

Environmental protection policy

Purpose of the policy and to whom it applies:

Valamar Riviera d.d. (hereinafter: Valamar) is at the forefront of applying sustainability standards in Croatian tourism, with a special emphasis of the environmental aspect. We are dedicated to continuously improving business results with due regard to establishing and implementing our sustainability strategy and goals, especially in terms of environmental protection:

- Prevention of pollution as a fundamental approach to environmental protection management,
- Continuous improvement of ecological and energy performance and management systems,
- Preservation and rational use of natural resources,
- Mitigation and adaptation to climate change,
- Procurement of energy-efficient products and services and facilitating project activities that consider the improvement of energy efficiency,
- Preservation of biodiversity,
- Waste reduction and proper waste disposal,
- Ensuring the availability of information and all necessary resources for the realization of our general and individual environmental and energy objectives,
- Ensuring energy sufficiency by producing our own renewable energy,
- Responsible management of water consumption.

This policy is binding for Valamar and applies to all destinations, operations and business activities. The policy refers to the overall management of resources, operational processes and business decision-making, with the goal of achieving sustainable results. We are especially committed to active cooperation with our stakeholders, including employees, partners, suppliers, local communities and investors, in order to ensure a synergy effect of our common contribution to environmental protection goals.

We regularly communicate with stakeholders to ensure transparency and participation in the process of achieving goals. Information is simultaneously exchanged with key stakeholders through various annual surveys, while communication takes place through magazines, social networks, trainings, meetings, direct communication and workers meetings as well as via participation in the community through events and investment programmes.

Valamar's goal is to focus on holiday tourism that can benefit destinations, employees, guests and local communities, while making sure to create new value for investors. Valamar will continue investing in sustainable tourism and socially responsible business, in renewable green energy sources, waste management, local food and sustainability in the supply chain. Special attention will be paid to continuing the development of public tourist infrastructure that is accessible to everyone, as well as to improving the quality of life in the local communities in which Valamar operates.

1. Reducing energy consumption and producing our own renewable energy

- 1.1. Optimized energy use is a key step towards sustainable business development that Valamar strives to achieve. By increasing energy self-sufficiency, Valamar strives to ensure stability in its supply and long-term cost reduction.

Renewable sources of energy:

Valamar aims to increase its own production of energy from renewable sources, with a special focus on using photovoltaic panels to produce electricity. With this measure, the company strives to significantly reduce its dependence on purchasing energy and to improve energy security, which in turn increases resilience to price oscillations and the availability of energy on the market while reducing pressure on energy demand in the distribution network.

Additionally, Valamar plans to continue its practice of purchasing 100% of its energy from renewable sources, thus contributing to sustainable business practices and the reduction of its carbon footprint.

Rational energy use:

Through our educational programs, we engage our employees, guests and lessees in applying the Environmental Protection Policy in practice by saving energy. Furthermore, by installing sensors and designing "smart rooms", we prevent unnecessary consumption of energy.

1.2. Energy efficiency:

Our goal is to maintain and develop an energy management and monitoring system at all locations, to continue the certification of the ISO 50001 energy management system and to undertake additional measures for a continuous reduction in energy consumption.

The improvement of energy efficiency is included in the procurement policy. At our facilities, we install energy efficient heating and air conditioning devices, heat pumps and equipment with minimum energy consumption, such as LED lighting. By investing in heat pumps, photovoltaic power plants on buildings and e-vehicles, fossil fuel devices are replaced with energy efficient devices powered with electricity from renewable sources.

These goals and measures are a part of the wider ESG strategy in order to contribute to the reduction of greenhouse gas emissions and to fight climate change. They are also an integral part of decarbonising our business operations.

2. Decarbonisation of business operations

Valamar's approach to reducing greenhouse gas emissions is in accordance with the Paris Agreement and the goal of limiting the warming to 1.5 °C, while continuing to increase energy efficiency and the use of energy from renewable sources in accordance with EU regulations, such as the European Green Deal and the EU Energy Efficiency Directive.

