ARCHER | HOTELCAPITAL

LONG-TERM INVESTORS IN HOTEL REAL ESTATE

2022 ESG REPORT

JUNE 2023

WWW.ARCHERHOTELCAPITAL.COM

Contents

1. About Archer - Introduction

This report contains information about Archer Hotel Capital's 2022 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 under 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 developed its own in-house management capabilities in 2022, Archer Hotel Management Limited ("AHM"), to operate hotels and as at the date of this report AHM manages 5 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.

1. About Archer - Portfolio in 2022

3,357 ROOMS | 11 HOTELS | 7 GATEWAY CITIES (As at year end)


Renaissance Vendome


Renaissance La Defense


Marriott Brussels


Conrad Dublin


Renaissance Amsterdam

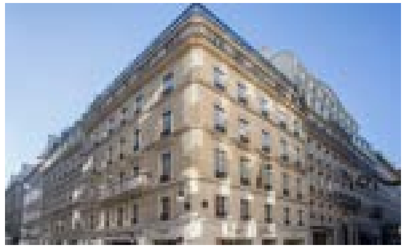

Hilton Schiphol


Sheraton Stockholm


Hotel Arts Barcelona


Westin Palace Madrid


Madrid EDITION


Royal Saint Honoré


The Dilly (sold December 2022)


Sheraton Berlin Esplanade (sold March 2022)

An overview of the hotels can be found at:

www.archerhotelcapital.com

2. ESG STRATEGY

2. ESG strategy - Stakeholders and Material Topics

Archer's stakeholders

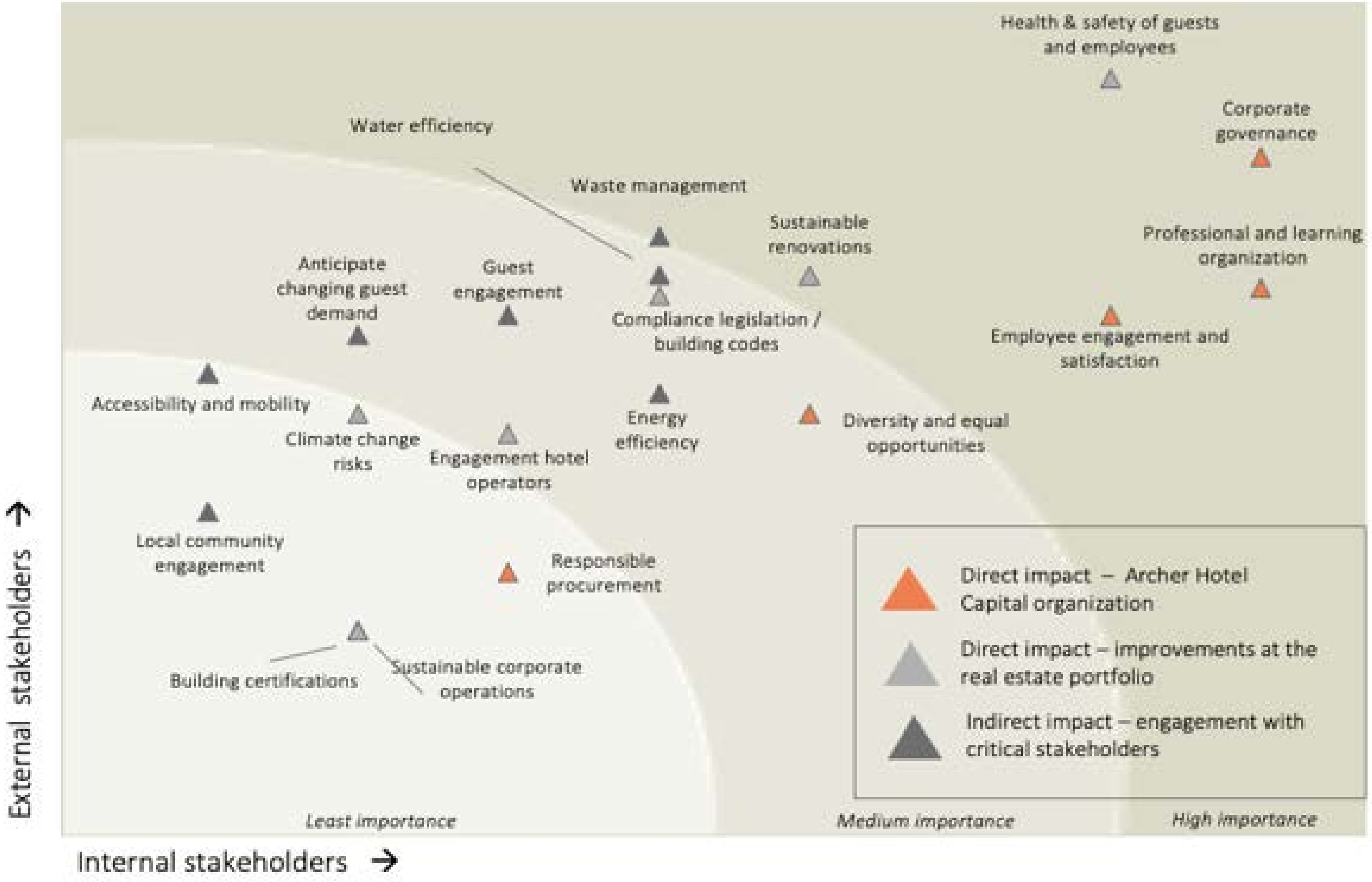
As a hotel asset manager, Archer has different stakeholders – not just investors, but also hotel operators, guests, employees, local governments, investors, regulators, community groups and non-governmental organisations. Archer is also aware of its wider obligation to society as a whole: to operate 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 2023 Archer plans to run a double materiality review of the business given its growth and expansion into new areas such as major renovations and hotel operations. 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
Building a responsible organisation	Improve upon, or at least retain, a net promoter score among AHC employees of at least 71 by year end 2024 vs 2020		Ongoing	Ongoing
	Achieve a net promoter score among AHM managed hotel employees of at least 50 by 2025		★ New target 2023 ★	
	100% AHM employees complete annual training on compliance and governance	★ New target 2022 ★	n/a	45%
	Annual assessment of training and development needs for AHC and from 2023 onwards AHM employees		Achieved AHC	Achieved AHC
	Mental health first aiders in all hotels by 2024		★ New target 2023 ★	
Delivering sustainable asset value	Incorporate ESG clauses in all new contracts with third-party operators commencing in 2020 and going forwards		Ongoing	Ongoing
	Improve upon, or at least retain, a net promoter score among hotel operators of at least 80 by year end 2024 vs 2020		Ongoing	Ongoing
	10% reduction in energy intensity by 2025 from a 2019 baseline		-27%*	-10%*
	70% reduction in Scope 1&2 market based greenhouse gas intensity by 2025 from a 2019 baseline		-58%	-54%
	10% reduction in water per guest night from 2019 baseline	★New target 2022★	+57%	+11%
	15% reduction in waste per guest night from 2022 baseline		★New target 2023★	
	Minimum recycling and anaerobic digestion/composting rate of 55% by 2025		37%	40%
	All hotels certified minimum BREEAM In-Use Very Good by 2025		18%	44%
Caring for our customers and community	All hotels achieve a Competitor Indexscore >1 on TrustYou by 2025	★New target 2022 ★	4/11	5/12
	Include responsible supplier code of conduct in all new supplier contracts & monitor compliance with the code by 2025 for all suppliers		Ongoing	Ongoing
	Long term community investment programs in place at all hotels		Ongoing	Ongoing

**Performance significantly affected by Covid-19 so whilst target appears to have been reached, under business as usual conditions it has not been achieved.*

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

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

	2022 Achievements	2023 Objectives
Building a responsible organisation	• Drafted ESG policy and manual for AHM • ESG targets embedded in senior management bonus scheme • New office achieved SKA rating of Silver • Green Team set up at Renaissance La Défense & Vendome • TCFD training workshops held	• Implement new HR systems to improve employee and health & safety data collection at AHM • ESG targets embedded in all AHC staff bonus schemes and all AHM hotel bonus schemes • Green Team set up at Sheraton Stockholm & Marriott Brussels • First TCFD disclosure
Delivering sustainable asset value	• Developed an ESG framework for acquisitions, developments and refurbishments. • ESG action plan for each asset • EPCs performed for all assets • 7/11 assets certified BREEAM In Use Part 1 • General Manager conference held	• Energy and carbon audits for all sites • ESG dashboard integrated with financial management system • Trial embodied carbon calculation for renovations • Key projects include: water refill options, in-room recycling, lighting upgrades, food waste reduction. • 10/11 sites recycling food waste (increase of 4 sites)
Caring for our customers and community	• New customer satisfaction tracking tool Trust You • Focused on including responsible supplier code of conduct in AHM contracts and all ESG requirements in renovation contracts. • Third of volunteering at hotel level was skills-based	• Improve guest and sales ESG communications • Embed ESG decision making process in procurement and develop tracker for contracts compliant with AHM ESG policy • Identify long term community partners for hotels where these are not already established

2. ESG Strategy - Governance and Risk Management

Monitoring of ESG performance and risk management is integrated into the existing governance structure. The Archer Sustainability Manager reports directly to the Board quarterly and participates in various management level meetings in relation to AHM and capital expenditure. An ESG Committee chaired by the Sustainability Manager convenes quarterly and comprises a significant number of members of the Operating Committee.

