

VUR Investment (UK) Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

New development hotels

Village continues to improve its model for new-build hotels. For new-build hotels that are being developed, the Group's aim is to achieve a Building Research Establishment Environmental Assessment Method (BREAM) rating of "Very Good" on all hotels built from 2015 onwards.

This rating is only awarded on the basis that the development is designed and managed with the environmental impacts in mind and the award requires ecological surveys to minimise impacts on land and natural habitats, energy efficient lighting and mechanical/electrical plant, thermally efficient external envelop, natural ventilation where possible, as well as an active 'travel management plan' to understand how customers and staff will access and utilise the hotel in the surrounding local environment.

The Group also engages competent and experienced construction contractors, who have achieved the Carbon Trust Supply Chain Standard. This focuses on reducing CO2 emissions throughout the supply chain by engaging likeminded competent and experienced supply chain partners.

Waste disposal and recycling

The Group is registered with Recycle Pak, a National Compliance Scheme registered to serve companies under the Packaging Waste Regulations. The Group aims to divert the maximum amount of waste possible from landfill.

General Data Protection Regulations (GDPR) Statement

The Group is committed to ensuring that all personal data held is both necessary and relevant and is held securely in accordance with the Group's Data Protection Strategy.

The Group worked steadfastly towards ensuring compliance with the implementation of GDPR, which came into force on 25 May 2018. The Group seeks to ensure that we adopt the approach sought by this Regulation and are as transparent as possible with both customers and employees in advising on the data we are collecting from them and for what purpose. The Group has appointed internal Data Guardians who meet on a quarterly basis to reassess and reevaluate controls over data security.

The Group's privacy policy can be found at <https://www.village-hotels.co.uk/privacy-policy/>

Procurement Policy

The Procurement team works closely with the Risk & Safety Manager to ensure that Government legislation is applied and guidelines are being followed throughout the Village portfolio. Examples of this are:

- The availability and update of allergen information for customers and employees.
- Due diligence checks for new suppliers to ensure they are meeting the legal risk and safety requirements as well as being ethically, environmentally and socially responsible.
- The reduction of waste to landfill, introduction of recycling initiatives and management of waste notes. The Procurement team together with all nominated suppliers within the Village supply chain, work within the Bribery Act 2010 guidelines.

Modern Slavery Statement

The Group recognise that although slavery, servitude, forced labour and human trafficking ('Modern Slavery'), is illegal it remains a growing issue in the UK. In an increasingly global marketplace, the Group also recognise that all businesses have a responsibility to understand whether modern slavery and human trafficking is taking place within their businesses and supply chains and this is a responsibility that the Group takes seriously. We are committed to making meaningful and long term improvements to workers' employment and workplace conditions including but not limited to the prevention of forced, bonded and trafficked labour. We do this through our policies and governance, which are supported by a committed organisation and our leadership.

The Groups Modern Slavery statement can be found at:
<https://www.village-hotels.co.uk/modern-slavery-statement/>

VUR Investment (UK) Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Environmental matters

Streamlined Energy and Carbon Reporting Framework Regulations (SECR)

The Company recognises the importance of its environmental responsibilities and is continuing to build a framework of energy management strategies towards achieving a carbon neutral status.

A third party energy consultant has been engaged to advise on energy reduction strategies across the portfolio and measure the annual energy consumption and greenhouse emissions for utilities and vehicles.

Energy consumption and reporting is gathered through the use of smart building hardware and data analytics to highlight opportunities to reduce energy consumption. The shut down of hotel plant and throughout the first lockdown period of 2020 in which the hotels were fully closed and during periods of low occupancy has contributed to reduced energy consumption during the year. The Company has also implemented a programme to ensure that newly built or refurbished hotels are operating as efficiently as possible in line with the design of the newly installed plant.

During the reporting period 1 January to 31 December 2020, measured Scope 1 and Scope 2 emissions (Location based) totalled 17,229tCO₂e. This comprised:

Scope – Emissions covered in the report	Total (tCO ₂ e)
Scope 1	9,321
Natural gas	9,292
Fuel for transport	21
Other fuels	8
Scope 2 - Location based	7,908
Electricity, heat	7,908
Total Scope 1 & 2 – location based	17,229
Scope 1 & 2 intensity per m ²	0.06tCO ₂ e/m ²
Scope 3	344
Business travel – reimbursed mileage or hire car fuel	344

Total fuel and electricity consumption amounted to 86,216 Mwh.

Energy consumption (MWh)	Reporting Period
Electricity	33,461
Fuels (1)	52,047
Heat (2)	708
Total energy consumption	86,216