

CORPORATE SOCIAL RESPONSIBILITY REPORT 2020

A. Tsokkos Hotels Public Limited



TSOKKOS
HOTELS & RESORTS
tsokkos.com

Table of Contents

1.Introduction.....	3
1.1.About the Report.....	3
1.2.Structure of the Report.....	4
1.3.Statement from the CEO.....	4
1.4.Our Commitment to Sustainability.....	8
1.5.Our response to Covid-19.....	12
2.General Disclosures.....	13
2.1.Our Business.....	13
2.2.Organisational Profile.....	14
2.2.1.Ownership and Legal Form.....	15
2.2.2.Scale of the Organisation.....	15
2.3.Supply Chain.....	15
2.3.1.Approach to stakeholder engagement.....	20
2.3.2.Selecting stakeholders.....	20
2.4.Strategy.....	21
2.5.Challenges and opportunities.....	22
2.6.Ethics and Integrity.....	24
2.6.1.Values, principles, standards, and norms of behaviour.....	24
2.6.2.Mechanisms for advice and concerns about ethics.....	25
2.7.Governance.....	26
2.7.1.Governance structure.....	26
2.7.2.Delegating authority.....	27
2.7.3.Conflicts of interest.....	28
2.7.4.Communicating critical concerns.....	28
2.7.5.Remuneration policy.....	28
2.7.6.Key topics and concerns raised.....	29
2.7.7.Entities included in the consolidated financial statements.....	30
2.7.8.Defining report content and topic Boundaries.....	30
3.Topic Specific Aspects.....	31
3.1.Economic.....	32
3.1.1.Economic Performance.....	32
3.1.2.Market Presence.....	33
3.1.3.Indirect Economic Impacts.....	33
3.1.4.Procurement Practices.....	34
3.2.Environmental.....	35
3.2.1.Energy.....	35
3.2.2.Water.....	36
3.3.Social.....	37
3.3.1.Employment.....	37
3.3.2.Occupational Health and Safety.....	38
3.3.3.Training and Education.....	40
3.3.4.Diversity and Equal Opportunity.....	40
3.3.5.Local Communities.....	41
3.3.6.Customer Health and Safety.....	41
3.3.7.Customer Privacy.....	42
4.Appendix.....	43
GRI Content Index.....	43

Our Corporate Social Responsibility (“CSR”) Report is addressed to the stakeholders of our Group and is intended to provide information on A. Tsokkos Hotels Public Limited (the “Group”, “Tsokkos Group”) and to present our approach to sustainable and responsible travel and tourism. We aim to communicate our stakeholders engagement and commitment and to meet our customers’ increasing demand for a more sustainable tourism experience.

CSR reporting allows our stakeholders to make informed decisions on our Group’s contribution to the goal of sustainable development and to assess the Group’s performance in the reporting period. In addition, the CSR Report presents our response to Covid-19, the impact of the pandemic to the operations of our Group and the actions taken in order to adapt to this situation. The CSR Report covers the period from 1 January to 31 December 2020 and is based on an annual reporting cycle. This is the fourth CSR Report issued by the Group. The CSR Reports are electronically available on the website of the Group (<https://www.tsokkos.com/company/>).

Through this Report our Group highlights the significant impacts on the economy, the environment and society, and discloses them in accordance to the requirements of the European Directive 2014/95/EU.

The Report has been prepared based on the Global Reporting Initiative’s Sustainability Reporting Guidelines (GRI Standards): Core option.

The Core option contains the essential elements for capturing the economic, environmental and social performance of the Group during the reporting period. The data presented in the report is complete, accurate and reliable, and reflects an unbiased picture of the Group’s performance over time. The GRI Content Index is available in the Appendix.

CSR reporting is our Group’s practice of reporting publicly on economic, environmental and social impacts, and a way to measure and manage the social, economic and environmental effects of our activities. This report helped us to identify areas for improvement in order to improve our service quality and mitigate any social and environmental impacts of our activities.

Your suggestions and comments regarding the Report are welcome. The contact point for any feedback regarding the Report and its contents appears below:

Chryso Tsokkou
Director
Email: ct@tsokkos.com

H.O. Address: Aiolias Tsokkou Building, Paralimni, 5292 Famagusta



The Report consists of three sections.

The first section refers to our commitment to sustainability, including references to our contribution to the Cyprus economy and to the society, our volunteering activity and environmental culture.

The second section provides general information on the Group, including the organisational profile, corporate governance, strategy, as well as challenges and opportunities raised during the reporting period.

The third section presents the topic-specific aspects disclosed in the Report, relating to the three pillars of the GRI Standards, Society, Environment and Economy.

1.3. STATEMENT FROM THE CEO

As one of the biggest hotel chains in Cyprus, we are committed to providing top-level standards of service and facilities, while adhering to the principles of sustainability, without compromising the experience we offer to our guests.

Undoubtedly, this was a challenging year for us and for the global community as a whole. The tourism industry faced unprecedented challenges during 2020 due to the global pandemic of the novel Coronavirus (Covid-19). The global pandemic caused huge impact to people's lives and communities and created high uncertainties for the future. As a response to Covid-19, we applied the necessary measures to protect our employees and our customers, and we are adapting to the new situation by keeping our high standards with a focus on hospitality and sustainability.

Considering these turbulent times of the global tourism industry, we adapted our strategy in order to face these challenges. Health and safety is our main concern throughout our supply chain and we do our best in order to create a safe and secure environment.

As we look to the future, we remain focused on our commitments to sustainable practices. Now more than ever before, we aim to mitigate our impact on the environment, the society and the economy, we commit to proceed with the necessary actions in order to apply our sustainability strategy, as analysed below.



It is the shared commitment of the management of Tsokkos Group to ensure optimal environmental management in its operation. Recognizing the impact of tourism on natural resource availability and climate change, we will work to ensure that Tsokkos Group incorporates energy saving devices where possible, ensure responsible waste management, avoid pollution, and encourage customers to respect and participate in the efforts to minimize the environmental impacts of the operation.

The primary goals related to environmental management are therefore as follows:

1 ELECTRICITY SUPPLY AND MANAGEMENT

Tsokkos Hotels will set target electricity consumption per guest night. Operationally, the hotels will undertake the following:

- *Ensure that all heavy and light equipment purchased in the future is rated as energy-efficient.*
- *Ensure all staff are trained as appropriate in energy conservation.*

2 ELECTRICAL SAVING INITIATIVES

Throughout the operation, Tsokkos Hotels will ensure optimal energy efficiencies, by undertaking the following during the next years:

- *Low energy light bulbs or LED lights will be used in all public areas, accommodations and back-of-house areas.*
- *Lights in public rest rooms, corridors, basements and staff areas will be equipped with infra-red motion sensors.*
- *Outdoor lighting will be controlled by light sensors and timers.*
- *All accommodation will feature flat screen TV's with low standby consumption (maximum 25 W/h) and low energy refrigerators.*

3 WATER SUPPLY AND MANAGEMENT

Tsokkos Hotels will further incorporate water saving devices and procedures to minimise overall water consumption. It will set target water consumption per guest night.

4 WASTE MANAGEMENT


Tsokkos Hotels will minimise solid waste production in all areas of the hotels, and encourage customers to join the recycling programme. Specifically, it will:

- *Purchase in bulk to avoid excess packaging.*
- *Minimise the use of paper and plastic for customers.*
- *Aim to recycle or compost all glass, paper, cardboard, oils, plastic and food waste.*

5 CHEMICAL USE

Wherever possible, the hotels will avoid the use of chemicals. It will ensure safe disposal of all chemicals that are in use, and work towards zero use within two years of operation.

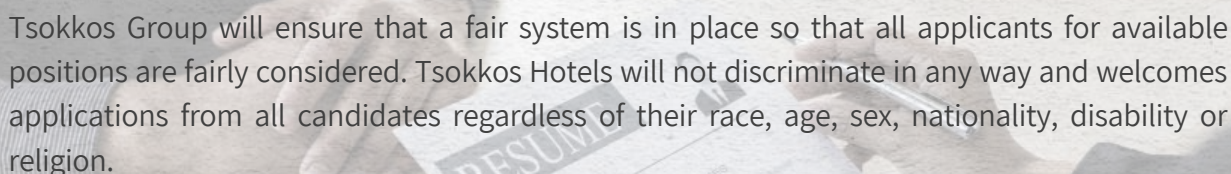
WRITTEN POLICY STATEMENT FOR HUMAN RESOURCE MANAGEMENT



It is the shared commitment of the management of Tsokkos Hotels to ensure that all our employees are afforded excellent possible working conditions at all times. We believe our employees are our greatest assets, and recognize our ethical as well as legal responsibilities to take care of them. We believe that by treating our employees well, they in turn will continue to take the very best care of our customers.

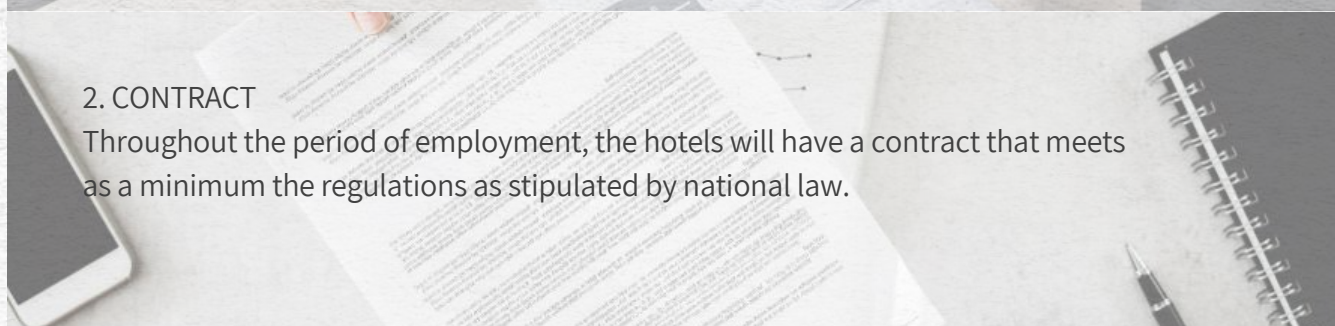
The primary goals therefore related to our human resource management are as follows:

1. RECRUITMENT



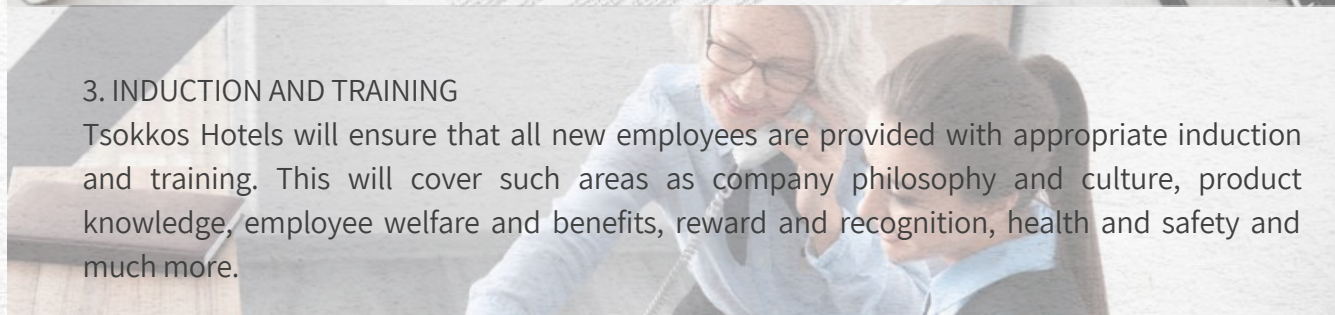
Tsokkos Group will ensure that a fair system is in place so that all applicants for available positions are fairly considered. Tsokkos Hotels will not discriminate in any way and welcomes applications from all candidates regardless of their race, age, sex, nationality, disability or religion.

