requirements have been assessed	40%	77%
	% of employees who received professional training	13%	31%
	% of employees who received training on compliance and governance	45%	70%
	% of employees that have a professional development plan	2%	9%
	Annual performance appraisals	43%	52%
Employee engagement	Employee turnover	26%	43%
	Employee overall engagement score	86%	83%
	Employee engagement survey response rate	46%	64%

Training and development KPIs have improved significantly in 2023 versus 2022 due to increased focus from AHM post franchise conversion and implementation of better recording tools. Employee turnover has increased in 2023 predominantly in Paris amongst the younger workforce. Actions to improve retention are being implemented especially with the hiring of a dedicated Learning and Development Manager in January 2024 and a greater focus on personal development planning. Further diversity statistics will be disclosed in future when tools to report this consistently have finished being rolled out across the portfolio.

Community Engagement Indicators

Archer Hotel Capital

Impact Area	Indicator	2021	2022	2023
Community engagement	Cash donations (€)	nr	6,000	10,729
	In-Kind donations (€)	nr	-	-
	Hours Volunteered (total)	nr	36	48
	Hours Volunteered (skills-based)	nr	36	48

Hotel Operations

Impact Area	Indicator	2021	2022	2023
Community engagement	Cash donations (€)	nr	32,067	78,530
	In-Kind donations (€)	nr	197,252	100,454*
	Hours Volunteered (total)	nr	1,957	3,668
	Hours Volunteered (skills-based)	nr	484	170

nr= not reported

*Note that in 2023 significant in-kind donations have been made of furniture from hotel renovations at Marriott Brussels, Renaissance Amsterdam and Westin Palace Madrid, however it is difficult to assign a proxy value to these items therefore they are excluded from this figure.

Environmental Impact

Impact area	Indicator	Unit of measure	2021	2022	2023	% Change year on year
Benchmarking	GRESB Rating	Stars	5	4	5	25%
	GRESB Score	Overall score	88	85	89	5%
Green building certificates	BREEAM In-Use Completed	% floor area	27%	86%	92%	7%
	BREEAM In-Use Rating Very Good or Higher	% floor area	18%	44%	45%	2%
	Global Sustainable Tourism Council recognised certificate	% floor area	34%	37%	50%	36%
Energy performance certificates	EPC Rating A	% floor area	21%	23%	21%	-6%
	EPC Rating B	% floor area	0%	23%	27%	15%
	EPC Rating <C	% floor area	50%	54%	52%	-4%
	No Rating	% floor area	30%	0%	0%	
			2019 baseline	2022	2023	% Change from baseline
Energy (operational)	Hotels					
	Electricity	MWh	42,638	41,012	36,591	-14%
	From renewable sources	% of electricity	26%	72%	94%	257%
	Gas	MWh	22,527	24,065	19,115	-15%
	District heating and cooling	MWh	9,361	5,081	4,876	-48%
	Hotels Total	MWh	74,525	70,159	60,583	-19%
	Hotels Energy Intensity *	kWh/m ² /year	240	215	204	-15%
	Reduction from baseline	%		-10%	-15%	
	Hotels Energy Intensity (like-for-like)	kWh/m ² /year	229	206	199	-13%
Group Offices	MWh	nr	46	39	-15%	

We monitor environmental incidents across all our hotels. In 2022, Archer had no environmental incidents or violations.

* The scope of Deloitte's limited assurance includes 2023 Hotels Energy Intensity