In 2022 Archer's Operating Committee and Capex employees as well as AHM General Managers had a portion of their overall remuneration based upon individual ESG-related KPIs. In French hotels managed under AHM, we also added ESG KPIs to the government mandated all-staff bonus scheme. In 2023 performance-linked ESG KPIs will extend to all AHC employees and all AHM executive management.

ESG risks are included in the company Risk Register and reviewed at least annually.

Archer has continued its work to integrate ESG across its business functions. This included the creation of an ESG Investment Framework to inform our acquisition review process and an ESG Framework for Developments and Renovations which has been integrated into the design process for the upcoming renovations across the portfolio.

A thorough review of hotel operations was performed to devise rolling ESG action plans for each hotel which have been integrated into the routine monthly business reviews and allows Archer to better monitor progress against its targets.

A third-party review of our operational greenhouse gas, energy, water and waste data was performed to ensure data integrity. Deloitte has provided limited assurance over a selection of KPIs (see page 48 for more details). In 2023 Archer will integrate ESG data management into the financial data management platform.

2. ESG Strategy – Governance and Risk Management

The newly launched AHM has included ESG in its core vision and values and has developed an ESG Policy with a strong focus on sustainable procurement and operations. In 2023 Archer aims to further embed these frameworks into business as usual and provide more specific ESG training.

The launch of the Green Team at Renaissance La Défense (pictured) and Renaissance Vendome has accelerated positive change and led to a positive feedback cycle of new ideas.

Archer uses GRESB to benchmark its ESG performance in the real estate industry. For 2021, Archer achieved a GRESB rating of 4 stars with a score of 85/100, outperforming the GRESB average and the Peer Group average in 2022.

This was however a decrease compared to 5 stars and 88/100 for 2020. Areas for improvement relate mainly to performance, not management. Although GRESB takes occupancy level into account this, energy and water consumption does not vary directly with occupancy in the same way for all hotels and Archer's analysis during Covid showed that baseline energy and water consumption was still high even when rooms were unoccupied. This reflects old plant and equipment in our older properties which are planned for renovation. Significant capital investments in ESG are planned to improve the performance of these hotels.

GRESB
2022

2. ESG Strategy - Climate Risk Management

In 2022, Archer convened workshops to review the business for climate-related physical and transition risks according to the best practice of the Task Force on Climate-related Financial Disclosures. Detailed third-party physical risk assessments also commenced, prioritising assets undergoing major renovation.

Currently identified key physical risks include: water stress for assets in southern Spain, flood risk for coastal assets and extreme weather events which could lead to guest and staff travel disruption and hotel closures, the impact of which as demonstrated by Covid-19 can be severe.

Archer assessed all assets for water risk (e.g. drought, flood, stress, seasonal and interannual variability) using the World Resources Institute Aqueduct tool.

Due diligence with respect to these risks is included in our review of potential acquisitions.

Key transition risks include: increasing utility costs, increasing prices of natural resources required for renovations and construction, the costs of adapting existing buildings to lower emissions specifications, and the increasing price of high quality carbon offsets which will likely need to be purchased as a last resort to reach net zero carbon. Enhanced environmental reporting obligations and increasing regulation which may differ across different jurisdictions is also a risk.

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. This also provides an opportunity for Archer to position its hotels as some of the most sustainable luxury hotels in Europe.

In 2023 Archer will commission physical risk assessments for further assets and commence data collection and modelling to quantify transition risk.

3. BUILDING A RESPONSIBLE ORGANISATION

3. Building a responsible organisation

Working at Archer

Archer's values and culture define expectations and behaviour for all employees and Archer as an employer. Archer believes attracting the best talent, investing in career development and training and providing growth opportunities to retain talent and ensure long-term success of the business.

Health and Wellbeing

The health and wellbeing of employees is of the upmost importance, therefore we have introduced several initiatives to create a healthy, happy and balanced lifestyle.

In 2021, Archer introduced 'Everymind at work', an app-based benefit which provides tools to, manage and improve mental health. This was continued into 2022 and quarterly webinars were held through EveryMind on topics such as stress management, burn out and resilience.

With work-life balance in mind, Archer continued hybrid working arrangements enabling all employees to benefit from additional flexibility and also introduced a holiday purchase scheme to facilitate additional time off.

Working environment

In 2022, Archer's London office relocated to new offices that offer its employees a greatly improved work environment and facilities. The office was fitted out in accordance with SKA sustainability guidelines and achieved a rating of Silver. SKA is the leading environmental assessment for UK specific commercial fit-out certification, run by the Royal Institute of Chartered Surveyors. This covers everything from energy efficiency to waste management, procurement and lighting levels amongst others. Highlights include a counter top made of recycled wood terrazzo from a UK based SME, Foresso, smart heating and lighting controls and better access to natural light.

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 and Inventory
- Inducements, Gifts, Benefits and Anti-Bribery Policy
- Anti-Bribery Risk Assessment
- Complaints Policy
- Data Security Policy
- Whistleblowing Policy
- Social Media Policy
- Business Continuity Plan

Target: Net promoter score among AHC employees of at least 72 by 2024

Training and Development

Archer provides personal and professional growth opportunities for all its employees at company level. During each annual review, all employees are given the opportunity to complete personal development plans. In addition, all employees complete mandatory compliance and governance training. In 2022, Archer provided regular internal ESG training to all corporate employees.

Diversity, Equality and Inclusion

Archer is committed to creating an inclusive workplace that promotes and values diversity and equality and believe that diverse companies are better companies. Archer understands the importance of creating a safe environment where everyone can bring their authentic selves to work.

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. In 2022 Archer partnered with B Corp certified search firm Society who provide valuable DEI data and reporting with every placement.

eNPS Target

In 2019 Archer conducted an employee survey which showed an eNPS score of 72. From 2023 the survey will be conducted annually. Archer aims to achieve the same or better score by 2024 .

3. Building a responsible organisation

Volunteering

In 2022 Archer partnered with Employee Volunteering to run to two online business forums. The forums are designed to pair a charity with an organisation who can share their expertise and advice to help solve a specific challenge.

Volunteering hours: 36

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.

The newly launched AHM has included ESG in its core vision and values and has developed a comprehensive ESG Policy. Archer will have direct operational control at these hotels and hopes to accelerate ESG performance for example through procurement and training. AHM includes 404 employees as at year end 2022.

Archer collected employee diversity, training and compliance data for AHM assets from conversion to year end 2022. Details can be seen on page 38 of the Data Appendix.

In 2023, AHM will introduce new HR platforms which will improve the data quality and tracking of these indicators and expand reporting to health and safety indicators. New compliance training will be rolled out focusing on GDPR and a health and safety champion appointed.

Archer aims to provide ESG specific training at least annually to all hotel teams in 2023.

Operators also run their own health & wellbeing programs for their employees, for example Marriott's Take Care calendar where each hotel organises regular social gatherings for the teams and an appreciation week where there is a treat each day e.g. Marriott Brussels hired an ice cream truck for everyone.

Targets:

- 100% AHM employees complete annual training on compliance and governance
- Net promoter score among AHM employees of at least 50 by 2025
- Mental first aiders to be trained in all hotels by the end of 2024

3. Building a responsible organisation

Carbon Neutral Organisation

Archer has committed to offsetting carbon emissions at AHC head office level. This includes Scope 1, 2 & Scope 3 emissions from travel, employee commuting, working from home, and office water and energy consumption (see Appendix – Reporting Criteria.) Travel emissions in 2022 increased compared to 2021 due to increased business travel as Covid travel rules relaxed, but still down 17% compared to last full year of business as usual travel in 2019. For 2022, we estimated around 145 tonnes of embodied carbon for our new UK office fit-out.

This was offset by credits supporting two VCS certified projects:

- Katingan Peatland preservation in Indonesia which prevents the release of carbon in both vegetation and that stored in the peatland.
- Preservation of rainforest in the Brazilian Amazon through the Unitor REDD+ project.