2. CONTRACT



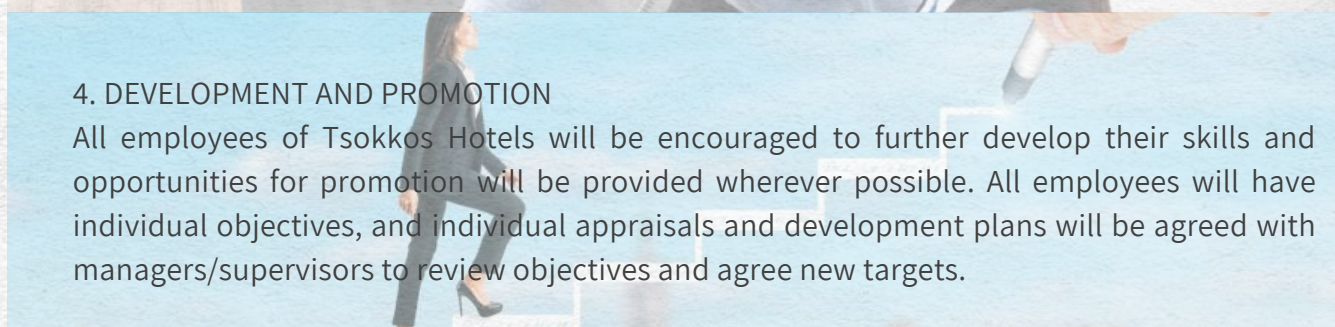
Throughout the period of employment, the hotels will have a contract that meets as a minimum the regulations as stipulated by national law.

3. INDUCTION AND TRAINING



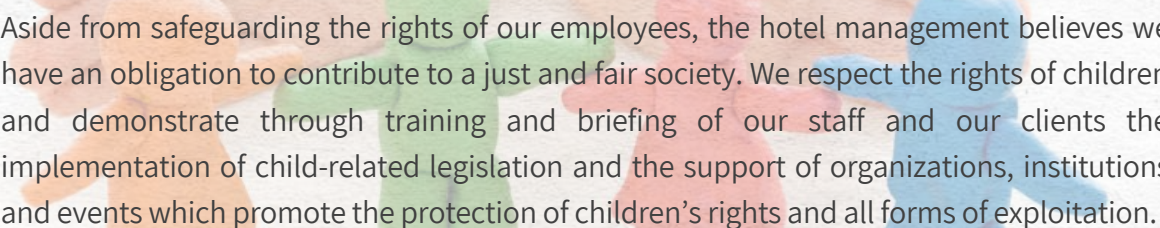
Tsokkos Hotels will ensure that all new employees are provided with appropriate induction and training. This will cover such areas as company philosophy and culture, product knowledge, employee welfare and benefits, reward and recognition, health and safety and much more.

4. DEVELOPMENT AND PROMOTION



All employees of Tsokkos Hotels will be encouraged to further develop their skills and opportunities for promotion will be provided wherever possible. All employees will have individual objectives, and individual appraisals and development plans will be agreed with managers/supervisors to review objectives and agree new targets.

5. PROTECTION OF RIGHTS



Aside from safeguarding the rights of our employees, the hotel management believes we have an obligation to contribute to a just and fair society. We respect the rights of children and demonstrate through training and briefing of our staff and our clients the implementation of child-related legislation and the support of organizations, institutions and events which promote the protection of children's rights and all forms of exploitation.

WRITTEN COMMUNITY POLICY STATEMENT

It is the commitment of Tsokkos Group to ensure attention is given to how its operations impact upon the local residential and business community. We will work to ensure that Tsokkos Group has positive social and economic impacts, and wherever possible minimize or eliminate instances of negative impacts.

The primary goals related to our Community Policy are therefore as follows:

1. PROMOTION OF RESPONSIBLE TOURISM IN THE AREA

Tsokkos Group is a member of:

- Cyprus Hotels Association (CHA): The CHA intends on the protection and promotion of the interests of the hoteliers as employers and as professionals, as well as on the upgrading and development of the hotel establishments in Cyprus and the improvement of the professional level of the hoteliers (<http://www.cyprushotelassociation.org/>).
- Famagusta Tourist Development and Promotion Company: Intends to promote local tourism both locally and internationally, and also intends to resolve any issues concerning tourist problems in the district.
- The Cyprus Chamber of Commerce and Industry (CCCI) and other forums.

We aim to ensure that through these forums we are able to promote and improve greater economic and social benefits for the residential and business community.

Tsokkos Group also works with local schools, colleges and upon request to provide familiarization tours and work experience opportunities. For non-competing local businesses, we also offer knowledge sharing and expertise.

2. PURCHASING

Whilst ensuring that quality of our product or commercial feasibility is not compromised, we aim to purchase and promote produce from the local area. This will help reduce CO2 emissions from transportation. Wherever possible, we always pay our suppliers on time within mutually agreed credit terms.

3. EMPLOYMENT

Tsokkos Group recognizes the importance of recruiting local people as employees, understanding that the majority of wages will therefore be spent locally, and providing secondary economic benefit to other businesses in the community. Additionally, it recognizes the long-term importance of local residents staying within the community, rather than having to seek employment elsewhere. We believe this policy helps preserve the vital community fabric that forms part of our unique hospitality product in Cyprus.

4. DONATIONS AND CHARITY

It is the policy of the Group that whenever items such as furniture or linen are no longer suitable for use within the hotel, it will offer these items to local organisations that may benefit from them (e.g. schools, local hospitals, community groups, care homes etc). The hotel also actively supports local charities in many different ways and also the local community by the provision of in-kind support, such as auction prizes, etc.

Tsokkos Group also frequently considers sponsorship of local sports teams and provision of meeting space at subsidised or no costs for local charities.

5. LOCAL CULTURE & TRADITION

Tsokkos Group regularly promotes local traditions and culture to its multinational guests so that we can ensure they have good knowledge of them. This is done by means of live presentation of local arts & crafts and by organised excursions to traditional villages, wineries, religious venues etc.

Anastasia Tsokkou
CEO

1.4. OUR COMMITMENT TO SUSTAINABILITY

We truly care for the environment and our society and we are committed to support the people who live and work in the local community. We are committed to the values of hospitality, social responsibility, ethical behaviour, reliability and we intend to follow fair operating practices. We respect our stakeholder interests and we aim to build long lasting relations with our customers by providing high quality services and making effort for continuous improvement. Acting responsibly contributes to the succession of our goals and is part of our strategy.

With this vision, we apply careful practices to the daily routine of our hotel units:



Step 01

We care for our people and we strive to be an employer of choice by providing a diverse workplace in which all employees are treated fairly and respectfully.



Step 02

We drive respect for human rights across our value chain through training, industry wide commitments, investment in local community and fostering a safe and inclusive working environment.



Step 03

We treat guests with respect and offer them high quality products and services which provide the best possible value.



Step 04

We aim to protect the natural resources under our influence and ensure that all potential environmental impacts of our operations are mitigated. More specifically, we aim to reduce the usage of resources through a constant monitoring of water and electricity. In addition, we invest in creating our guests' awareness and contribution towards the preservation and waste avoidance of water and energy.



Step 05

Our approach to risk management in operational planning, development of new hotel units, renovations or additions, intends to protect the environment and prevent any potential threats.



Step 06

We contribute to the social and economic development of the local communities, and we support local community members through the employment and purchase of local services and supplies, while we invest in high quality products produced locally.



Step 07

We commit to sustainability through the use of environmentally friendly operating practices and sustainable, recyclable and energy efficient activities.



Step 08

We embedded corporate social responsibility in the culture and the strategy of our Group and this provides us a strategic advantage in terms of quality and market presence.

This Report expresses our commitment to operate in an economically and environmentally sustainable manner in order to meet the interests of our stakeholders. Our main concern is to contribute in the Cyprus society, to Cyprus economy, to tourism industry, to local communities, to the environment, to our visitors and to our employees. Our focus is to embed our commitment to society and the environment across our business by establishing clear goals and shared accountability. Our activities are concentrated in providing support to families and people in need, as well as in the improvement of the quality of life through educational and prosperity-related activities.

Our activities are related to:



The Corporate Social Responsibility strategy of our Group is focused on the following pillars:

ECONOMIC - OUR CONTRIBUTIONS TO THE CYPRUS ECONOMY

Tourism industry occupies a dominant position in the Cyprus economy and our Group has a significant role in this industry. Our Group has contributed in the enhancement of Cyprus economy by supporting local suppliers and producers.

Our contribution not only has financial benefits for the economy, but also contributes in the development of local entrepreneurship and in the improvement of local production. In addition, our continuous effort for providing high quality services and our future plans for further expansion aim to satisfy visitors and also to attract new markets.

Our Group employs on average more than 1.100 people every year (on a permanent and temporary basis) and is considered to be one of the major employers in the Cyprus labor market. During this year, our operations were reduced, which radically affected the employment needs of our Group for this period. The average number of employees for 2020 was 532.

Our vision is to provide a diversified and desirable work environment and competitive employment conditions to our employees. Further, Tsokkos Group investments have strengthened considerably the whole economy of Cyprus.



Tsokkos Group has an active role in the local communities and aims to improve the quality of life through volunteering. Our Group contributes to the Society, by actively being involved in voluntary organisations and charity institutions, with training, funding, development and support work.

Our core action is related to the 'Center of Offering and Love Saint Christoforos' ("KEPA"). Our actions include the contribution in several activities and the provision of additional donations when necessary related to financial support, food, clothing, kitchen stuff and other raw material.

KEPA supports vulnerable groups of the population through the provision of catering, accommodation and caring, as well as through the operation of an elderly house and the support of third countries in need. We support KEPA since 2000 and our contribution has a valuable meaning for the operations of the organisation.

In conjunction with KEPA, Tsokkos Group employs people from vulnerable groups. This action supports their integration into society as well as to improve their lives and communication with other people.

Our social activity, includes the offering of an annual financial reward to excellent students of the area and the establishment of the annual award 'Tsokkos Business Award' which is offered to the best student of Economics in Xenion High School.

Tsokkos Group has a wide social contribution, including the provision of support to families and people in need, the provision of free accommodation to charity organisations, contributions to the 'Animal Assisted Activity', presentations to schools regarding the protection of the environment and organising volunteering activities.

ENVIRONMENT - ENVIRONMENTAL CULTURE

We aim to develop an environmental culture within our Group, in order to minimize the environmental impact of our activities. Our main focus is to introduce waste management practices, as relates to food, supplies, water and energy.

We aim to decrease the overall amount of waste produced in our hotels and we try to divert waste through recycling and other opportunities. The amount of waste produced by our hotels decreased during 2020 due to the impact of Covid-19. As we look to the future, we are seeking for innovative ways to continue to reduce waste.

Environmental responsibility and sustainable development are now our priorities and we are seeking on new sustainable solutions. More specifically, we are currently in the process to adopt several solutions including alternative energy sources, recycling etc.