Environmental Impact

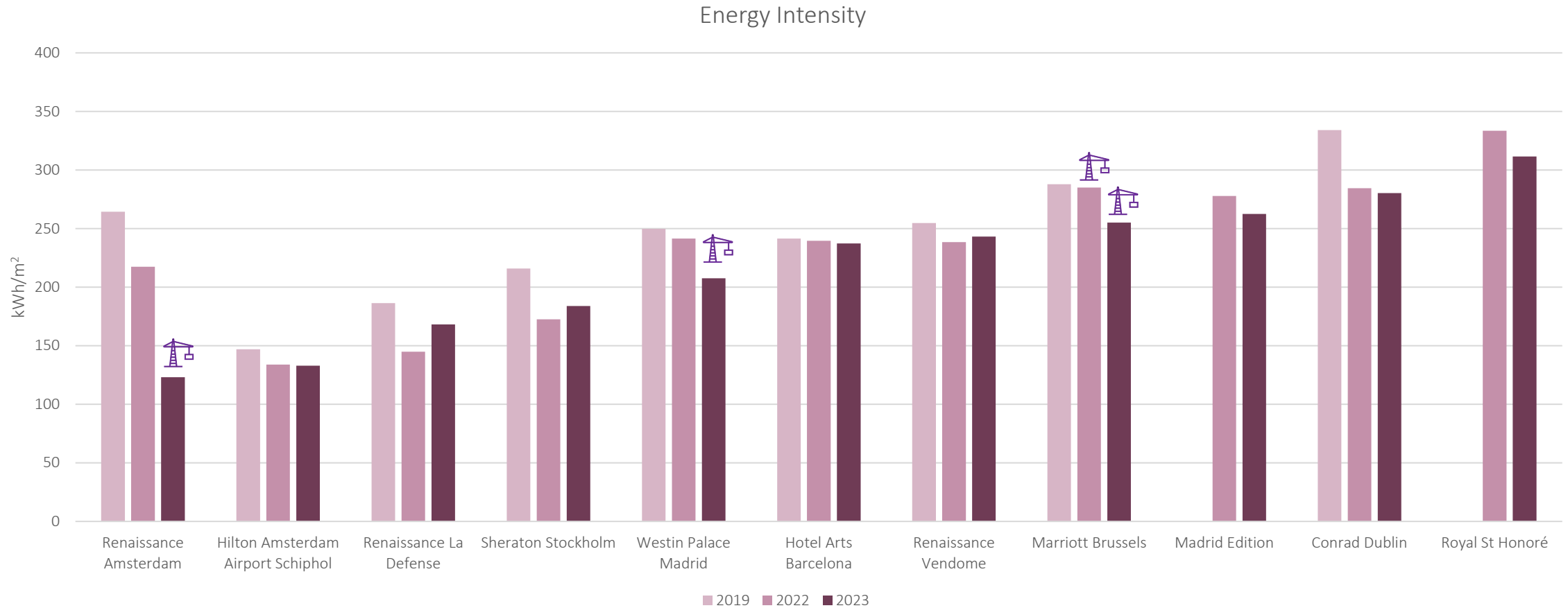
	Indicator	Unit of measure	2019 baseline	2022	2023	% Change from baseline
Greenhouse gas emissions	Hotels (Operational)					
	Scope 1 Direct	tonnes CO ₂ e	4,110	4,296	3,549	-14%
	Scope 2 Indirect - Location based	tonnes CO ₂ e	12,358	8,475	6,043	-51%
	Scope 2 Indirect - Market based	tonnes CO ₂ e	12,451	3,506	1,164	-91%
	Scope 3 Indirect - Location based energy	tonnes CO ₂ e	3,004	2,676	1,297	-57%
	Scope 3 Indirect - Market based energy	tonnes CO ₂ e	2,282	1,948	706	-69%
	Scope 3 Indirect - Water	tonnes CO ₂ e	179	120	120	-33%
	Scope 3 Indirect - Waste Disposal	tonnes CO ₂ e	212	324	306	44%
	<i>Hotels Total - Location based</i>	<i>tonnes CO₂e</i>	<i>19,865</i>	<i>15,891</i>	<i>11,314</i>	<i>-43%</i>
	<i>Hotels Total - Market based</i>	<i>tonnes CO₂e</i>	<i>19,236</i>	<i>10,194</i>	<i>5,846</i>	<i>-70%</i>
	Group Offices					
	Scope 1 Direct	tonnes CO ₂ e	18	8	8	-56%
	Scope 2 Indirect - Location based	tonnes CO ₂ e	4	8	7	-75%
	Scope 2 Indirect - Market based	tonnes CO ₂ e	4	2	4	0%
	Scope 3 Indirect - Office operations	tonnes CO ₂ e	nr	4	4	
	Scope 3 Indirect - Business Travel	tonnes CO ₂ e	123	102	85	-31%
	Scope 3 Indirect - Employee Commuting	tonnes CO ₂ e	nr	4	4	1%
	Scope 3 Indirect 3 - Embodied carbon	tonnes CO ₂ e	-	146	-	-
	<i>Group Offices Total - Location based</i>	<i>tonnes CO₂e</i>	<i>145</i>	<i>271</i>	<i>108</i>	<i>-26%</i>
	<i>Group Offices Total - Market based</i>	<i>tonnes CO₂e</i>	<i>145</i>	<i>266</i>	<i>105</i>	<i>-28%</i>
Offsets purchased	tonnes CO ₂ e	(139)	(266)	(30)		
<i>Net Group Offices Total - Market based</i>	<i>tonnes CO₂e</i>	<i>0</i>	<i>0</i>	<i>75</i>		
Group Total - Location based	tonnes CO₂e	20,010	16,162	11,422	-43%	
Group Total - Market based	tonnes CO₂e	19,381	10,460	5,951	-69%	