In 2022, Archer partnered with Respira International to purchase 31 tonnes of soil carbon certificates from Philipson Estates (owner of Blaston Farm) in the UK. The farm uses regenerative agriculture practices such as direct drilling of arable crops, use of cover and companion crops and diverse crop rotations. This both improves soil health and promotes biodiversity.

Improving soil carbon storage at Blaston Farm

It is the first UK project to generate certificates based on measured high density direct soil sampling, verified by ecometric. These are not official offsets until they reach maturity in the future and the outcomes have been measured.

Archer currently purchases international carbon offsets as there are insufficient local certified offsets to meet current market demand. Archer is therefore delighted to support this pioneering project at Blaston and the development of local carbon certificates through nature-based solutions.

Archer continues to strive to reduce its carbon footprint. Employees are now required to submit business travel plans and demonstrate how they will limit travel.

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

In 2019 we developed a Memorandum of Understanding (MoU) to set these expectations. To date, ESG clauses have been signed by 2 of our 3 major hotel operators and we are working on extending this to other third-party operators across our food and beverage outlets and inserting green lease clauses into tenancy agreements.

In 2022 Archer resumed its annual General Manager conference, gathering in Madrid for two days of knowledge sharing, training and inspiration. This included ESG training and sharing Archer's ESG strategy.

Each hotel has its own energy, water and waste objectives set annually and tracked throughout the year.

Engagement Survey

In 2020 we held our first engagement survey of hotel operators, to obtain feedback from hotel managers on how to improve the hotels, further collaborate and optimise the guest experience.

Archer received an exceptional Net Promotor Score (NPS) of +80. Our highest scoring aspects included communications and meetings with Archer whilst building climate control and water management scored lowest, much of which will be addressed as part of planned renovations. Archer continues to explore initiatives to further improve engagement and will perform an updated survey in 2023.

Target: Operator NPS score of at least 80 by year end 2024

4. Delivering sustainable asset value - Climate Change and Resilience

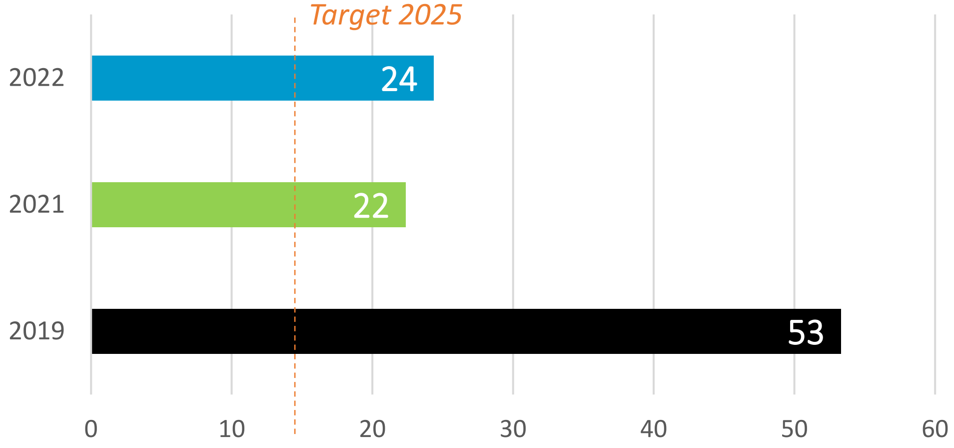
Climate change and the extreme weather events driven by these changes, is a global concern and a global problem. As a responsible organisation, Archer takes responsibility for its part in reducing the carbon footprint of its operations and hotels.

At portfolio level, Archer has set a revised greenhouse gas (GHG) intensity target of 70% reduction in market-based intensity by 2025. This goes further than the average sector target set by the Sustainable Hospitality Alliance's (SHA) Net Zero Carbon Methodology (36%). We also continue to aim for net zero operational carbon emissions by 2030.

In 2022 the market-based GHG intensity of our hotels averaged 24 $kgCO_2e/m^2$*, a reduction of 54% from a baseline of 53 $kgCO_2e/m^2$*, a marginal improvement from 22kg CO_2e/m^2 in 2021. This is mainly because the proportion of total electricity from renewable sources decreased slightly from 75% to 72% in 2022, due to 2 hotels which had signed a non-renewable electricity contract prior to takeover by AHM (now back on renewable in 2023) plus acquisition of a new hotel not on renewable electricity. Archer aims for all hotels to use 100% renewable electricity by 2025 and is investigating how to increase electrification and install renewable energy on site as part of its renovations.

Target: 70% reduction in market-based GHG intensity by 2025

Scope 1 &2 Greenhouse gas intensity
($kgCO_2e/m^2$)
(market based approach)

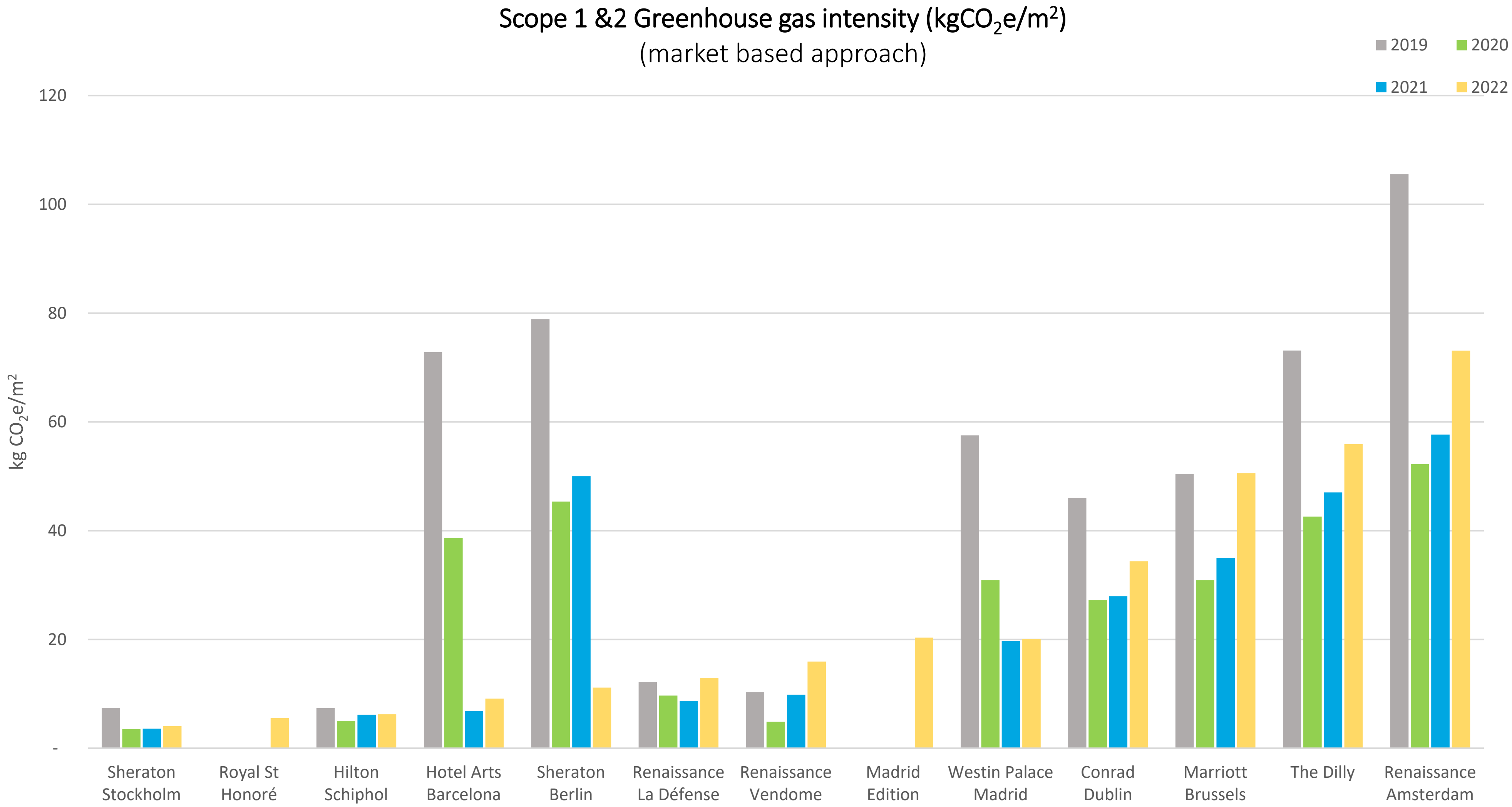


Archer uses the CRREM (Carbon Risk Real Estate Monitor) as a guide to plotting decarbonisation pathways to 2050 in line with EU commitments to limit global warming to 1.5C and at worst 2C . Archer updated its pathways with estimated energy reductions from future renovations. In 2023, these will be refined with results from energy audits.