In addition, we aim to raise awareness for the importance of environmental responsibility and to create an environmental culture among our employees and our key stakeholders, by focusing on:

- Waste management practices
- Conserving energy
- Embracing renewable energy
- Reducing water consumption
- Recycling



OUR AIMS AND OBJECTIVES

Our ambition is to deliver a positive economic, social and environmental impact and our objective is to develop a long-term vision and strategy for sustainable activities. First, we should identify potential CSR activities and create an overview of activities to be undertaken in order to mitigate the social, economic and environmental impact of our Group's activities.

In the following, we should establish mechanism for the implementation and monitoring of the status of our Group's CSR activities. Care for sustainability means constant monitoring and improvements.

New developments on how environmental sustainability is perceived are gradually emerging (e.g. climate change) and will be incorporated into the sustainability strategy of the Group. Our stakeholders' contribution with new ideas is valuable and is always considered.

1.5.OUR RESPONSE TO COVID-19

As a response to Covid-19, our Group took the necessary measures to protect our employees and our customers and provide a safe and secure environment. We are closely monitoring the guidelines provided by the Ministry of Health and we adapt our practices as necessary with no delay in order to take care of our people.

ACTION PLAN

We established an action plan with the necessary actions to be taken, including the encouragement of cleaning hands and the use of hand sanitisers which are available at key places, wearing face masks, physical distancing, temperature check, register visitors' name, undergo Covid-19 testing, etc.



WORK FROM HOME

We also introduced the work from home option for our employees, where applicable, especially for the employees relating to vulnerable persons.

CLEANING PROTOCOLS

We introduced cleaning protocols in order to safeguard the hygiene in all premises and minimize the risk of contagion



We are committed to provide a clean and safe environment for our people by keeping high hygiene and hospitality standards.



COVID -19
CORONAVIRUS

2. GENERAL DISCLOSURES

2.1. OUR BUSINESS

A. Tsokkos Hotels Public Limited (the “Group”, the “Company”, “Tsokkos Group”) is the largest hotel chain in Cyprus with 28 hotels and hotel apartments. The Company was founded in 1981 by the present Chairman, Mr. Andreas Tsokkos, and the present Managing Director, Mrs. Anastasia Tsokkou.

Initially, the Group’s activities were limited to the construction of hotel units in Famagusta and their leasing to third parties. In 1983, the Company undertook the management of its hotel units and focused on further development through the acquisition of 4* and 3* hotel units in Protaras, Ayia Napa and Paphos.

Today, the Group has a leading position in the tourism and hotel industry, and it is Cyprus' largest hotel chain with the ownership and administration of 28 hotel units and hotel apartments in Protaras, Ayia Napa, Paphos and Sharm el Sheikh (the hotel unit in Sharm el Sheikh is closed since 2014).

The Company has a quality portfolio, prime beachfront locations, loyal customers, pioneer projects and strategically invest and renovate its properties.

The Group counts more than 35 years of presence in the Cyprus tourism market, while it has a significant contribution in the development and upgrade of the Cyprus tourism industry, as well as in the promotion of Cyprus as an attractive tourist destination. It is a public company listed in the main market of Cyprus Stock Exchange and widely recognised as the leader in the Cyprus hotel sector by having a market share of 10%.

During the latest years, the Group has focused on bigger hotel units with high standards. The Group is driven by the vision for continuous development, improvement and upgrade of the services provided to customers. Each hotel unit has a unique atmosphere promising to provide quality holidays, relaxing time, characterised by hospitality and professionalism.

The main activities of the Group rely on Tour Operators who are responsible for the biggest volume of accommodations of customers from abroad. Tsokkos hotels also accept a high volume of individual bookings either from the local areas or from other countries.

Also, the Group operates in the land development industry. Our Group’s construction company developed hotels, tourist apartments, luxury houses and contemporary residential apartments in prime beachfront locations. The key of success is the adoption of the Group culture with common values and behavior rules, highlighted by integrity, ethos and personal commitment.



2.2. ORGANISATIONAL PROFILE

HOTEL UNITS

Tsokkos hotels operate in high standards and wish to provide high quality holidays in Cyprus. Tsokkos Group has 28 hotels in Protaras, Ayia Napa and Paphos.



King Evelthon Beach Resort, Paphos



Ascot Coral Beach Hotel, Paphos



Dome Beach Hotel & Resort, Ayia Napa



Anmaria Beach Hotel, Ayia Napa



Tsokkos Paradise Village, Ayia Napa



Napa Tsokkos Hotel, Ayia Napa



Tsokkos Holiday Hotel Apartments, Ayia Napa



Maria Hotel Apartments, Ayia Napa



Constantinos The Great Beach Hotel, Protaras



Vrissiana Beach Hotel, Protaras



Iliada Beach Hotel, Protaras



Tsokkos Protaras Hotel, Protaras



Anastasia Beach Hotel, Protaras



Tsokkos Gardens Hotel, Protaras



Iliada Beach Hotel, Protaras



Silver Sands Beach Hotel, Protaras



Antigoni Hotel, Protaras



Polycarpia Hotel, Protaras



Constantinos The Great Hotel Apartments, Protaras



Tsokkos Garden Hotel Apartments, Protaras



Tsokkos Sun Gardens Hotel Apartments, Protaras



Antigoni Hotel Apartments, Protaras



Marlita Hotel Apartments, Protaras



Papantonia Hotel Apartments, Protaras



Athena Beach Villas, Protaras



Anastasia Hotel Apartments, Protaras



Polycarpia Hotel Apartments, Protaras



Chrysomare Beach Hotel & Resort, Ayia Napa
* The hotel will open in 2022.

2.2.1. OWNERSHIP AND LEGAL FORM

The Group was founded in 1981 and since incorporation was guided by Tsokkos family. In 2000, Tsokkos Group was listed on the Cyprus Stock Exchange (“CSE”) and has an issued share capital of 251.200.000 shares. In 2004, Tsokkos Group was listed in the Main Market of the CSE and in the FTSE/CySE 20 index.

2.2.2. SCALE OF THE ORGANISATION

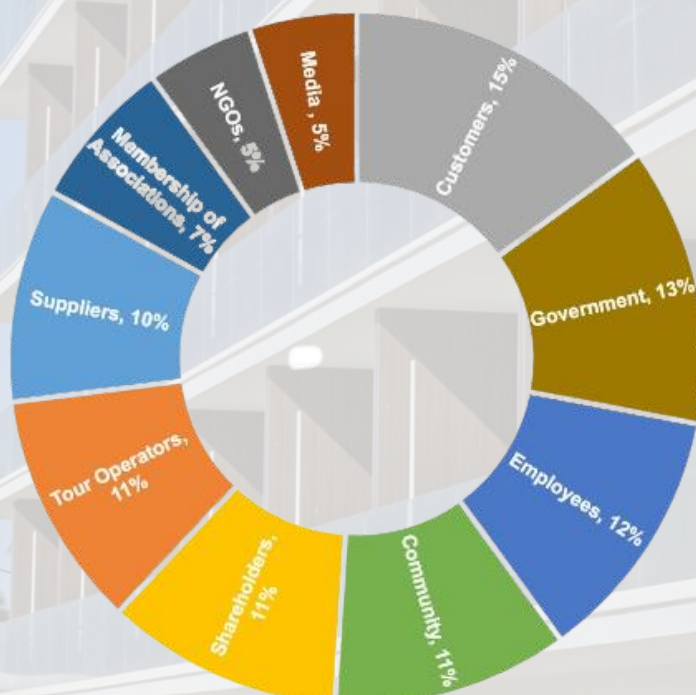
Currently, Tsokkos Group operates 28 properties in Cyprus and their availability exceeds 3.570 rooms (more than 9.500 hotel beds). The main development of the Group, during the reporting period, is the construction of a five star hotel in Ayia Napa, Chrysomare Beach Hotel, which is planned to open during 2022.



2.3. SUPPLY CHAIN

Supply chain mapping is important for us in order to identify our main corporate social responsibility stakeholders. We engage closely with our stakeholders and encourage our business partners to adopt their own sustainable practices.

We aim to establish long term relationship with our stakeholders, who have a significant contribution to the value chain of the Group. The key stakeholders of the Group were identified through the value chain mapping exercise, and these are presented below along with their indicative significance for the Group.



SUPPLIERS

Our Group aims to build long-lasting cooperation with our suppliers and service providers. We prioritise and we invest in high quality products and services and we significantly support our local suppliers and our local community. Specifically, 87% of our suppliers and service providers are located in our local community.

Tsokkos hotels mainly procure from local suppliers, who have a central position in the supply chain of the Group. Key procurement categories include food and beverage, furniture, equipment, maintenance and construction services, corporate, consulting services, etc. We carefully select our suppliers following transparent procedures and we continuously assess their performance.

During the reporting period, our suppliers were exclusively located in Cyprus. The decrease of our operations due to the global pandemic was reflected on our expenses/ purchases which also decreased.

As we look into the future, we aim to continue our long lasting relations with our suppliers with main focus on quality and sustainability. We share our ambition on green economy with our suppliers and we encourage them to introduce sustainable practices in order to monitor and control their impact on the environment, society and economy.

TOUR OPERATORS

Tour Operators also contribute significantly in the supply chain of the Group. Our Group collaborates with more than 30 Tour Operators, both locally and internationally. Throughout the years, we have created important relationships with our Tour Operators who have a central role in our Group's operations.

Tour operators have an effective contribution:

- Our promotion abroad.
- In meeting the goals of sustainable tourism development.
- Protecting the environmental and cultural resources on which we rely on for meeting our high quality standards.
- For future growth.

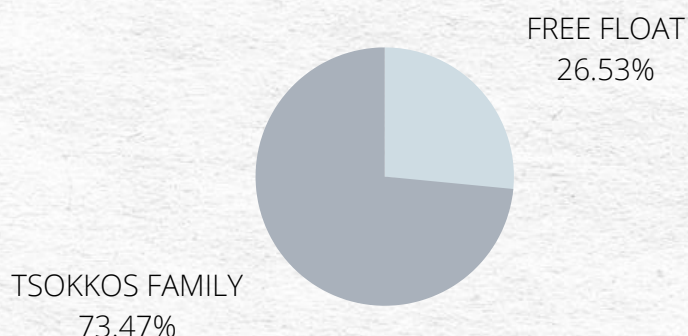
CUSTOMERS

Services are delivered to customers, who consist the most important part of the supply chain. We deliver customer-oriented services and we aim not only to meet but also to exceed the expectations and the needs of our customers. In this way, we aim to create loyalty for our Group and to build and maintain long term relationships with our customers.

Our customers mainly come from UK, Russia, and other destinations including Slovakia and Poland. We also welcome a lot of locals every year.

SHAREHOLDERS

Shareholder structure:



EMPLOYEES

Tsokkos Group contributes to the Cyprus economy as one of the biggest employers and is sensitive to issues of equal opportunities and respect of human rights. In 2020, the Group employed on average 532 employees, out of whom 314 are permanent and 218 are temporary mostly for the summer season from April to October.

Taking into consideration the seasonality of the tourism industry, the average number of employees per year was calculated based on the total days worked as per the payroll reports. The total days were divided by 365 by the opening days of each hotel, in order to calculate the average number of employees.

Tsokkos Group also maintains collective bargain agreements with Pancyprrian Federation of Labour (PEO) and Confederation of Cyprus Employees (SEK).