Environmental Impact

Operational impact	Indicator	Unit of measure	Baseline	2022	2023	% Change from baseline
Hotel GHG intensity (2019 baseline)	Scope 1 and 2 GHG Intensity - Location based	kg CO ₂ e/m ² /year	53	40	32	-39%
	<i>Reduction from Baseline Year 2019</i>	%		-25%	-39%	
	Scope 1 and 2 GHG Intensity - Market based *	kg CO ₂ e/m ² /year	53	25	16	-70%
	<i>Reduction from Baseline Year 2019</i>	%		-54%	-70%	
	Total GHG intensity - Location based	kg CO ₂ e/m ² /year	64	51	38	-40%
	Total GHG intensity - Market based	kg CO ₂ e/m ² /year	62	30	20	-68%
Water (2019 baseline)	Total consumed	m ³	490,636	392,341	403,575	-18%
	Of which was greywater recycled	m ³	-	1,281	3,615	
	Water intensity *	l/guest night	467	519	527	13%
	Water intensity reduction	%		11%	13%	
	Water intensity (like-for-like)	l/guest night	469	491	511	9%
Waste (2022 baseline)	Recycling	%	33%	33%	35%	7%
	Composting or digestion of food waste	%	3%	7%	8%	18%
	Incineration with energy recovery	%	50%	39%	34%	-13%
	Landfill	%	14%	21%	23%	7%
	Total Waste *	tonnes	2,607	2,189	2,274	4%
	Waste diverted from landfill	%	86%	79%	77%	-2%
	Waste Intensity *	kg/guest night	2.5	2.9	3.0	3%
	Waste intensity reduction			17%	3%	
	Waste Intensity (like-for-like)	kg/guest night	2.8	2.6	2.9	14%
Number of assets			11/12	12/12	11/13	

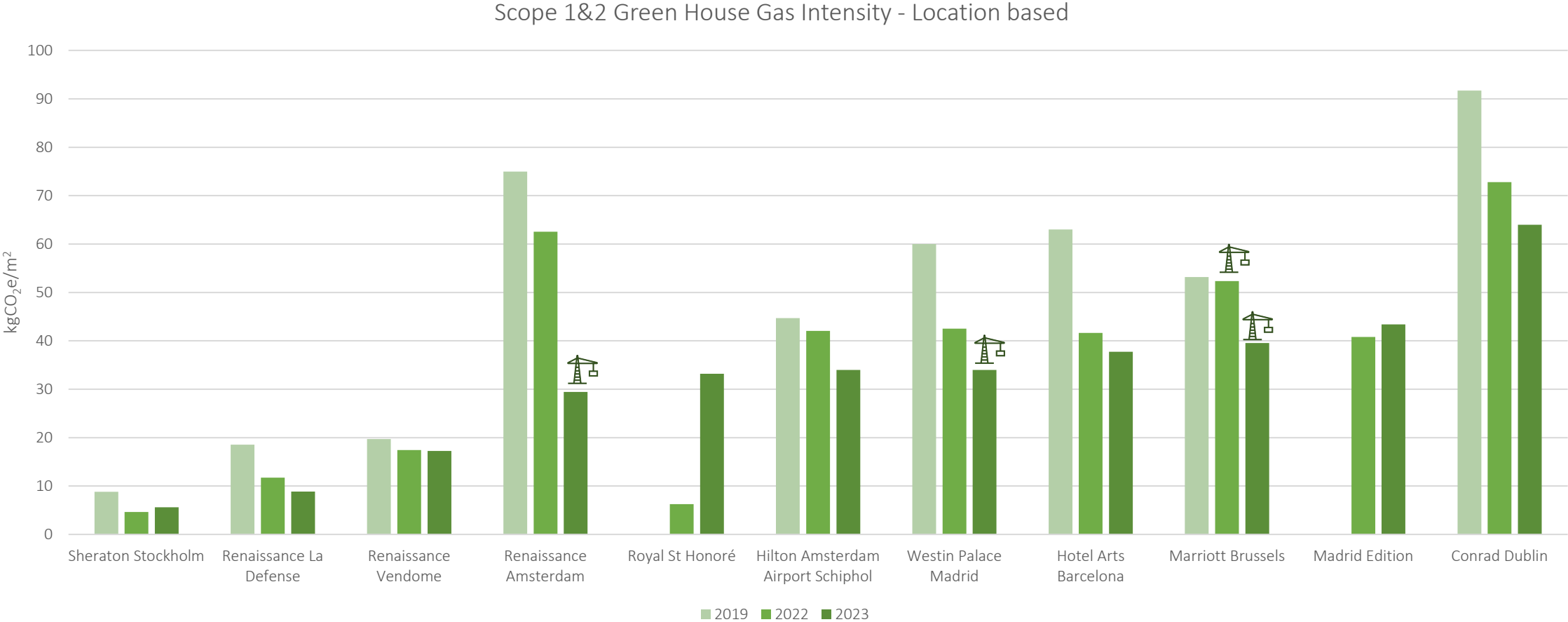
* The scope of Deloitte's limited assurance includes 2023: Scope 1 and 2 GHG intensity - Market based, Water Intensity, Total Waste and Waste Intensity only

Environmental Impact – Operational Energy Intensity



Significant decrease seen between 2022 and 2023 at Renaissance Amsterdam, Westin Palace and Marriott Brussels was due to renovation and thereby reduced occupancy during the year. All hotels remained operational. Small improvements seen in some hotels due to focus in 2023 on improving temperature control. Notable energy saving projects implemented since baseline at Hilton Amsterdam Airport, Conrad Dublin, Renaissance La Defense and Sheraton Stockholm include presence detectors and astrolocks for lighting, LED upgrades and pipe insulation as well as continuous behavioural training across departments.