N.B. all figures restated from prior year as data has been undergoing validation

** The scope of Deloitte's limited assurance includes 2019 and 2022 GHG intensity*

5. Delivering sustainable asset value - Climate Change and Resilience



In 2020 and 2021 the COVID-19 pandemic had a significant impact on our energy, water and waste levels due to the reduced activity and temporary hotel closures. Occupancy improved in 2022 although in the vast majority of hotels this was still below 2019 levels. Increase seen between 2021 and 2022 at Renaissance La Défense and Vendome was due to a non-renewable electricity contract in 2022 and this has been switched in 2023. Marriott Brussels, The Dilly and Renaissance Amsterdam were not supplied by renewable electricity in the 2019-2022 period. Royal St Honoré and Madrid Edition were new acquisitions during the year. All acquisitions and disposals have been adjusted for the period in which they existed in the portfolio.

N.B. Figures restated from prior year as data has been undergoing validation

5. Delivering sustainable asset value - Energy Efficiency

Archer is targeting a 10% reduction in portfolio energy intensity by 2025 and 20% by 2030 from a 2019 baseline. In 2022 the energy intensity of the hotels averaged 215kWh/m^2*, a reduction of 10% from a baseline of 240kWh/m^2*. This compares to 175kWh/m^2 in 2021 which was a 27% reduction from baseline due to Covid-19. The increase is mainly due to the increase in occupancy, which increased from 25% to 57% of available rooms.

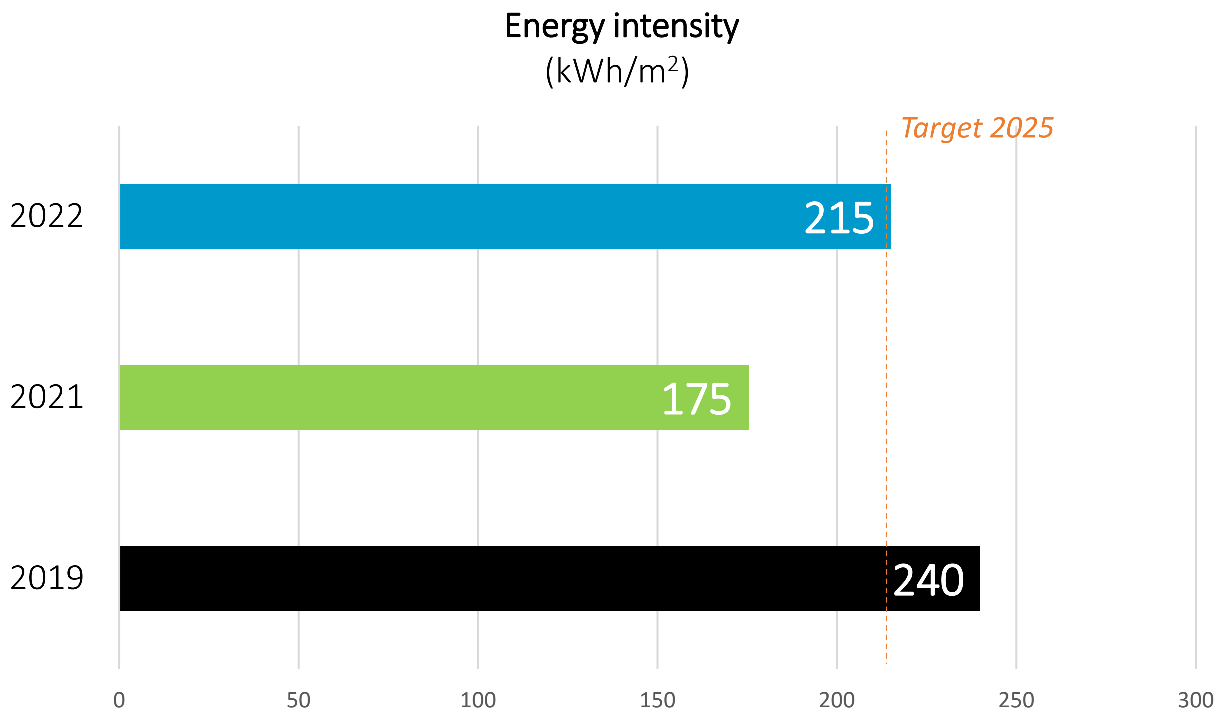
As 2022 occupancy levels are still not reflective of a full year of normal (baseline) operations and given the like-for-like energy intensity performance, the existing 2025 target will be maintained.

In 2022 energy saving initiatives focused mainly on temperature control, staff training to reduce guestroom consumption when rooms are vacant and switching to LED and sensor-linked lighting.

Major energy efficiency initiatives are being incorporated into the design of our renovations, which include upgrades to building management systems, submetering, lighting, heating, ventilating and air conditioning systems.

N.B. all figures restated from prior year as data has been undergoing validation

* *The scope of Deloitte's limited assurance includes 2019 and 2022 Energy intensity*



Our goal: 10% reduction in portfolio energy intensity by 2025 from a 2019 baseline

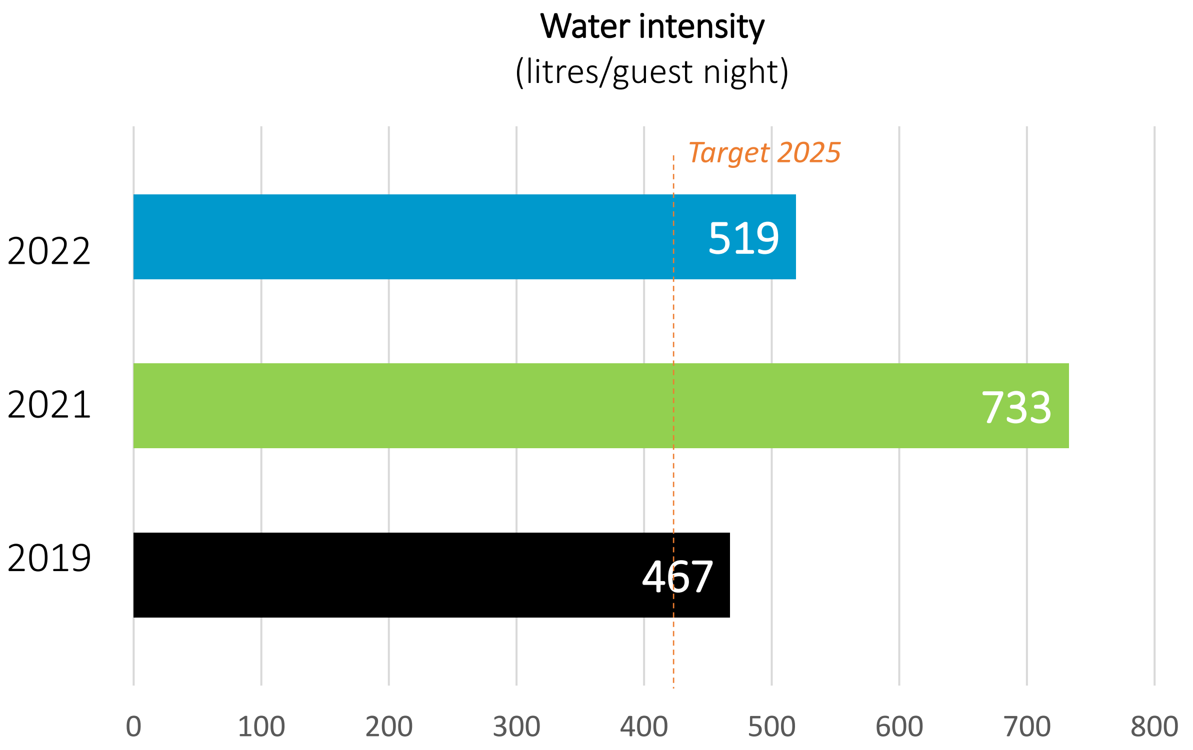
In 2023 all hotels will undergo energy audits to identify reduction targets specific to each building.

4. 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 are already being installed in the renovation of Marriott Brussels.

In 2022 Archer consumed 519 litres/guest night*, a 11% increase from 467 litres in 2019*. This is due to occupancy still remaining below 2019 levels combined with the high baseline water consumption in our older hotels undergoing renovation which results in consumption not directly proportional to occupancy. Overall water consumption for like-for-like hotels was down 21% compared to baseline. Planned capital expenditure including better submetering to separate consumption by guests and kitchens versus plant and equipment should improve this in future years.

In 2023 Archer will commission water audits to help identify further water saving opportunities and analyse the results of its first greywater recycling system at the Madrid Edition.