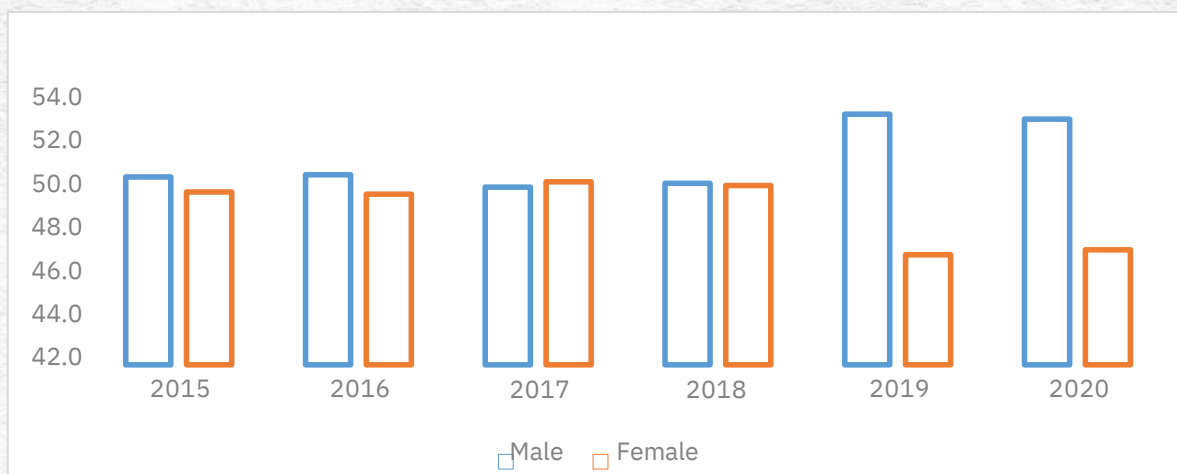
The total number of employees for 2020 is significantly lower than the previous years (This is also reflected on the table below). During the reporting period, the operations and the turnover of our Group decreased due to the pandemic of Covid-19, which directly affected the employment needs of our hotels.

The decrease relates to the employment of temporary employees who usually support the operations of our hotels during the high season period. Due to travel restrictions and low accommodation bookings, our hotels were under-operating and/ or remained closed.



EMPLOYEES

The table provides information on employees for the last six years, distinguished by gender and by region. The analysis by gender is also illustrated in the graph below.



Year	Category	2015	2016	2017	2018	2019	2020
Average number of employees							
Permanent		420	349	310	291	320	314
Temporary		515	637	848	838	864	218
Total Number of employees		935	986	1.158	1.129	1.184	532
Gender (%)		%	%	%	%		
Male		50,33	50,43	49,88	50,05	53,12	52,9
Female		49,67	49,57	50,12	49,95	46,88	47,1
Region							
Paphos	Permanent	126	123	94	92	106	104
	Temporary	78	134	189	178	177	33
		204	257	283	270	283	137
Ayia Napa	Permanent	110	90	84	70	73	47
	Temporary	99	137	173	157	165	30
		209	227	257	227	238	77
Protaras	Permanent	184	136	132	129	140	163
	Temporary	338	366	486	503	523	155
		522	502	618	632	663	318

COMMUNITY

As a Group, we support local community members through the employment and purchase of local services and supplies, while we invest in high quality products produced locally.

In addition, we have an ongoing interaction with the local community through our volunteering activities and donations.

MEMBERSHIP OF ASSOCIATIONS

Tsokkos Group is an active member in important Associations in Cyprus which deal with the promotion and the development of the hotel industry.

Cypriot Chamber of Commerce and Industry (CCCI): The CCCI is the union of Cypriot businessmen, the interests of whom it promotes by submitting to the government and the Parliament the members' positions on matters in which they are involved (<http://www.ccci.org.cy/>).

Cyprus Hotels Association (CHA): The CHA intends on the protection and promotion of the interests of the hoteliers as employers and as professionals, as well as on the upgrading and development of the hotel establishments in Cyprus and the improvement of the professional level of the hoteliers (<http://www.cyprushotelassociation.org/>).

Famagusta Tourist Development and Promotion Company: Intends to promote local tourism both locally and internationally, and also intends to resolve any issues concerning tourist problems in the district.

Additionally, Tsokkos Group implements cooperation agreements with important associations regarding the employment of local or international students for training and the employment of unemployed people through government subsidised programmes.

Higher Hotel Institute of Cyprus (HHIC): (www.mlsi.gov.cy/mlsi/hhic/hhic.nsf/)

International Universities through 'Erasmus' programmes

Cyprus University of Technology (<https://www.cut.ac.cy/faculties/fme/htm/>)

Human Resources Development Authority of Cyprus (HRDA): (<http://www.hrdauth.org.cy/>)

Department of Labour: Programme for Employment Incentives: (<http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/>)

MEDIA

Media provides a communication channel with stakeholders, while digital media provides the possibility for interaction between the Group and customers, and provides information on our Company and our hotel units.

NON-GOVERNMENTAL ORGANISATIONS

As a Group, we contribute to the actions of several non-governmental organizations through sponsorships and volunteering.

No significant changes took place in the supply chain and in the operations of the Group during the latest years.

GOVERNMENT

The Government of the Republic of Cyprus is an important stakeholder for us, as it is the overarching entity that monitors the regulatory framework which we are governed and our reporting is based (including financial reporting, non-financial reporting, labour laws, health and safety including the Covid-19 measures imposed, environmental regulations etc.), and it also provides access to public funding.

The role of government as a key stakeholder in our supply chain was significantly increased during the reporting period, due to the Covid-19 outbreak and the subsequent impact in the global tourism business.

More specifically, the government provided significant financial support to the hotel business in Cyprus as a response to the dramatic shrinkage of the sector's turnover.

The Cyprus economy is highly depended on tourism and was significantly affected by the immense decline in tourist arrivals during the 2020 high season. The Government had a significant role in these times by providing support to the tourism industry in order to be able to minimize their losses.

2.3.1. APPROACH TO STAKEHOLDER ENGAGEMENT

We intend to build long term relations with our stakeholders and we respect their interests. Stakeholders have a significant contribution to the value chain of Tsokkos Group and we intend to gain their trust and increase their engagement.

We pay high attention to the adequacy of customer satisfaction, which can provide information on the degree to which the organisation considers the needs of stakeholders. Tour operators provide questionnaires to customers and the final scoring is provided to Tsokkos hotels as a feedback for the assessment of their accommodation.

In addition, suppliers are communicating on a daily basis with the purchasing department and provide their feedback in respect to satisfaction for the business communication.

2.3.2. SELECTING STAKEHOLDERS

Stakeholders have an important contribution to the operations of our Companies and for this reason we pay high attention to the selection of our stakeholders.

Our criteria for selecting our stakeholders include the assessment of their experience in the market and their reliability as well as their going concern. Based on the needs of our Group, we prioritise our stakeholders also based on any previous collaboration. Further, we prioritise local suppliers, intending to support the local communities and the local economy.

2.4.STRATEGY

Tsokkos Group seeks to meaningfully support inclusive economic growth through sustainability and social impact initiatives. We are focused on creating programs and opportunities that not only benefit our communities, but also strengthen our business and demonstrate how responsible hotel management creates economic opportunities and contributes to the development of local communities. Our operations are based on the respect of the environment and the society, and we draw high attention on health, security, quality and energy management.

Our future strategic goals include the following:



DEVELOP FURTHER THE
EXCELLENT BUSINESS
RELATIONSHIP
MAINTAINED WITH THE
BIGGEST RUSSIAN AND
EUROPEAN TOUR
OPERATORS.



FURTHER ESTABLISHMENT
OF THE GROUP AS THE
FIRST CHOICE OF CYPRIOTS
FOR INLAND TOURISM.



CONTINUOUS UPGRADE OF THE
QUALITY OF TOURIST PRODUCTS
OFFERED BY THE GROUP.

THIS IS ACHIEVED THROUGH
CONTINUOUS RENOVATION OF
OUR HOTEL UNITS AND FURTHER
IMPROVEMENT OF THE QUALITY
OF OUR SERVICES.



CONTROL THE COST OF
OUR OPERATIONS
WITHOUT REDUCING
THE LEVEL AND THE
QUALITY OF SERVICES
PROVIDED.

ENERGY AND WATER
CONSUMPTION ARE
EMERGING TOPICS
WHICH SEIZE OUR
ATTENTION AND WE
INVESTIGATE METHODS
TO MEASURE AND
MITIGATE OUR
CONSUMPTION.



FURTHER EXPANSIONS AND
UPGRADE OF THE EXISTING HOTEL
UNITS.

WE AIM TO PROVIDE HIGH
QUALITY SERVICES AND TO
PROMOTE SUSTAINABLE TOURISM.
THEREFORE, WE CONTINUOUSLY
SEEK FOR NEW AND INNOVATIVE
DEVELOPMENT OPPORTUNITIES
WITH SUSTAINABLE SOLUTIONS.

2.5. CHALLENGES AND OPPORTUNITIES

Our Group actively measures and manages key risk impacts from activities. Main risk areas identified during the previous years are mentioned below:

CHALLENGES

Covid-19 was the biggest challenge we ever had to face as a Group. The global pandemic significantly affected the operations of our Group, which are directly linked to tourism and travel. Our turnover was significantly decreased during the reporting period which was characterized by high uncertainty. As a response to Covid-19, we applied the necessary measures in order to create a safe and secure environment for our stakeholders.

International tourism trends affect our operations, which are highly depended on tourism fluctuations in Cyprus. Geopolitical tensions in the Eastern Mediterranean may negatively affect the tourism industry in Cyprus and hence the operations of our Group. In addition, high competition in both global and local markets may also affect tourism. All of the above, highlight the need for sustainable tourism.

Brexit may also negatively affect tourist arrivals in Cyprus, since a significant percentage of repetitive tourist arrivals originates from the United Kingdom. Brexit may create various challenges for UK tourists, such as exchange rate fluctuations and increased travelling fees. These problems may discourage UK tourists to visit Cyprus and they may seek for alternative, cost efficient destinations. Our Group has close communication with Tour Operators regarding this issue and we are going to apply the necessary actions in order to mitigate the risk. Currently, no reduction was identified in the arrivals from UK during the reporting period.

Tsokkos Group operates in a high competitive market and faces high market risk. Our hotels operate in high standards and we continuously seek for further development and improvement of our services in order to meet our customers' needs and keep our leading position in Cyprus tourism and hotel industry.

Climate change and the continuous drought periods in Cyprus consist significant concerns to the local community and of course, our Group. Tsokkos hotels' operations depend to a high extend on energy and water consumption, which consist emerging topics for our Group. We make intensive efforts to mitigate our consumption and adopt an environmental protective culture without reducing the quality of our services.

Credit risk consists another important risk for Tsokkos Group caused by stakeholders' weaknesses to settle their obligations, which directly affects our liquidity. Tsokkos Group intends to mitigate credit risk, by reassessing the reliability of its stakeholders upon their history and applying monitoring procedures for receivables.

OPPORTUNITIES

The forecasts for increasing tourist arrivals provide an opportunity for further development for our Group. Our plans include renovation and upgrade of our hotel units and the opening of the new high standard hotel in Ayia Napa (Chrysomare Beach Hotel & Resort) in 2022, which promises to be a strategic position in the following years after the construction of Ayia Napa Marina.



Ayia Napa is a promising area which will bust tourism and develop opportunities for further development in the area.