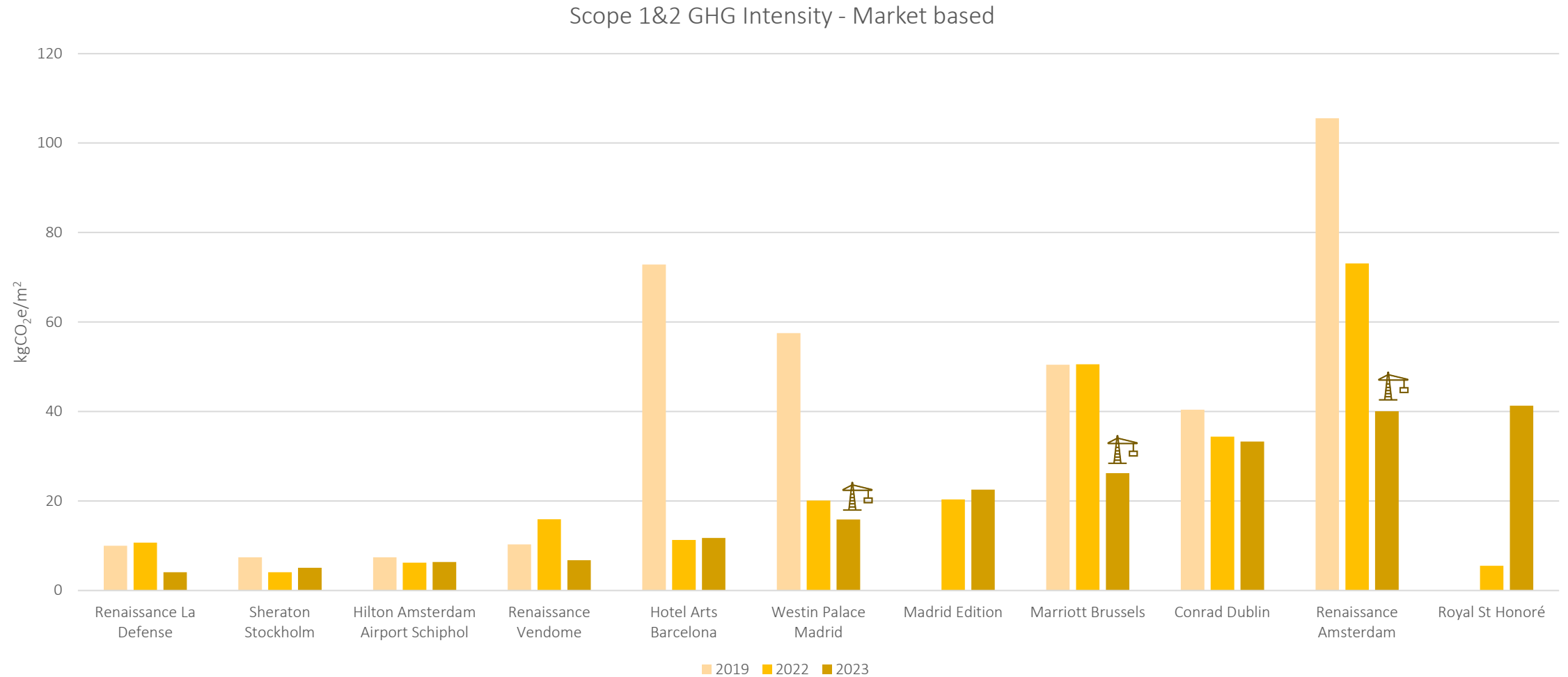
Environmental Impact – Operational Location based Scope 1 &2 Greenhouse Gas Intensity



Significant decrease seen between 2022 and 2023 at Renaissance Amsterdam, Westin Palace and Marriott Brussels was due to renovation and thereby reduced occupancy during the year. All hotels remained operational. Increase seen at the Madrid Edition despite reduction in energy intensity is due to higher proportion of gas usage (higher emission factor).