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

N.B. all figures restated from prior year as data has been undergoing validation

** The scope of Deloitte's limited assurance includes 2019 and 2022 Water intensity*

4. Delivering sustainable asset value - Waste Management

Being a responsible organisation means responsible use of natural resources. Resources are limited and waste also generates carbon emissions. The hospitality industry is well known for waste production – from single use plastic toiletries to food waste and frequent refurbishments.

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 Spain, general waste is sorted at a waste facility and while a percentage is recycled or incinerated with energy recovery, a significant amount is still landfilled. In 2022 the waste facility used in Barcelona suffered fire damage and sorting is now performed manually, resulting in a higher landfill rate than previously.

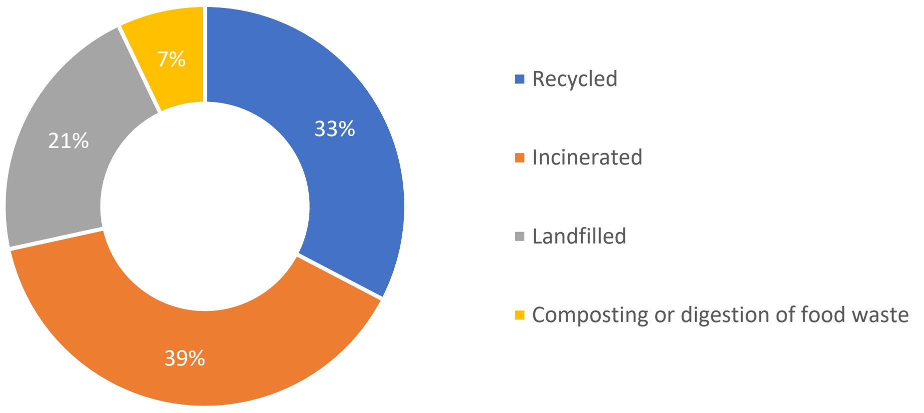
All segregated food waste is sent to anaerobic digestion for energy and fertiliser production and cooking oil is recycled into biodiesel.

2025 Targets:
55% recycling/anaerobic digestion/composting rate
15% intensity reduction from 2019 baseline
11/11 sites recycling food waste

In 2022 the portfolio recycling and anaerobic digestion/composting rate was **40%** for a total of 2,189 tonnes* of waste collected (37% and 1,441 tonnes in 2021). The increase in volume is driven by occupancy which has been increasing since the Covid period. The rate increase is due to several factors including: transition to bulk toiletries (shampoo, conditioner, shower gel), more staff training, reduction of single use personal protective equipment, and further implementation of guestroom recycling.

2.9kg* of waste was generated per guest night, a 13% increase on 2.6kg in 2019. As the quality of waste data has been improving over time, Archer is setting a reduction goal of 15% from a 2022 baseline.

Waste by disposal route 2022



The scope of Deloitte's limited assurance includes 2022 Total waste and Waste intensity

4. Delivering sustainable asset value - Waste Management

Archer is tackling waste reduction through procurement choices and improved recycling through guest and staff behavioural change and ensuring that the required infrastructure is in place.

Key waste improvement initiatives completed in 2022

- Installation of bulk or refillable toiletries with accompanying wall brackets in all hotels except for two that are under renovation, which will be implemented as part of the renovation.
- Switching from single use plastic water bottles in guestrooms to Tetrapak in two hotels (Renaissance Vendome, Conrad Dublin) with Hotel Arts Barcelona following in 2023.
- Implementation of guest room recycling facilities at Conrad Dublin and in newly renovated rooms at Marriott Brussels.
- Reducing food waste at source by improving management of buffet replenishment. Reducing waste post service by for example, working with Too Good to Go (Hilton Amsterdam Schiphol and Renaissance La Défense).
- Reduction of packaging waste such as switching from individual small to large shared condiment packages on breakfast buffets, and switching from single use plastic guest laundry bags to reusable fabric bags.

Key initiatives planned for 2023

- Waste audits at Renaissance La Defense, Renaissance Vendome and Marriott Brussels to improve recycling processes and data collection.
- Switching from single use plastic to refillable drinking water machines & bottles at Renaissance La Défense and Marriott Brussels.
- Implementation of guest room recycling facilities at Renaissance La Défense, Renaissance Vendome and Westin Palace Madrid.
- Roll out of food waste recycling at Madrid Edition, Westin Palace Madrid, Renaissance Vendome and Royal St Honoré.
- Investigating use of food waste reduction technologies which monitor waste throughout the culinary process and provide feedback.
- Collaborating with suppliers to reduce packaging waste e.g. in linen and laundry.

4. Delivering sustainable asset value - Biodiversity

Archer is conscious of the impact its hotels have on the local ecosystems of which it is a part and on global ecosystems through its supply chain. Example planned projects to improve biodiversity on-site include:

- Conversion of rooftop space at Renaissance Amsterdam into a community allotment, plus green roofs and vertical gardens on the façade
- Expansion of gardens at the Hotel Arts Barcelona and upgrade of vegetation to native, drought-tolerant species
- Green roofs at Westin Palace Madrid and Renaissance La Defense

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

CGI rendering of one of the Renaissance Amsterdam's new façades

4. Delivering sustainable asset value – Third-party certification

Green Building and Energy Performance Certifications

Archer uses building certifications to better understand its hotels holistically and benchmark performance. They also contribute to the market value of our assets, are a requisite for green financing and in demand by our clients.

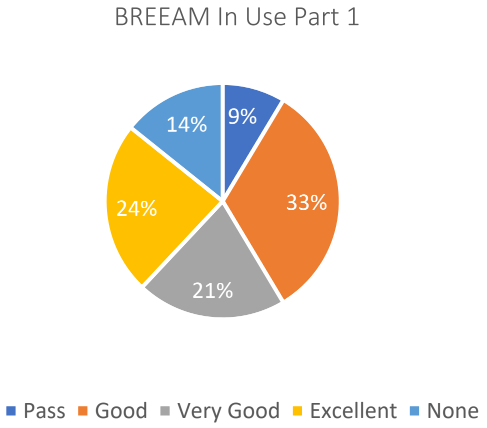
Target: Whole portfolio to be certified BREEAM In-Use Part 1 (asset performance) and Part 2 (management performance) by 2022

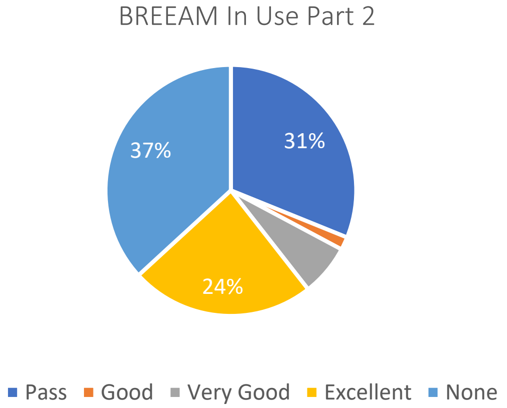
7 out of the 11 hotels held at year end have completed Part 1 certification (3 out of 11 in 2021) with an additional 2 submitted and 2 new acquisitions. 5 out of those 7 have also completed Part 2 with 2 pending. Our new target is to complete by year end 2023.

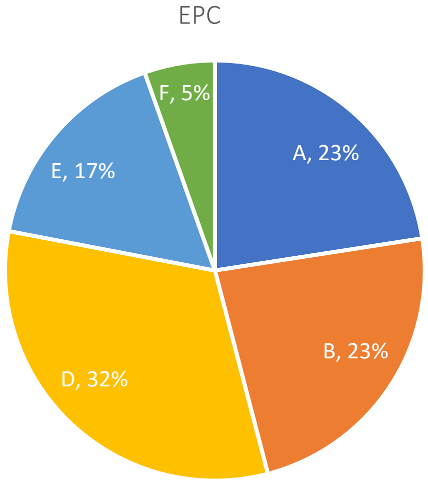
Target: All operational hotels to achieve a minimum BREEAM In-Use rating of Very Good by 2025

As of 31 December 2022, 44% of the portfolio by floor area has achieved BREEAM In-Use Part 1 Very Good or Excellent and 29% for Part 2. We are aiming to achieve higher than Very Good for hotels under major renovation.

% of portfolio floor area







Archer achieved its previous target of obtaining Energy Performance Certificates for all assets by 2022. Archer aims for assets to achieve a minimum rating of B post major renovation.

4. Delivering sustainable asset value – Third-party certification

Global Sustainable Tourism Council

Four hotels were certified to Global Sustainable Tourism Council recognised standards in 2022 – Renaissance La Defense, Renaissance Vendome and The Dilly London with Green Key, and Conrad Dublin and Hilton Amsterdam Schiphol through Hilton LightStay.