Tourist influx is also expected to increase for the low season periods, i.e. during the months between November to March, which provides a growth opportunity for our Group. Year after year, more tourists visit Cyprus in low season periods. Our Group takes advantage of these opportunities and plans to provide all year long accommodation in specific hotel units.

Tourism preferences tend to change throughout the years. Relaxing and sunny holidays by the sea were traditionally the main reasons for visiting Cyprus. Nowadays, apart from the traditional tourism products, visitors seek for alternative types of tourism, including wellness, sports, business and cultural tourism. Our Group proceeds to the relevant actions in order to meet the visitors' needs. In this respect, most of our hotel units provide spa services, gym and conference rooms, amongst other facilities. Tsokkos Group contributes to the development and promotion of Cyprus as an attractive tourist destination and aims to remain preferable for both local and international customers.



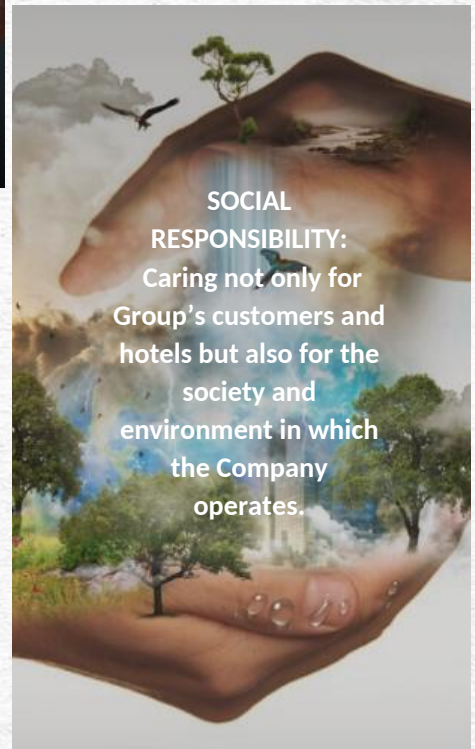
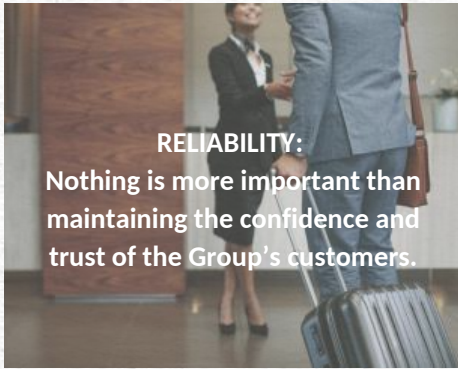
As a Group, we aim to minimize the environmental impact of our activities and develop an environmental culture within our Group. Our commitment to green economy and sustainable development guides us to utilize the green financing opportunities announced by the Government from time to time.

2.6. ETHICS AND INTEGRITY

2.6.1. VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOUR

VALUES

Our core values are incorporated in the culture of our Group, and provide the fundamentals for our success. Our general approach is concentrated in the compliance with legislation, respect for human rights and commitment to environmental protection.



NORMS OF BEHAVIOR

Everyone involved in the Company's operations is responsible to behave according to the Code of Conduct and our Values. This contributes to the success and the excellent reputation of the complex and its services.



2.6.2.MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS

CONTINUOUS IMPROVEMENT
Achieve higher results. As a

We respect for the privacy and confidentiality of the personal identities of the employees. Preservation and processing only of the personal data that is necessary for the effective functioning of the Group and compliance with the applicable law.

Compliance with the applicable law and making constant efforts for the improvement of policies related to workforce's safety and health by offering appropriate education to our employees.

Respect and commit to protect secrecy, protect the confidentiality of information and secure data or trade secrets that customers, suppliers or other partners entrust to the Company.

Commitment to secure that the Company's activities are conducted within the framework of fair competition and in accordance with the relevant legislation.

All transactions conducted by the Company, should take place in a legal and ethical manner, according to the applicable law and internal rules of the Company.

Responsibility that all documents are clear, accurate, correct and that do not include false information, as they form the basis for the management of Company's operating activities and the fulfillment of the obligations towards the Company.

Compliance with legal and statutory requirements is a prerequisite for maintaining the authorisation of the hotels.



Tsokkos Board of Directors (“BoD”) is the highest governance body and is responsible for controlling and overseeing the entire Group. They are responsible for goal development, strategic planning, policies, and make decisions on the future direction of the Company.

BOARD OF DIRECTORS

- Chairperson: Andreas Tsokkos
- Managing Director: Anastasia Tsokkou
- Executive Director: George Tsokkos
- Executive Director: Chryso Tsokkou
- Executive Director: Maria Tsokkou
- Independent Non-Executive Director: Nestoras Kyriakides
- Independent Non-Executive Director: Constantinos Schizas
- Independent Non-Executive Director: George Hadjiyiannis
- Independent Non-Executive Director: Thanasis Stavroulis

Mr. Andreas Tsokkos is an Executive Director and the Chairman of the BoD. Mr. Andreas Tsokkos was the founder of Tsokkos Group and has a leading position in the Company.

BOARD COMMITTEES

Board committees meet according to their task, and as specified in their terms of reference and they are made up of a sub-selection of board members. The BoD has established the following Committees:



SELECTION OF THE BOD

The selection of the highest governance body, the BoD, is based on criteria of personal qualifications such as background experience, technical skills and personal characteristics, including personal integrity and judgement.

Our principles highlight the importance of independence, equality and diversity. The BoD consisted of professionals and included four independent non-executive directors and three executive directors (excluding the Managing Director and the Chairman).

ROLES AND RESPONSIBILITIES OF THE BOD

The BoD is responsible for decision and policy making. By reviewing and evaluating present and future opportunities, threats and risks in the external environment, the BoD establish the strategic direction, the vision and the values of the Company.

EVALUATION OF THE BOD

The BoD and the Committees perform an informal evaluation of their performance on an annual basis. The Directors are asked to assess the effectiveness of the BoD and the establishment of the objectives settled, and recommend changes where necessary.

2.7.2.DELEGATING AUTHORITY

Tsokkos Group deals with economic, environmental, and social issues with high concern. The BoD is responsible to handle any emerging issues and take decisions on their resolving.

We follow an upside – down approach for resolving any critical issues. The BoD inform the Hotel Operation Managers and the Head of the departments on the decisions taken, who in turn inform lower level employees regarding economic, environmental, and social issues.

Hence, the lower level employees are responsible to acknowledge the senior executives on any issues arise, so that the BoD is able to handle accordingly.

The BoD is responsible to deal with economic, environmental and social issues in consultation with stakeholders. Measures are taken to continuously develop and enhance the BoD's collective knowledge on economic, environmental, and social topics, through face to face discussions, conference calls, meetings and emails as feasible and in accordance to the importance of each case.



2.7.3.CONFLICTS OF INTEREST

Conflicts of interest arising from any personal, economic or political activities, are not accepted in our Group and each one of our managers or employees is expected to act in the best interest for Tsokkos Group.

Our Code of Conduct defines the main areas that may lead to conflict of interest and suggests how to deal with such cases that may create conflicts of interest:

- Family Members
- Secondary Employment
- Investments
- Use of the Group's premises for personal benefit

2.7.4.COMMUNICATING CRITICAL CONCERNS

Critical concerns are communicated to the CEO by the Operational Managers and the Head of Departments. In case of a top critical issue, the CEO informs the BoD in order to settle accordingly.

2.7.5.REMUNERATION POLICY

Tsokkos Group offers a remuneration package in line with the local standards and with the labour market conditions in order to be a competitive employer. Market research is conducted in order to gather information on the market remuneration level and develop a competitive remuneration policy.

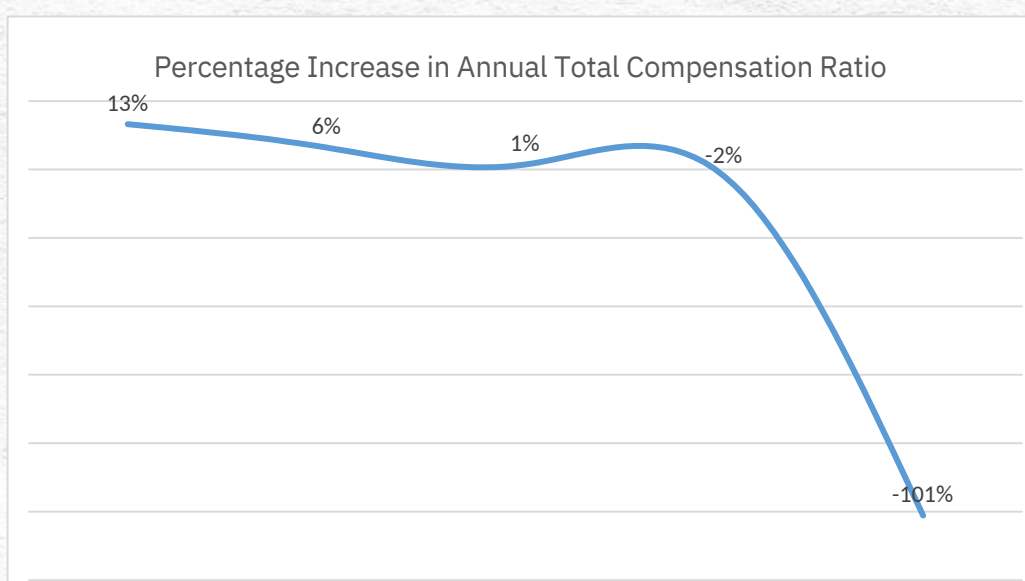
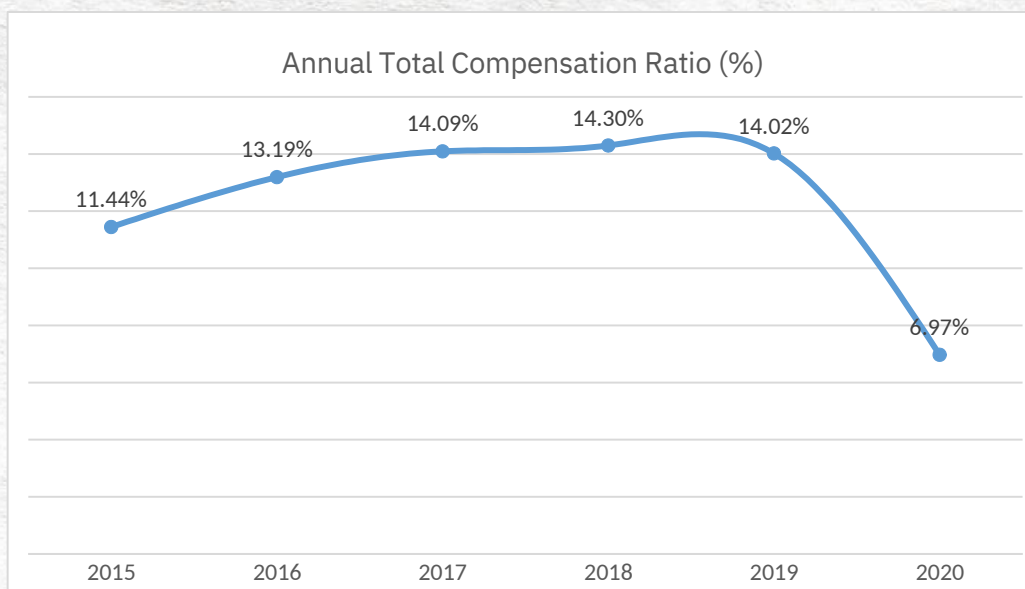
The first figure below presents the ratio of the annual total compensation for the Company's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).