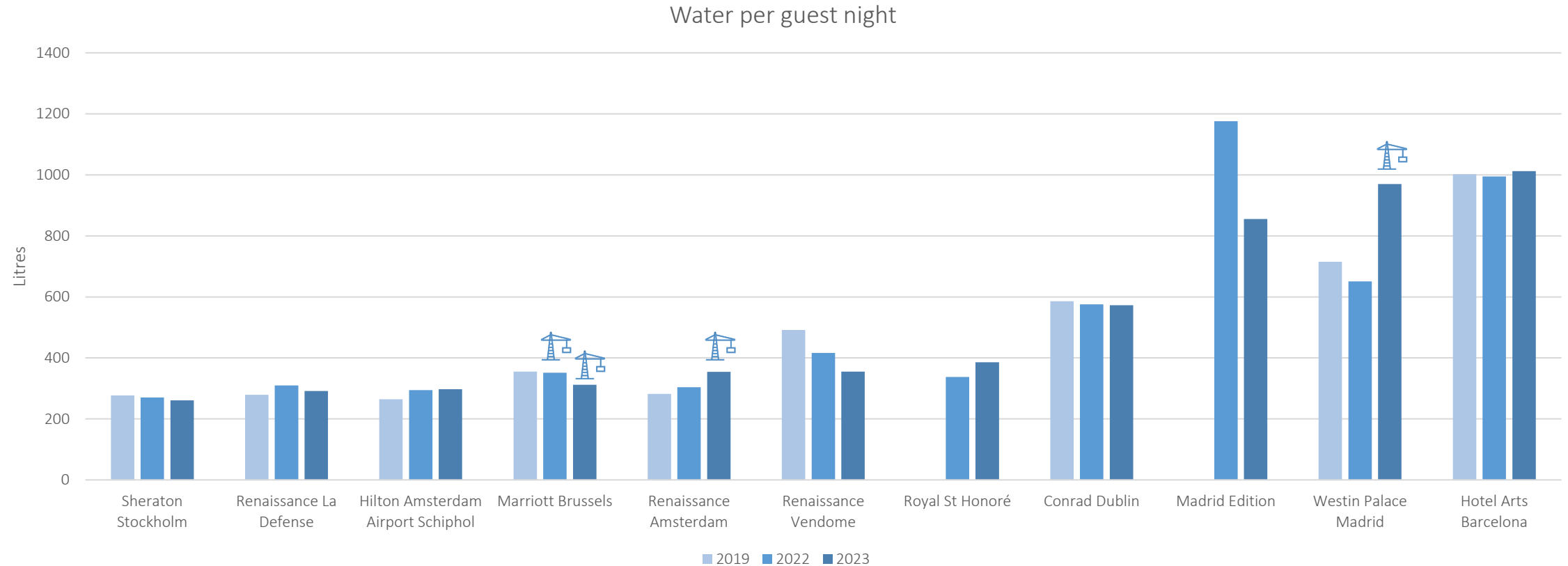


Environmental Impact – Operational Market-based Scope 1 & 2 Greenhouse Gas Intensity



Significant decrease seen between 2022 and 2023 at Renaissance Amsterdam and Westin Palace was due to renovation and thereby reduced occupancy during the year. All hotels remained operational. Increase seen between 2019 and 2022 at Renaissance Vendome was due to a non-renewable electricity contract in 2022 and this has been switched by AHM in 2023. Similarly Marriott Brussels switched to a renewable electricity contract in 2023. In 2022 residual effects of the COVID-19 pandemic on appetite for travel can still be seen with occupancy at most hotels still below 2019 levels. Royal St Honoré and Renaissance Amsterdam were not supplied by renewable electricity in the 2019-2022 period. Royal St Honoré and Madrid Edition were new acquisitions during 2022 with full year data shown for the first time in 2023.