By the time of publication in 2023, the Hotel Arts Barcelona had also achieved its aim of being fully certified undergo Biosphere – the leading certificate in Catalunya.

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.

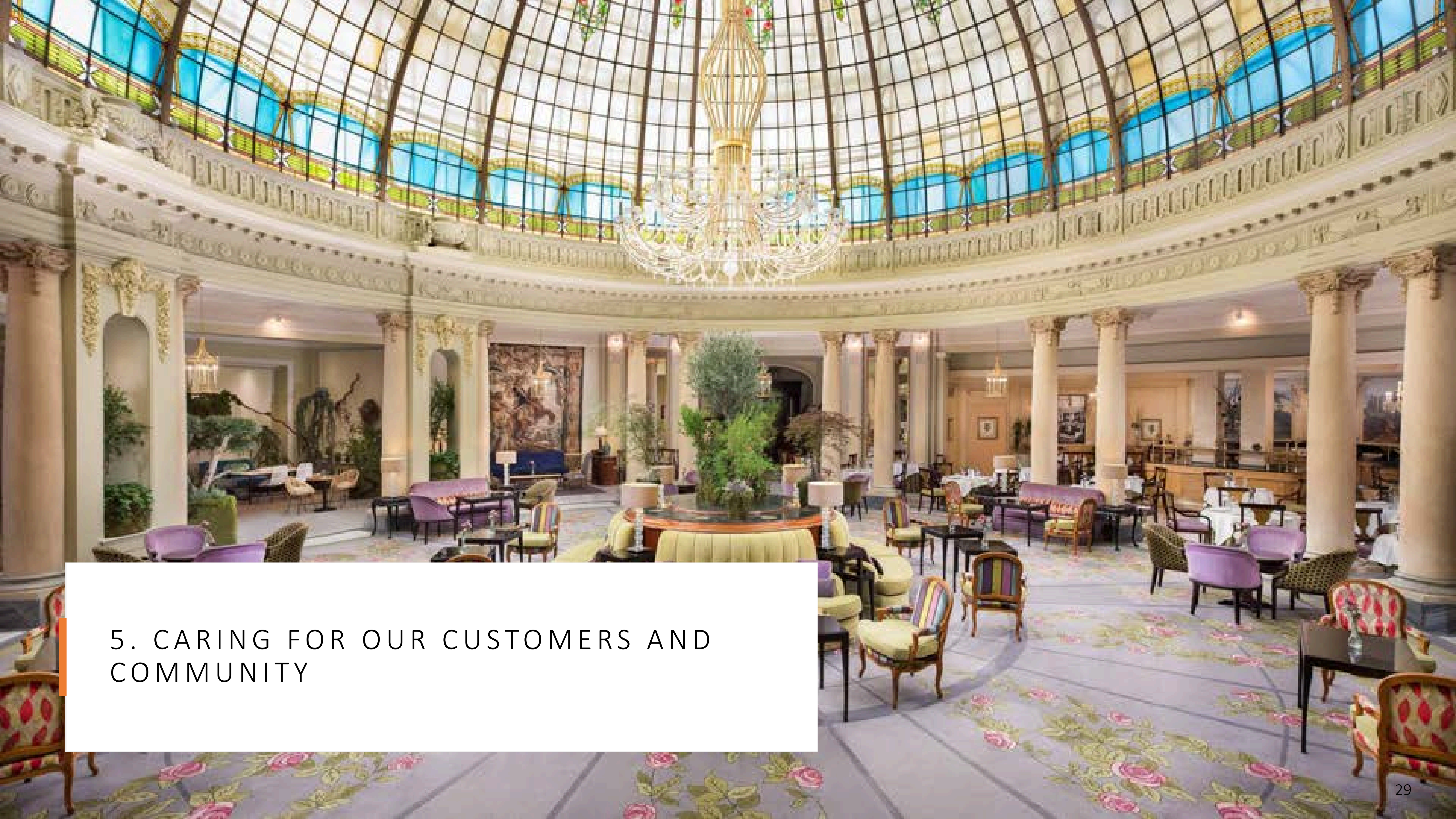
Previously we set ourselves a target of certifying the entire portfolio by 2025. This has been revised to focus on AHM operated hotels, where we can make the most impact due to greater operational control. 2 out of 4 AHM hotels were certified by year end 2022.

Madrid Edition: LEED Gold

Archer acquired the newly constructed Madrid Edition in February 2022, which had been developed to LEED Gold standard. The hotel includes the following features and achievements:

- Greywater recycling equipment which meets around 16% of our water demand
- Roof gardens with indigenous plants
- 85% of the existing structural elements were reused
- 31% of the total building materials by value were manufactured and extracted within 500 miles of the project site.
- 91% of the on-site generated construction waste was diverted from landfill.
- 21% of the total building materials content, by value, was manufactured using recycled materials.
- The design process reduced predicted energy consumption by 20% and predicted water consumption 38% compared to industry baselines.

In 2023, Archer will analyse actual operational performance versus the design.



5. CARING FOR OUR CUSTOMERS AND COMMUNITY

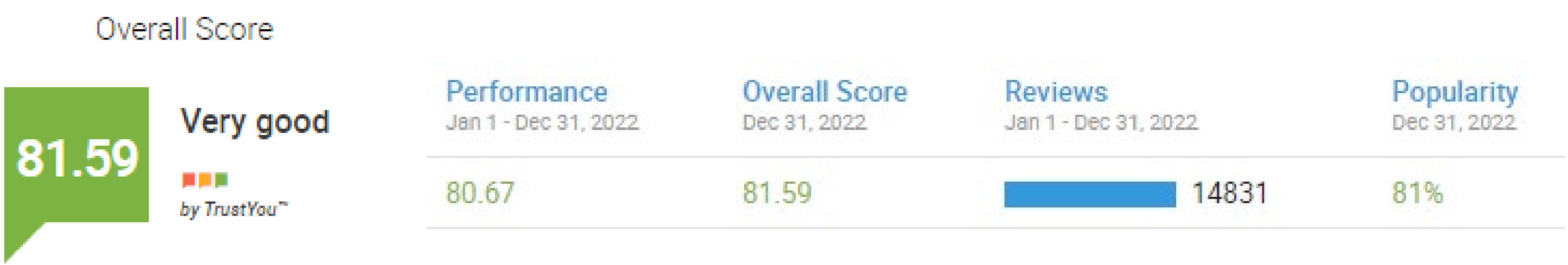
5. Caring for our customers and community

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. In 2022 we implemented a common platform called TrustYou which enables us to better compare feedback across different brands and sources.

2022 was a year of recovery for industry with unusual travel conditions in the post-Covid world, combined with challenges in hospitality around staffing shortages affecting operations. However, in this context, the Archer hotels maintained a positive average satisfaction score of 80.67 in 2022 over the year (all reviews excluding operators' surveys) and 5/12 hotels achieved a Competitor Index score >1 (compared to 4/11 in 2021).



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.

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.

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 2023 Archer will focus on implementing the Supplier Code of Conduct in high value contracts and developing a system of tracking.

Our Supplier Code of Conduct can be found at: https://www.archerhotelcapital.com/archer-hotel-capital-esg-supplier-code-of-conduct

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 2022 include:

Conrad Dublin worked with Down Syndrome Ireland to create a Barista Academy – a 5 week course for adults with Down Syndrome to learn coffee making and restaurant service skills. This included interview skills training and hiring for three permanent positions in the hotel. The hotel also supports Spina Bifida Ireland and worked with them to run a virtual employability skills workshop.

Renaissance Paris Vendome organised an Open Day at the hotel with Emmaus, which supports homeless and disadvantage individuals. Candidates could apply for jobs and learn how to reintegrate into hospitality. The hotel also welcomed a trainee for two weeks from the Ares association, whose main purpose is to promote the return to employment of people in situations of exclusion.

Hotel Arts Barcelona continued to partner with Fundacío Aura which supports neurodiverse members of society into employment. In 2022, this also resulted in one permanent hire.

5. Caring for our customers and community

Volunteering

- Staff from the Westin Palace Madrid collaborated with the Red Cross in the management of the first reception accommodation for Ukrainian refugees in Spain, as well as their relocation.
- Conrad Dublin, Hilton Amsterdam Hilton Schiphol and Hotel Arts Barcelona all organised local clean ups of our natural environment.
- Skills based volunteering stories include Renaissance Amsterdam which held a Christmas dinner for 325 homeless Amsterdammers and a technician at the Hotel Arts who helped assemble equipment at the Ronald McDonald House.