The second figure presents the ratio of the percentage increase in annual total compensation for the Company's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).

An important increase in the annual total compensation for all employees took place in 2016, while a lower percentage increase took place in 2017 and 2018 respectively, and a slight decrease in 2019. A sharp decrease was observed in 2020, due to the decrease of payroll cost (as a result of the decrease of the total number of employees). The chart reveals a reducing trend of the variance among the highest to the average employees' salaries.

The remuneration policy of our Group reflects transparency and integrity values, while the Company's employees are valuable and are equally treated. Fair and responsible remuneration policy contributes to the positive spirit and team working of our Group.

The Remuneration Committee is responsible for determining, assessing and monitoring the remuneration policy on behalf of the BoD. Further, the Committee is responsible for determining the criteria to be used in remuneration policy in connection with the evaluation of the Company's and members' performance.



2.7.6.KEY TOPICS AND CONCERNS RAISED



Understanding the needs of our stakeholders is important for the development of our strategy, sustainability, social impact and reporting.

To develop the CSR Report we interviewed executives and hosted workshops in order to gather the required information.

We also conducted the supply chain mapping exercise in order to identify our key stakeholders and a materiality assessment in order to address the GRI Disclosures in respect of the economic, environmental and social pillars.

2.7.7. ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Tsokkos Group Consolidated financial statements include the subsidiaries of the Group as depicted below.

A. Tsokkos Hotels Public Ltd	Zebalos Enterprises Ltd	King Evelthon Hotel Ltd
Andreas Tsokkos & Co (Cleopatra)	Rock Amour Estate Company Ltd	Annmaria Hotel Ltd
A. Tsokkos Properties and Leisure Ltd	Odessa Hotels Ltd	Tsokkos Dreams Hotels Ltd
Tsovaco Hotels Ltd	Medis Developments Ltd	Tsokkos Gardens Hotel Ltd
Savoy Properties Limited	Betraco Ltd	Tsokkos Mare Hotel Ltd
C.A. Holdings Limited	Islandwide Hotel Enterprises Ltd	Tsokkos Protaras Hotel Ltd
Meandros Hotel Apt Ltd	A Tsokkos Paradise Ltd	Tsokkos Holdings Ltd
Dome Investments Public Company Ltd	Diomedes Hotels Ltd	Vikarta Ltd
Graicias Holdings Ltd	A.Tsokkos Developers Ltd	Anastasia Tsokkou Estates Ltd
M.C. (Greece Accommodation Direct) Ltd	Abella Cambus Ltd	A.C.C. Hadjichristou Bros Ltd

2.7.8. DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

Our CSR Report has been prepared in accordance to the new GRI Standards and follows the Reporting Guidelines as defined by the GRI.

The preparation of the CSR Report includes the development of our materiality assessment, which included interviews and workshops with representatives of Tsokkos Group Departments who provided qualitative and quantitative information on the operations of the Group.

The goal of the assessment was to address the most important topic specific disclosures reflecting Tsokkos Group operations in respect to economic, environmental and social aspects. In addition, the materiality assessment intends to ensure that Tsokkos Group addresses the right sustainability and social impact topics, as well as to identify how we can continue improving our sustainability and social impact strategies.

The topic-specific disclosures reflect the outcome of our materiality assessment. The first section of the report refers to our commitment to sustainability. The second section of the report presents the general information of the Group, whilst the third part concentrates on the topic-specific disclosures as applicable for Tsokkos Group.

3. TOPIC SPECIFIC ASPECTS

MATERIALITY ASSESSMENT

The materiality assessment was performed to identify and prioritise the material aspects related to our activities in respect to economic, environmental and social perspectives. We base our corporate social responsibility strategy on our understanding of the most important issues for the business and our stakeholders, which are determined through the materiality assessment exercise. Based on the materiality assessment conducted, we concluded in the most material aspects related to the activity of the Group.

Materiality is determined through the evaluation of the importance of economic, environmental and social aspects, in order to prioritise the various topic specific aspects and identify the most material ones we should focus and report on.

The materiality assessment and the topic specific aspects analysed below are aligned to the GRI Standards (GRI 200 – Economic, GRI 300 – Environmental, GRI 400 – Social). The chart below presents the most material topic specific aspects selected, in relation to the importance to stakeholders and the importance to business, and these are further analysed in Section 3 (Topic Specific Aspects).

The following topic specific aspects are assessed to be the most material aspects for the reporting period:



Materiality Assessment



- | | |
|---|------------------------------------|
| 1 Customer Health and Safety (GRI 416) | 8 Economic Performance (GRI 201) |
| 2 Occupational Health and Safety (GRI 403) | 9 Training and Education (GRI 404) |
| 3 Indirect Economic Impacts (GRI 203) | 10 Customer Privacy (GRI 418) |
| 4 Energy (GRI 302) | 11 Market Presence (GRI 202) |
| 5 Water (GRI 303) | 12 Employment (GRI 401) |
| 6 Local Communities (GRI 413) | 13 Procurement Practices (GRI 204) |
| 7 Diversity and Equal Opportunity (GRI 405) | |

3.1.ECONOMIC

3.1.1.ECONOMIC PERFORMANCE

Disclosure 201-1: Direct economic value generated and distributed. An organisation calculates revenues as net sales plus revenues from financial investments and sales of assets.

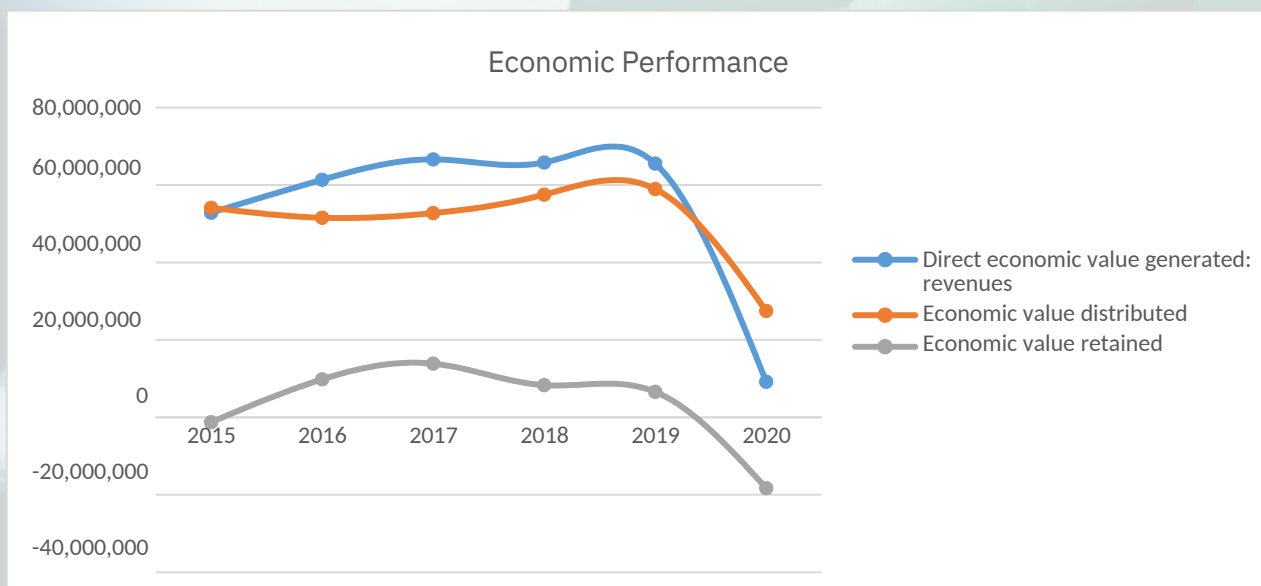
The degree of economic performance is valued to a considerable extent in our Group, as it is a significant point of interest for our stakeholders. It is important to maintain a strong positive economic performance, managing successfully the units under operation, generating growth and ensuring that stakeholders are satisfied related to their investments associated with Tsokkos Group.

Our Group remains strong as a result of skilled management teams, dedicated associates and quality customer service. We continue to invest in our hotel units by means of new renovated properties aiming to exceed our customers' expectations.

Tsokkos Group's economic performance is measured by the direct economic value generated including:

1. Direct economic value generated (revenues).
2. Economic value distributed, including operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.
3. Economic value retained calculated by direct economic value generated less economic value distributed.

Tsokkos Group had a positive economic performance during the previous years and stimulated a rising profitability and increasing economic value distributed to stakeholders. A material decrease took place during 2020, due to the impact of the Covid-19 which significantly affected the operations and the turnover of the Group.



3.1.2.MARKET PRESENCE

- Disclosure 202-2: Proportion of senior management hired from the local community.

Having a strong market presence is important for our Group since it is linked to growing reputation and stability. Market Presence is measured by the proportion of senior management hired from the local community, including employees either born or who have the legal right to reside in the same geographic market as the operation.

The geographical definition of local includes the community surrounding operations. Including members from the local community in an organisation's senior management demonstrates the organisation's positive market presence. Including local community members in the management team enhances human capital and increases the economic benefit to the local community by improving the Company's ability to understand local needs.

Tsokkos Group has an important Market Presence in the local area based on the proportion of senior management hired from the local community. Additionally, a high proportion of our employees are hired from the local community.

Directors	Number	%
Local Community (Executive)	5	56%
Local Community (Non-Executive)	2	22%
Non Local Community (Non-Executive)	2	22%
Total	9	100%

Senior Management	Number	%
Local Community	10	100%
Non Local Community	-	-
Total	10	100%

3.1.3.INDIRECT ECONOMIC IMPACTS

Disclosure 203-2: Significant indirect economic impacts.

Tsokkos Group aims to support local communities and follows a sensitive approach to topics of youth unemployment and education.

Our Group attracts young people of the local communities by offering career opportunities, training and development. Tsokkos Group implements cooperation agreements with important associations regarding the employment of local or international students for practical training.

Tsokkos Group collaborates with both local and international educational institutions for the employment of young people and offers the opportunity to gain experience in the tourism and hotel industry. Further, Tsokkos Group hires unemployed people through government subsidised programmes in its support to the Cyprus economy.

Tsokkos Group contributes in the development of the local communities both in economic and social perspective, especially in Famagusta district, where most of the Tsokkos hotels are located, as well as Tsokkos Group Headquarters. A significant proportion of our employees, subcontractors and suppliers come from the local areas.