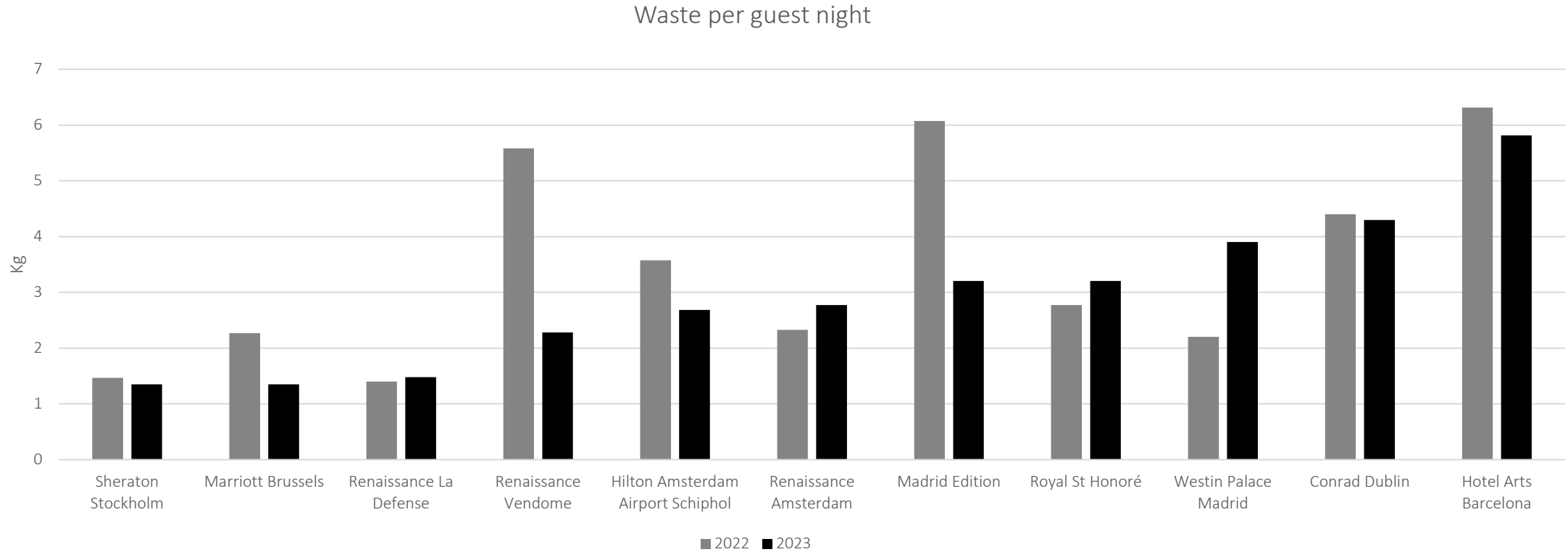
Environmental Impact – Operational Water Intensity



In 2023 Renaissance Amsterdam was under renovation, not all water consumed by the hotel could be segregated from the operational part of the hotel. Decrease from 2022 to 2023 seen at Marriott Brussels is due to partial renovation during the year and seeing the benefits of the new low flow bathroom fittings installed. Reductions seen at Renaissance Vendome in 2022 and 2023 are mostly driven by restaurant closure for renovation and will restabilise in 2024.

Significant decrease seen between 2022 and 2023 at Madrid Edition due to 2022 including element of water used for commissioning the newly opened hotel. Intensity at Madrid Edition and Hotel Arts is at the higher end of the range – these are our highest luxury branded hotels and include extensive swimming pool and spa facilities as well as more greenery which requires irrigation. Slight increase seen at Hotel Arts Barcelona in 2023 versus baseline can be attributed to a water leak which was subsequently repaired. Increase seen between 2022 and 2023 at Westin Palace is due to renovation for 4 months of the year in half the guestrooms whilst the hotel still has a high baseload of water consumption.

Environmental Impact – Operational Waste Intensity



Significant decrease seen between 2022 and 2023 at Renaissance Vendome due to restaurant under renovation plus complete overhaul of the hotel waste management. More accurate waste data is now obtained from contractors rather than estimates based on volume. Similarly better data is now available for Royal St Honore. Significant decrease seen between 2022 and 2023 at Madrid Edition due to 2022 including element of waste from setting up the newly opened hotel.

In 2023 Renaissance Amsterdam was under renovation and the hotel cleared out some long stored waste (separate to construction and demolition waste). Decrease seen at Marriott Brussels is due to partial renovation during the year but also initiatives such as packaging reduction and elimination of single use plastic water bottles. Increase seen between 2022 and 2023 at Westin Palace is due to renovation for 4 months of the year which reduced occupancy.

Reporting criteria

Scope and Boundaries

The reporting period runs from 1 January 2023 to 31 December 2023. Archer owned 13 hotels within this period, including two new acquisitions, Hoxton Shoreditch and Hoxton Holborn (since 21/12/2023). 5 hotels were operated directly by Archer Hotel Management (Sheraton Stockholm, Renaissance La Défense, Renaissance Vendome, Marriott Brussels and Royal St Honoré) and the remainder by third-party hotel operators Hoxton, Hilton and Marriott. However, Archer recognises its influence over the latter too and therefore includes them within the reporting boundary. Their energy related emissions are therefore included within Scope 1 and 2 rather than Scope 3. We also report indicators relating to Archer's two leased office spaces. Archer is headquartered in Amsterdam and indicators are reported in line with INREV sustainability guidelines.

The 2019 energy, carbon and water baseline excludes Marriott Rive Gauche which was sold 31 July 2019 before Archer ESG reporting commenced.

Employee Indicators

This includes all employees that work directly for AHC and employees of AHM. It does not include employees of our third-party hotel operators. Includes permanent and fixed term employees as of 31 December 2023. Includes those on maternity and paternity leave, long-term sick leave and sabbatical. Unless otherwise stated, data excludes internships, temporary employees, contractors and consultants. The Board includes non-executive as well as executive directors. For AHM (468 employees) we have reported the number of employees, gender diversity, training and development and employee engagement separate from AHC (24 employees).