2.1. Methodology of calculating greenhouse gas emissions:

Valamar has been calculating its greenhouse gas emissions since 2015, and this includes direct and indirect emissions from scope 1 and 2. The methodology that has been used for the calculation of greenhouse gas emissions since 2015 until today is HCMI (The Hotel Carbon Measurement Initiative), published by WTTC and adapted for the hotel industry. Valamar will continue using HCMI, primarily because it allows the performance of our tourist facilities to be compared against a large hotel database. Valamar has been calculating greenhouse gas emissions for all three scopes since 2022. The calculation and reporting are carried out in accordance with the GHG (Greenhouse gas) protocol for calculating and reporting on greenhouse gas emissions (World Resources Institute and World Business Council for Sustainable Development).

2.2. Reduction of greenhouse gas emissions:

Valamar is committed to reducing greenhouse gas emissions by decarbonising its business operations through increasing the number of accommodation capacities with a low or zero carbon footprint. This is achieved using measures indicated in point 1.

3. Responsible management of water consumption

3.1. Valamar is devoted to responsible management of water resources through its ESG strategy, with the goal of maintaining a low intensity of water pumping.

Monitoring of water consumption:

A continuous reduction of water consumption is ensured through a system for monitoring and managing water consumption and detecting key positions for optimal water consumption. By applying advanced technologies that increase the efficiency of water use, as well as by reusing it, Valamar is further contributing to the sustainability of its business.

3.2. Measures for reducing water consumption:

Valamar implements measures aimed at investing in wastewater purification and reducing consumption. We are also developing alternative sources for producing our own process water used for irrigating green areas and washing laundry. By installing advanced systems for managing water consumption, including aerators, sensors and pressure regulators, the use of this precious resource is further optimised. Planting native plants that are adapted to the conditions of the local climate also reduces the need for irrigation and contributes to the preservation of water as part

of sustainable horticultural practices. By educating employees and lessees and informing guests we strive to increase awareness about the consumption of this essential resource.

Valamar applies appropriate measures as part of its long-term efforts to protect water resources. Every measure aimed at preserving water contributes to mitigating climate change and creating more sustainable communities.

4. Responsible Waste Management

4.1. Valamar is committed to responsible waste management through its ESG strategy, aiming to achieve and maintain a waste recycling rate above the EU average.

Monitoring and reducing waste generation:

Recycling rates are systematically improved through an integrated waste management system. This approach enables the identification of key sources of waste generation and the application of targeted measures to reduce it. By introducing innovative technologies and improved processes for separate collection and recycling, Valamar continuously enhances the efficiency of waste management and reduces the amount of waste sent to landfills.

4.2. Measures to reduce waste generation and increase recycling:

Valamar implements measures focused on preventing waste generation, increasing recycling rates, and reducing landfill disposal through the procurement of products made from environmentally friendly materials, optimizing waste management processes, and applying advanced circular economy technologies. We ensure technical conditions and clear procedures for selective waste separation, with monitoring and analysis through a digital system. By educating employees and informing guests, we promote responsible behaviours and collective efforts to reduce waste and increase recycling rates. Our goal is to achieve a recycling rate higher than the European Union average, thereby actively contributing to sustainable business practices and environmental preservation.

Compliance with legal and other requirements

In its business operations, Valamar is compliant with all applicable laws, regulations and standards – both national and international, especially those concerning environmental protection. Compliance is integrated into the Code of Business conduct and the Code of Conduct for Suppliers. This policy is adopted by the Management Board and the Supervisory Board of Valamar. The Environmental Protection Policy is a part of our wider ESG strategy, in accordance with the Quality and Sustainable Business Policy. The relevant procedures of Valamar are harmonised with it.

Communication

The policy is publicly available on the Valamar website <https://esg.valamar-riviera.com/hr/>, thus ensuring transparency and allowing all stakeholders insight into our goals and obligations in the field of environmental protection.