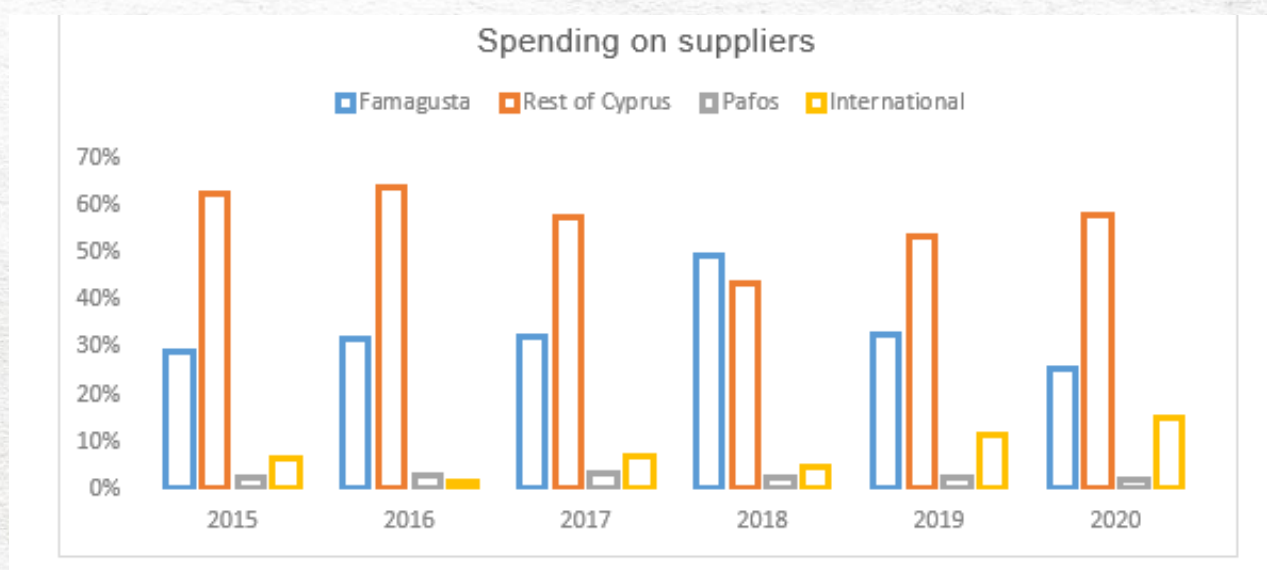
3.1.4.PROCUREMENT PRACTICES

Disclosure 204-1: Proportion of spending on local suppliers.



Suppliers are part of the value chain of our Group, providing products and services required for our hotel units operations, including food and beverage, furniture, equipment and corporate services.

Tsokkos Group supports local suppliers who reinforce the quality of our services and contributes to the development and the promotion of the local area. An important proportion of our suppliers is located in Famagusta area, while most of our suppliers are located in Cyprus.



3.2.ENVIRONMENTAL

3.2.1.ENERGY

- Disclosure 302-1: Energy consumption within the organisation.
- Disclosure 302-4: Reduction of energy consumption.



We are committed in reducing our energy consumption and greenhouse gas emissions, increase operational efficiency and do our part to mitigate climate change risks.

Tsokkos Group is in the assessment process for installations of energy saving systems in order to save electricity costs, protect corporate social responsibility and reputation and cut carbon footprint.

Energy consumption is an emerging issue to our Group and we make intensive efforts to measure and mitigate our energy consumption. However, our operations depend on energy consumption at a high extent and an increase in our activities also increases energy consumption. Energy consumption decreased during 2020 due to the impact of the pandemic Covid-19. As we look to the future, we are seeking innovative ways to reduce our carbon footprint, e.g. invest in renewable energy sources.

Energy Consumption (KHW)

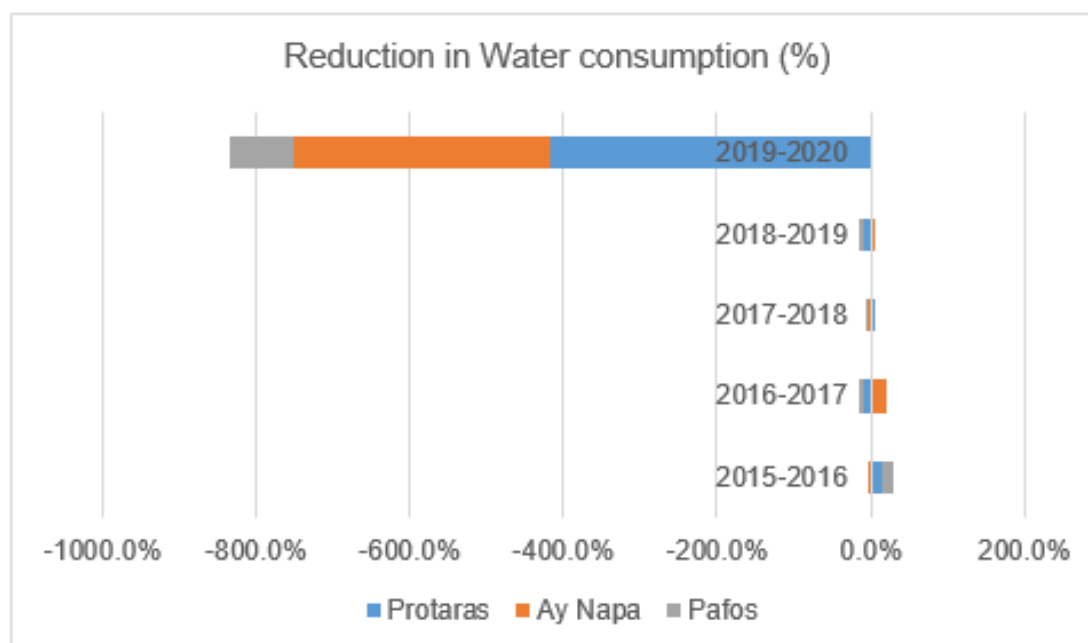
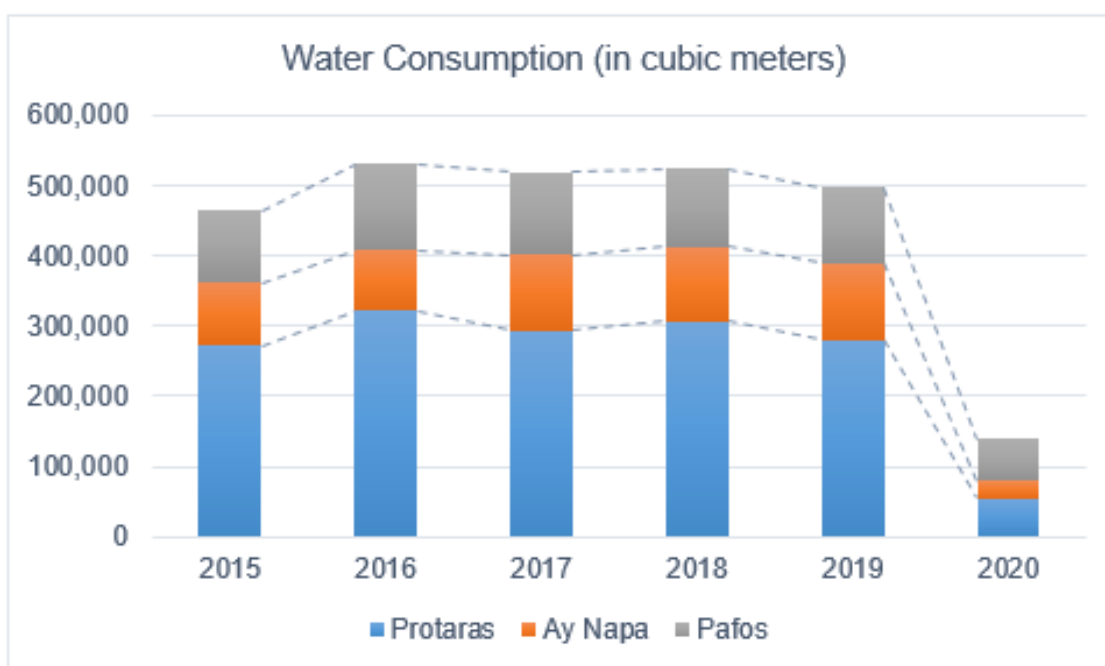


	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Ayia Napa	5,6%	8,2%	2,1%	-9,3%	-258,0%
Paphos	6,6%	1,3%	-2,6%	-99,6%	-3,0%
Protaras	-2,4%	-0,4%	2,3%	-11,4%	-442,9%
Total	1,3%	1,6%	1,1%	-25,0%	-204,1%

3.2.2. WATER

Disclosure 303-5: Water consumption.

Water is essential to our operations and to the health and prosperity of the communities where we operate. Tsokkos hotels' water consumption is related to swimming pools, laundry programs, dish washing, central plant operations and customers' personal needs. Water consumption decreased during 2020 due to the impact of the pandemic Covid-19. As we look to the future, we are in the assessment process for adopting measures for reducing water consumption, such as water recycling and the establishment of water saving infrastructure and facilities.



3.3.SOCIAL

3.3.1.EMPLOYMENT

Disclosure 401-1: New employee hires and employee turnover.

Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees.



As a service-oriented business and employer of more than 1.000 people (permanent and temporary) on an annual basis, our employment practices, engagement level and cultural strength are critical to enhancing productivity, enabling guest satisfaction and reducing employee turnover. During this year, our operations were reduced, which radically affected the employment needs of our Group for this period. The average number of employees for 2020 was 532.

The total number of employees for 2020 is significantly lower than the previous years (This is also reflected on the table below). During the reporting period, the operations and the turnover of our Group decreased due to Covid-19, which directly affected the employment needs of our hotels.

At Tsokkos Group, we are focused on being an employer of choice and on providing a world of opportunity to our employees. Due to high seasonality of tourism industry, we have a lot of hires and turnovers each year, especially during our high season from April to October.

New employee hires (Permanent and Temporary)						
	2015	2016	2017	2018	2019	2020
Under 30 years old	990	1.230	1.388	258	1.144	158
Age 31-50 years old	638	817	1.031	1.583	992	222
Over 50 years old	206	261	353	327	402	113
Total number of new employees	1.834	2.308	2.772	2.168	2.538	493

Tsokkos Group provides an attractive remuneration package to all employees. Permanent employees are also entitled to provident fund benefits and to provision of health insurance.

3.3.2. Occupational Health and Safety

- Disclosure 403-5: Worker training on occupational health and safety.
- Disclosure 403-9: Work related injuries.

Our aim is to provide a safe and secure environment in order to minimise harms to our employees. We believe that health and productivity are interconnected, and a healthy workforce leads to a healthy lifestyle and wellbeing.

Tsokkos Group adopted a health and safety policy in order to be in compliance with safety regulations.

Further, Tsokkos Group provides health insurance coverage to permanent employees as part of their remuneration policy.

Rates of injury and absenteeism comprise indicators for the occupational health and safety. Our Group has a quite low recordable incidence rate and no cases of work related injuries took place during the reported period. The rates of injury are presented in the table below.

	2015	2016	2017	2018	2019	2020
Recordable cases (injury)	18	14	11	12	6	1
Recordable incidence rate	1,93%	1,42%	0,95%	1,06%	0,51	0,19%
Number of fatalities	-	-	-	-	-	-
Absenteeism	93	110	55	51	250	90
Maternity leave	126	252	252	378	302	228

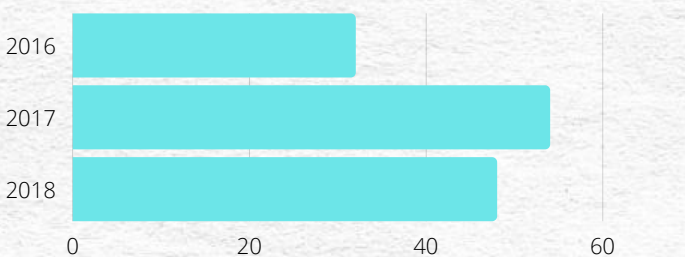
As a response to Covid-19, our Group took the necessary measures to protect our employees, in accordance to the guidelines provided by the Ministry of Health.