Ethnic diversity data has been captured through the human resources systems upon request. All data has been given voluntarily by employees.

Employee compliance and governance training is a rolling result, representing employees at of 31 December 2023. New joiners are given a 90 day period in which to complete all mandatory training. Professional training includes training related to day-to-day operations, health and safety, specialist career development courses, or similar.

Employee turnover rate is based on the number of leavers divided by the total number of employees at the end of the year. Absentee rate covers general absenteeism due to long term sickness. It includes lost days from work-related accidents. The absentee rate is calculated as total days lost, relative to the total number of days scheduled to be worked by employees. Lost day rate is expressed as the total workdays lost due to occupational injury divided by the total days scheduled to be worked by the workforce.

Reporting criteria

Community Engagement

In-kind donations are donations of rooms, space, equipment and goods. These are valued according to each brand's social reporting policies.

Skills-based volunteering is any input that uses professional or specialist skills, personal talents and experience to support non-profit organisations or small, local businesses.

Energy Performance Certificates and Green Building Certificates

Ratings are reported as provided by certified assessors in formal reports and floor area is based on gross internal area managed by Archer or its hotel operators.

Energy

This includes consumption of natural gas, electricity, district heating and cooling at our hotels. 4 of our hotels in 2023 operate on district heating (Renaissance La Defense and Vendome, Royal St Honoré and Sheraton Stockholm) and one on district cooling (Renaissance La Defense). Up to 7% of energy data in 2023 is based on invoiced consumption apportioned using manual meter reads.

We also report on energy consumed in group offices – this is based on purchased electricity for the London office and estimated based on service charge apportionment for the Dutch office.

Energy and Greenhouse Gas Intensity

The gross internal area of the hotel is used as a denominator for intensity calculations. This excludes areas of the buildings which are tenanted and whose energy consumption is not managed by Archer or its hotel operators. The area includes all heated and cooled spaces as well as enclosed internal car parks which are consuming lighting and ventilation.

Reporting criteria

Carbon Footprint – Basis of Reporting

Our Scope 1, 2 and 3 GHG emissions are reported in tonnes of CO₂ equivalent (tCO₂e) and have been prepared in accordance with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard. The scope of our reporting reflects the guidance for hotel owners from the Sustainable Hospitality Alliance's Net Zero Carbon Methodology. As per this guidance, emissions from insignificant sources have been excluded, such as fugitive emissions from refrigerants and liquid fuel used in on-site machinery. Data is not yet available for AHM Scope 3 purchased goods and services such as upstream emissions from food and beverage, operating supplies & equipment and outsourced laundry. For third-party operators this falls within their reporting boundaries. Capital goods comprising embodied carbon from refurbishments will be reported in future years when projects occur.

GHG emissions and constituent consumption were significantly reduced during 2020 and 2021 compared to the 2019 baseline due to the impact of Covid-19 lockdowns and travel restrictions, which led to closures of the hotels for periods of time and reduced occupancy when open. This also led to a significant increase once the industry recovered in 2022, with further improved recovery in 2023.

Scope 1:

Fuel includes natural gas consumption at hotels and Archer's group offices.

Scope 2:

This reflects emissions from electricity and district heating/cooling that we purchase.

Location based: Country level average grid intensity emission factors for production from the AIB have been used to convert kWh of electricity.

Market based: Supplier specific emission factors (0kgCO₂e/kWh) for REGO backed electricity and the residual mix factor from the AIB European Residual Mixes have been used.

Reporting criteria

Scope 3:

Energy:

Well-to-tank of gas: These emissions were calculated using local emissions factors where available, applied to Scope 1 gas consumption. Where unavailable, Dutch factors have been used.

Transport and Distribution losses: These emissions were calculated using local emissions factors where available, applied to Scope 2 energy consumption. Where unavailable, Dutch factors have been used.

Employee commuting and homeworking: Emissions from Archer employees commuting were estimated using distance data, average number of commutes per week and most common modes of commuting. Emissions from homeworking were estimated using the EcoAct Homeworking Whitepaper. Local emission factors have been used to reflect the two different office locations.

Business travel: emissions from Archer employees' air, rail and taxi travel. Calculated using origin and destination data from expenses where available and great circle distance. Taxi emissions have been estimated based on spend. Local emission factors have been used where possible. For international rail journeys the Netherlands' international rail factor has been used.

Embodied carbon of London office fit-out in 2022: Estimated based on LETI average UK office benchmark 600kg/m² multiplied by 40% as 60% is for shell and core which was outside our scope.

Water

This includes water managed by our hotel operators and water consumed at group offices. The latter is managed by the landlord and is estimated based on service charge. Up to 40% of hotel water data reported in 2023 is based on manual meter reads due to irregular timing of invoices or apportionment of invoice consumption. Water consumption relating to renovation works has been deducted where separable.