Cash Donations and Fund Raising

Sponsorships and fundraising activities such as raffles, bake-offs, and flea markets are organised throughout the year. Examples from 2022 include:

- Conrad Dublin funded a beach clean and educational workshop for a local disadvantaged children.
- Staff from Renaissance La Défense participated in sporting events for La Parisienne, which supports Breast Cancer victims, and Les Bacchantes which supports prostate cancer research.
- Several hotels participated in a Marriott scheme to donate 1 euro per meal consumed in their restaurants to a local charity.

In-Kind Donations

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

- Renaissance La Défense donated approximately 4 tonnes of linen to local recycling company Beau Linge, who gives it a second life.
- Hilton Schiphol donated 60 sets of amenities to a women's shelter and Marriott Brussels donated bedding, clothes and amenities to help Ukrainian refugees.
- Hotel Arts Barcelona has a long term partnership with Nutrició Sense Fronteras to donate food that is leftover from any large events to families in need. This involves great collaboration between the stewarding and kitchen departments to ensure food does not leave the cold chain and maintains its quality. On average, 33,326 food packages / month benefitting 555 people are donated per month.

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. In 2022, over 460 room nights were donated to refugees from Ukraine to the approximate value of €25,000. Stays in our hotels are also frequently donated as prizes to incentivise fundraising for numerous charities.

The Westin Palace Madrid has a beautiful event space and hosts annual events in support of Unicef such as Opera Recitals. In 2022 the hotel provided several days of event space complimentary to Barrio de las Letras, a neighbourhood cultural association for an event supporting women, with discussion panels on different topics such as culture, commerce, fashion, art and hospitality, and tourism.

The Hotel Arts Barcelona was awarded the Social Award of the Barcelona Sustainable Tourism Awards 2022 for its work on promoting sustainability and combating food inequality.

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

In 2023, Archer will focus on helping our hotels establish long term community partnerships where these are not yet cemented. AHM's ESG policy includes 8 hours of volunteering time within paid work hours for all employees and we will encourage them to use this.

DATA APPENDIX

Archer Hotel Capital - Employee Indicators

Employee Diversity	Category	2020	2021	2022
Total number of employees	Number	16	17	20
Gender - Board	Male	87%	87%	73%
	Female	13%	13%	27%
Gender - Operational Committee	Male	100%	100%	100%
	Female	0%	0%	0%
Gender - All	Male	75%	71%	65%
	Female	25%	29%	35%
Age	Under 30 years old	13%	13%	20%
	Between 30 and 50 years old	75%	75%	70%
	Over 50 years old	12%	12%	10%
Ethnicity	Chinese	6%	6%	9%
	Indian	6%	6%	4%
	White	88%	88%	61%
	Not Specified	0%	0%	26%

Archer Hotel Capital - Employee Indicators

Impact Area	Indicator	2020	2021	2022
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 a professional development plan	20%	20%	nr
	Annual performance appraisals	100%	100%	100%
Employee engagement*	Employee turnover	6.30%	0%	5%
	Net Promotor Score	71	-	-
	Employee performance	4.2/5	-	-
	Organisation performance	4.3/5	-	-
Employee health & safety	Workstation and / or workplace checks (%)	100%	100%	100%
	Absentee rate (%)	0%	0%	0%
	Injury rate (%)	0%	0%	0%
	Work-related fatalities (number)	0	0	0

nr= not reported
*An engagement survey is planned for 2023

Archer Hotel Management - Employee Indicators

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

Community Engagement Indicators

Archer Hotel Capital

Impact Area	Indicator	2020	2021	2022
Community engagement	Cash donations (€)	nr	nr	6,000
	In-Kind donations **(€)**	nr	nr	-
	Hours Volunteered (total)	nr	nr	36
	Hours Volunteered (skills-based)	nr	nr	36

Hotel Operations

Impact Area	Indicator	2020	2021	2022
Community engagement	Cash donations **(€)**	nr	nr	32,067
	In-Kind donations **(€)**	nr	nr	197,252
	Hours Volunteered (total)	nr	nr	1,939
	Hours Volunteered (skills-based)	nr	nr	644

nr= not reported

Environmental impact

Impact area	Indicator	Unit of measure	2020	2021	2022	% Change year on year
Benchmarking	GRESB Rating	Stars	3	5	4	-1
	GRESB Score	Overall score	76	88	85	-3
Green building certificates	BREEAM In-Use Completed	% floor area	18%	27%	86%	48%
	BREEAM In-Use Rating Very Good or Higher	% floor area	18%	18%	44%	142%
	Global Sustainable Tourism Council recognised certificate	% floor area	36%	34%	37%	-6%
Energy performance certificates	EPC Rating A	% floor area	21%	21%	23%	0%
	EPC Rating B	% floor area	0%	0%	23%	
	EPC Rating <C	% floor area	21%	50%	54%	134%
	No Rating	% floor area	58%	30%	0%	-49%
			2019 baseline	**2021**	**2022**	**% Change from baseline**
Energy	Hotels					
	Electricity	MWh	42,638	32,316	40,617	-5%
	From renewable sources	% of electricity	26%	75%	72%	175%
	Gas	MWh	22,527	18,399	23,228	3%
	District heating and cooling	MWh	9,361	6,520	5,081	-46%
	Hotels Total	MWh	74,525	57,234	68,926	-8%
	Hotels Energy Intensity *	kWh/m^2/year	240	175	215	-10%
	Reduction from baseline	%		-27%	-10%	
	Hotels Energy Intensity (like-for-like)	kWh/m^2/year	229	171	206	-10%
	Group Offices	MWh	nr	23	46	

** The scope of Deloitte's limited assurance includes 2019 and 2022 Hotels Energy Intensity*

Environmental impact

	Indicator	Unit of measure	2019 baseline	2021	2022	% Change from baseline
	Hotels					
	Scope 1 Direct	tonnes CO_2e	4,110	3,395	4,296	5%
	Scope 2 Indirect - Location based	tonnes CO_2e	12,358	7,291	8,475	-31%
	Scope 2 Indirect - Market based	tonnes CO_2e	12,451	3,908	3,506	-72%
	Scope 3 Indirect - Location based energy	tonnes CO_2e	3,004	2,312	2,676	-11%
	Scope 3 Indirect - Market based energy	tonnes CO_2e	2,282	1,754	1,948	-15%
	Scope 3 Indirect - Water	tonnes CO_2e	179	77	120	-33%
	Scope 3 Indirect - Waste Disposal	tonnes CO_2e	212	110	324	52%
	Hotels Total - Location based	*tonnes CO_2e*	*19,865*	*13,186*	*15,891*	*-20%*
	Hotels Total - Market based	*tonnes CO_2e*	*19,236*	*9,245*	*10,194*	*-47%*
Greenhouse gas emissions	**Group Offices**					
	Scope 1 Direct	tonnes CO_2e	18	8	8	-58%
	Scope 2 Indirect - Location based	tonnes CO_2e	4	2	8	88%
	Scope 2 Indirect - Market based	tonnes CO_2e	4	1	2	-53%
	Scope 3 Indirect - Office operations	tonnes CO_2e	nr	2	4	
	Scope 3 Indirect - Business Travel	tonnes CO_2e	123	19	102	-17%
	Scope 3 Indirect - Employee Commuting	tonnes CO_2e	nr	1	4	
	Scope 3 Indirect 3 - Embodied carbon	tonnes CO2e	-	-	*146*	
	Group Offices Total - Location based	*tonnes CO_2e*	*145*	*33*	*271*	*87%*
	Group Offices Total - Market based	*tonnes CO_2e*	*145*	*32*	*266*	*-83%*
	Offsets purchased	tonnes CO_2e	(139)	(33)	(266)	91%
	Net Group Offices Total - Market based	*tonnes CO_2e*	*0*	*0*	*0*	
	Group Total - Location based	**tonnes CO_2e**	**20,010**	**13,220**	**16,162**	**-19%**
	Group Total - Market based	**tonnes CO_2e**	**19,381**	**9,276**	**10,460**	**-46%**

Environmental impact

Impact area	Indicator	Unit of measure	2019 baseline	2021	2022	% Change from baseline
Hotel GHG intensity	Scope 1 and 2 GHG Intensity - Location based	kg CO_2e/m^2/year	53	33	40	-25%
	Reduction from Baseline Year 2019	%		-40%	-25%	
	Scope 1 and 2 GHG Intensity - Market based *	kg CO_2e/m^2/year	53	22	24	-54%
	Reduction from Baseline Year 2019	%		-58%	-54%	
	Total GHG intensity - Location based	kg CO_2e/m^2/year	64	40	50	-22%
	Total GHG intensity - Market based	kg CO_2e/m^2/year	62	28	32	-49%
Water	Total consumed	m^3	490,636	252,444	392,341	-20%
	Of which was greywater recycled	m^3	-	-	1,281	
	Water intensity *	l/guest night	467	733	519	11%
	Water intensity (like-for-like)	l/guest night	469	697	454	-3%
Waste	Recycling	%	33%	30%	33%	-1%
	Composting or digestion of food waste	%	3%	7%	7%	103%
	Incineration with energy recovery	%	50%	50%	39%	-22%
	Landfill	%	14%	13%	21%	54%
	Total Waste *	tonnes	2,607	1,441	2,189	-16%
	Waste diverted from landfill	%	86%	87%	79%	-9%
	Waste Intensity *	kg/guest night	2.5	4.2	2.9	17%
	Waste Intensity (like-for-like)	kg/guest night	2.8	3.4	2.6	-6%
Number of assets			11/12	12/12	12/12	