Reporting criteria

Waste

Waste data includes hazardous and non-hazardous waste managed by Archer or our hotel operators. Occupier waste not managed by us is not reported. Group offices' waste is excluded as this is managed by the landlords and no occupier level data is currently available.

Waste sent to a material recovery facility (MRF) is included within recycling, incineration and landfill figures based on each facility's average performance. The vast majority of landfill waste reported is due to the local MRF's performance, especially in Spain. Hazardous waste is assumed to be incinerated. Any resources taken back by suppliers, food donated or hotel goods reused are precluded from these figures.

The following data has been estimated based on bin volume and waste density as weight data is not available from the contractor: all waste data for Marriott Brussels; all waste data for part of the year for Renaissance Vendome and Royal St Honoré, and food waste for Sheraton Stockholm. Glass recycled for Hotel Arts Barcelona is estimated based on occupancy and performance of Westin Palace Madrid as a proxy.

Waste intensity uses a 2022 baseline instead of 2019 due to poor data quality in previous years.

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY INFORMATION

To the Members of the Board of Archer Hotel Capital B.V.

Our conclusion

We have performed a limited assurance engagement on the selected KPIs per Appendix A included in the ESG report for 2023 of Archer Hotel Capital B.V. at Amsterdam (hereafter “Archer” or “the Company”).

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the sustainability information in the accompanying sustainability reported in the ESG report for year 2023 does not present fairly, in all material respects:

- The policy with regard to selected KPIs per Appendix A included in the ESG report for 2023.
- The business operations, events and achievements in that area in 2023.

In accordance with the applicable criteria as included in the ‘Criteria’ section of our report.

The sustainability information is included in the ESG report for 2023 of Archer Hotel Capital B.V.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including the Dutch Standard 3000A ‘Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)’ (Assurance engagements other than audits or review engagements of financial statements (attestation engagements)). This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the ‘Our responsibilities for the assurance engagement on the sustainability information’ section of our report.

We are independent of Archer Hotel Capital B.V. in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria

The reporting criteria applied for the preparation of the sustainability information are the criteria supplementally applied as disclosed on page pages 45-49 in the ESG report for 2023.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the sustainability information needs to be read and understood together with the criteria applied.

Materiality

Based on our professional judgement we determined materiality levels for each relevant sustainability matter. When evaluating our materiality levels, we considered quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the company.

We agreed with the Board that misstatements which are identified during the assurance engagement and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Limitations to the scope of our assurance engagement

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

As discussed in section 2 of the ESG report, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future climate-related impacts. Inherent to this prospective information the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board for the sustainability information

The Management Board is responsible for the preparation and fair presentation of the sustainability information in accordance with the criteria as included in the ‘Criteria’ section, including the identification of stakeholders and the definition of material matters. The Management Board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarized in section 2. ESG Strategy of ESG report (the pages 6-11 of the ESG report).

In the sustainability information, the calculations to determine the selected KPIs per the assurance scope (hereinafter: the impact data) are mostly based on assumptions and sources from third parties. The assumptions and sources used are disclosed in pages 45-49 of the ESG report. We have reviewed that these assumptions and external sources are appropriate, but we have not performed procedures on the content of these assumptions and external sources.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The management is responsible for overseeing the sustainability reporting process of Archer Hotel Capital B.V.

Our responsibilities for the assurance engagement on the sustainability information

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Identifying areas where a material misstatement of the subject matter information is likely to arise, designing and performing procedures to address the areas identified and to obtain limited assurance to support our conclusion.
- Considering internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating working papers underlying to the non-financial information on sustainability reported in the ESG report 2023 prepared by Archer in accordance with the Prepared by Client list supplied by Deloitte.
- Determining that the applied reporting criteria are suitable.
- Performing an analysis on publicly available information related to the company.
- Determining if the contents of the Report are in accordance with the set criteria.
- Inquiry with Corporate staff and relevant management.
- Evaluating the processes and systems for data gathering, including the aggregation of the data of the selected sustainability KPIs as included in the Reports.

- Evaluating internal and external documentation.
- Evaluating Corporate Governance documentation in relation to non-financial information on sustainability.

We communicate with the Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amsterdam, March 27, 2024

Deloitte Accountants B.V.

J Holland
Partner

Appendix A - Overview of the selected KPIs in the ESG Report 2023

Company	KPI	Scope of work
Archer	Energy intensity (kWh/m ²)	2023
Archer	Greenhouse gas intensity: Market-Based (kgCO ₂ e/m ²) (Scope 1 & 2 emissions)	2023
Archer	Water intensity (litres/guest night)	2023
Archer	Total waste (tonnes) and waste intensity (kg/guest night)	2023

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Thank you for reading our report

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