** The scope of Deloitte's limited assurance includes 2019 and 2022 Scope 1 and 2 GHG intensity - Market based, 2019 and 2022 Water Intensity and 2022 Total Waste and Waste Intensity only*

Reporting criteria

Scope and Boundaries

The reporting period runs from 1 January 2022 to 31 December 2022. Archer owned 12 hotels within this period, of which one was newly acquired (Royal St Honoré) and one disposed (The Dilly London). 4 hotels were operated directly by Archer Hotel Management (AHM) (Sheraton Stockholm, Renaissance La Défense, Renaissance Vendome and Royal St Honoré) and the remainder by third-party hotel operators 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 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 2022. 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 (404 employees) we have reported the number of employees, gender diversity, training and development and employee engagement separate from AHC (20 employees). Other indicators will be added in future reports.

Ethnicity 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 2022. 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 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.

Reporting criteria

Community Engagement

In-kind donations are donations of rooms, space, equipment and goods.

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 2022 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 9% of energy data is based on 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.. Archer has reviewed and updated the gross floor area used in 2023 and restated previous years' intensities for comparison. Gross internal floor area is used and excludes areas of the buildings which are tenanted and whose energy consumption is not managed by Archer or its hotel operators.

Reporting criteria

Carbon Footprint – Basis of Reporting

Our Scope 1, 2 and 3 GHG emissions are reported in tonnes of CO_2 equivalent (tCO_2e) 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.

Historical figures have been restated in line with the updated 2022 methodology outlined below for consistency and as data quality has improved.

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 and steam that we purchase.

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

Market based: Supplier specific emission factors ($0kgCO_2e/kWh$) 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: Estimated based on LETI average UK office benchmark 600kg/m^2 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 50% of hotel water data reported is based on manual meter reads.

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, 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.

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LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON SUSTAINABILTY INFORMATION

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

Our conclusion

We have reviewed the selected KPIs per Appendix B included in the ESG report 2022 of Archer Hotel Capital B.V. (hereafter "Archer" or "the Company"). A review is aimed at obtaining a limited level of assurance.

Based on the review procedures performed nothing has come to our attention that causes us to believe that the non-financial information on sustainability reported in the ESG reportfor year 2022 has not been prepared, in all material respects, in accordance with the reporting criteria as specified by management included in the data Appendix of the ESG report.

Basis for our conclusion

We have performed our review of 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). Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' 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).

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

Reporting criteria

The reporting criteria used for the preparation of the sustainability information is the reporting criteria as developed by Archer specified by management on pages 43-47 in the ESG report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

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

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the sustainability information and for the sustainability information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations 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 review and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Limitations to the scope of our review

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates.

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 reviewed by us. 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 is responsible for the preparation of reliable and adequate sustainability information in accordance with these reporting criteria as included in the section 'reporting criteria', including the identification of stakeholders and the definition of material matters. Management is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, taking into account applicable law and regulations related to reporting. The choices made by management regarding the scope of the sustainability information and the reporting policy are summarized in the pages 6-11 of the ESG report.

Furthermore, the management 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 error or fraud.

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

Our responsibilities for the review of the sustainability information

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

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

Deloitte.

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

Our review 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 2022 prepared by Archer in accordance with the Prepared by Client list supplied by Deloitte.
- Determining that the applied reporting guidelines are suitable.
- Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of :
    - 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 sustainability KPIs as included in the Reports.
    - evaluating internal and external documentation.
    - evaluating Risk Management, including Risk paragraph, in relation to non-financial information on sustainability.

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 review and significant findings that we identify during our review.

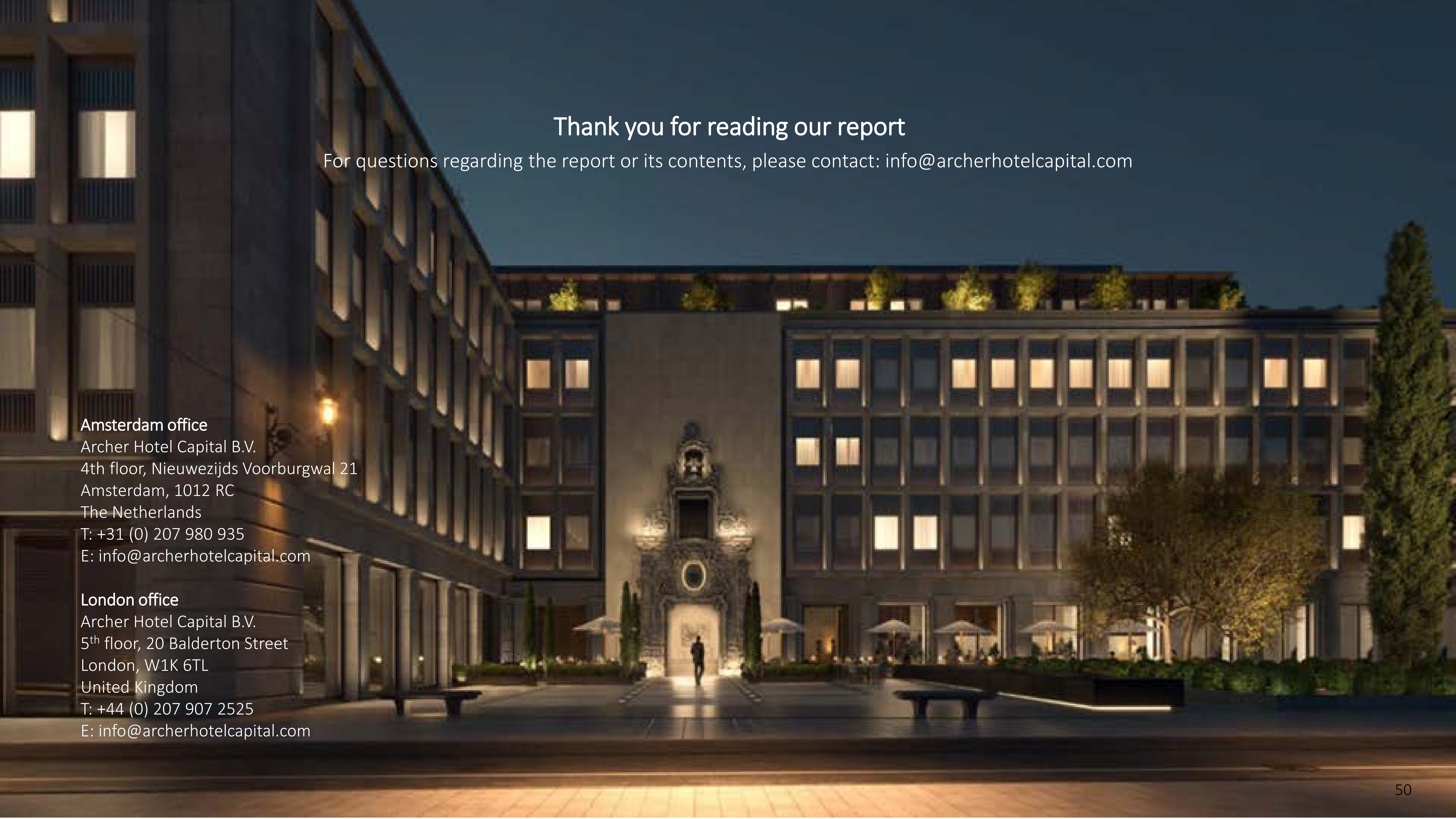
Amsterdam, June 28, 2023

Deloitte Accountants B.V.

Signed on the original: Jef Holland

Appendix A - Overview of the selected KPIs in the sustainability report 2022

Company	KPI	Scope of work
Archer	Energy intensity (kWh/m2)	2019 & 2022
Archer	Greenhouse gas intensity (kgCO2e/m2) (Scope 1 & 2 emissions) market based	2019 & 2022
Archer	Water intensity (litres/guest night)	2019 & 2022
Archer	Total waste (tonnes) and waste intensity (kg/guest night)	2022



Thank you for reading our report

For questions regarding the report or its contents, please contact: info@archerhotelcapital.com

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