More specifically, we established an action plan with the necessary actions to be taken, including the encouragement of cleaning hands and the use of hand sanitisers which are available at key places, wearing face masks, physical distancing, temperature check, undergo Covid-19 testing, etc. We introduced cleaning protocols in order to safeguard the hygiene in all premises and minimize the risk of contagion. We also introduced the work from home option for our employees, where applicable, especially for the employees relating to vulnerable persons.

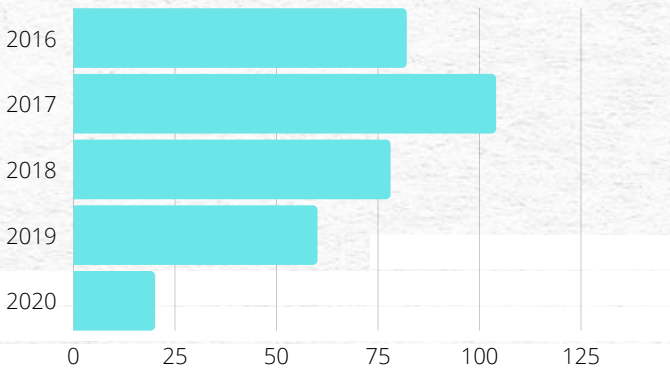


Our Group provides training to employees on occupational health and safety issues on an ongoing basis, with a focus on protection and prevention, emergency response, first aid to workplaces and the use of appropriate equipment. The main training modules provided include training to the lifeguards responsible for the protection of customers using the swimming pools located at the hotel units of our Group.

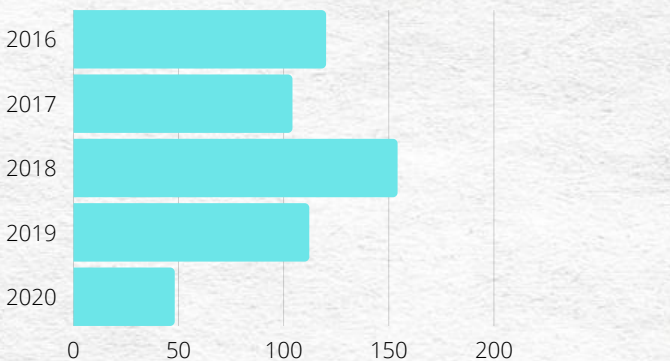
In accordance to the legislation for swimming pools, annual training sessions are organized since 2016. More specifically, a total of 32 lifeguards employed by Tsokkos Group were trained in 2016, 54 lifeguards in 2017 and 48 in 2018.



Moreover, our Group organises occupational first aid training programs on an annual basis since 2016. More specifically, 82 employees were trained in 2016, 104 employees in 2017, 78 employees in 2018, 60 in 2019 and 20 in 2020.



Emergency training programs are also provided to our Group’s employees, such as fire, earthquake, etc. More specifically, 120 employees were trained in 2016, 104 employees in 2017, 154 employees in 2018, 112 in 2019 and 48 in 2020. In addition, fire safety exercises were conducted for each hotel unit.



Our Group performs an ongoing review of the relevant legislation and stays informed on any updates or additional requirements. We also have close communication with the Department of Labour Inspection of the Republic of Cyprus and the European Agency for Safety and Health at Work and we apply any required actions in order to comply with the relevant legislation. In this respect, we safeguard the safety and security of our employees and our visitors.

3.3.3. TRAINING AND EDUCATION

Disclosure 404-1: Average hours of training per year per employee.

Disclosure 404-2: Programs for upgrading employee skills and transition assistance programs.

For Tsokkos Group to grow, our employees shall be committed to training for professional development. Training is an essential way to maintain our culture that focuses on associate engagement, participative management and outstanding customer service.

Apart from occupational health and safety training programmes mentioned earlier, training programs provided are mainly related to the topics of leadership, service quality, hospitality and handling of complaints.

To meet the demands of our customers, we need to ensure that employees are educated and qualified. Through skills training programs, we provide employees with opportunities for career and personal development, which contributes to the improvement of the quality of our services and the growth of our Group.

Year	Number of Seminars	Total Seminar Hours	Average Number of Employees	Average Hour per Employee
2015	33	3.696	935	3,95
2016	37	4.144	986	4,20
2017	49	5.488	1.158	4,74
2018	36	5.384	1.129	4,77
2019	27	3.402	1.184	2,87
2020	15	1.800	532	3,38

3.3.4 DIVERSITY AND EQUAL OPPORTUNITY

Disclosure 405-2: Ratio of basic salary and remuneration of women to men.

Tsokkos Group's culture includes values of fairness, equality and protection of human rights. Our success begins with our commitment to provide equal opportunities to everyone.

Tsokkos Group's employees consist the most important competitive advantage in providing high quality services. Our target is to attract the best employees regardless of gender, age, religion or nationality.

Ratio of basic salary and remuneration by gender

	Male	Female
2020	61,3%	38,7%
2019	60,2%	39,8%
2018	59,6%	40,4%
2017	60,2%	39,8%
2016	60,2%	39,8%
2015	61,3%	38,7%

3.3.5.LOCAL COMMUNITIES

Disclosure 413-1: Operations with local community engagement, impact assessments, and development programs.



Tsokkos Group has a significant contribution to local communities, by providing job opportunities, reinforcing local suppliers and contributing to the development of local areas both in economic and in social perspective.

We have an active involvement in local communities' development by promoting local areas, organising events and providing support. Our social activity in the local communities includes donations, sponsorships, employment of people from vulnerable groups, providing support to people in need, and organising events volunteering activities.

3.3.6.CUSTOMER HEALTH AND SAFETY

Disclosure 416-1: Assessment of the health and safety impacts of product and service categories.

Tsokkos Group is committed to provide a health and safe environment to customers. Customers' safety is a priority concern to our Group and we aim to provide health and safety to customers during their accommodation in our hotel units.

Tsokkos Group adopted a health and safety policy in order to be in compliance with safety regulations and avoid any harmful situation.

Although no previous incidents of non-compliance exist, our Group remains alarmed in health and safety issues and wishes to provide customers clean and secure atmosphere.

Our hotels are regularly audited by Cyprus Sanitary Services for being in compliance with safety regulations in relation to food and hygiene. Additionally, Tour Operators who contract with our hotels, evaluate the performance of our hotel units in respect of health and safety issues. Our hotels are distinguished by high standards and our priority is to provide high quality services to our customers.

As a response to Covid-19, our Group took the necessary measures to protect our customers and provide a safe and secure environment. We encourage the use of hand sanitisers which are available at key places, wearing face masks, physical distancing, temperature check, etc. We introduced cleaning protocols in order to safeguard the hygiene in all hotel units. We are committed to provide a clean and safe environment for our people by keeping high hygiene and hospitality standards.

3.3.7. Customer Privacy

Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

Customer privacy is a topic of growing importance across our local operations. Tsokkos Group maintains a comprehensive privacy and security program in order to protect the personal information of customers and associates.

Tsokkos Group follows operating guidelines for Group activities that involve the collection, use, disclosure, sharing, retention and security of personal information, including monitoring, alerting and incident response.

Tsokkos Group has not identified any substantiated complaints. Hence, customer privacy is a great concern for our Group and we intend to follow all necessary measures for customer data protection.

At Tsokkos Group we are dedicated to ensuring that our guests, arriving from all parts of the globe, have the most enjoyable and memorable holidays with us. An important part of our commitment is the protection of the personal data you share with us. We take all reasonable steps to ensure that your data is always safe and secure, in accordance with the relevant legislation.

We are committed to your privacy. As part of the values we stand for, we will always consider your fundamental rights as a data subject. We process your personal data for the purposes mentioned above on the lawful basis that:

- The processing is necessary for compliance with a legal obligation to which we are subject.
- The processing is necessary for the performance of an agreement which you have entered into with us and in order to take steps at your request prior to entering into the said agreement(s).
- You have given consent (if and where applicable).
- The processing is necessary for the purposes of the legitimate interests pursued by us.

We apply strict security rules regarding the processing of Personal Data and third parties' access to our records and files. We only share your Personal Data when this is necessary to conduct our business or to fulfill an obligation imposed by law.

4.APPENDIX

GRI Content Index

General Disclosures	Reference
1. Organisational profile	
Disclosure 102-1 Name of the organisation	1.1. About the Report
Disclosure 102-2 Activities, brands, products, and services	2.1. Our Business
Disclosure 102-3 Location of headquarters	1.1. About the Report
Disclosure 102-4 Location of operations	2.1. Our Business
Disclosure 102-5 Ownership and legal form	2.2.1. Ownership and Legal Form
Disclosure 102-6 Markets served	2.3. Supply Chain
Disclosure 102-7 Scale of the organisation	2.2.2. Scale of the Organisation
Disclosure 102-8 Information on employees and other workers	2.3. Supply Chain
Disclosure 102-9 Supply chain	2.3. Supply Chain
Disclosure 102-10 Significant changes to the organisation and its supply chain	2.3. Supply Chain
Disclosure 102-11 Precautionary Principle or approach	2.4. Strategy
Disclosure 102-12 External initiatives	2.3. Supply Chain
Disclosure 102-13 Membership of associations	2.3. Supply Chain
2. Strategy	
Disclosure 102-14 Statement from senior decision-maker	1.3. Statement from the CEO
Disclosure 102-15 Key impacts, risks, and opportunities	2.5. Challenges and opportunities
3. Ethics and integrity	
Disclosure 102-16 Values, principles, standards, and norms of behaviour	2.6.1. Values, principles, standards, and norms of behaviour
Disclosure 102-17 Mechanisms for advice and concerns about ethics	2.6.2. Mechanisms for advice and concerns about ethics
4. Governance	
Disclosure 102-18 Governance structure	2.7.1. Governance structure
Disclosure 102-19 Delegating authority	2.7.2. Delegating authority
Disclosure 102-20 Executive-level responsibility for economic, environmental, and social topics	2.7.2. Delegating authority
Disclosure 102-21 Consulting stakeholders on economic, environmental, and social topics	2.7.2. Delegating authority
Disclosure 102-22 Composition of the highest governance body and its committees	2.7.1. Governance structure
Disclosure 102-23 Chair of the highest governance body	2.7.1. Governance structure
Disclosure 102-24 Nominating and selecting the highest governance body	2.7.1. Governance structure
Disclosure 102-25 Conflicts of interest	2.7.3. Conflicts of interest
Disclosure 102-26 Role of highest governance body in setting purpose, values, and strategy	2.7.1. Governance structure
Disclosure 102-27 Collective knowledge of highest governance body	2.7.1. Governance structure
Disclosure 102-28 Evaluating the highest governance body's performance	2.7.1. Governance structure
Disclosure 102-29 Identifying and managing economic, environmental, and social impacts	2.7.2. Delegating authority
Disclosure 102-30 Effectiveness of risk management processes	2.7.1. Governance structure
Disclosure 102-31 Review of economic, environmental, and social topics	2.7.2. Delegating authority
Disclosure 102-32 Highest governance body's role in sustainability reporting	2.7.1. Governance structure
Disclosure 102-33 Communicating critical concerns	2.7.4. Communicating critical concerns
Disclosure 102-34 Nature and total number of critical concerns	2.5. Challenges and opportunities

Disclosure 102-35 Remuneration policies
 Disclosure 102-36 Process for determining remuneration
 Disclosure 102-37 Stakeholders' involvement in remuneration
 Disclosure 102-38 Annual total compensation ratio
 Disclosure 102-39 Percentage increase in annual total compensation ratio

[2.7.5. Remuneration policy](#)
[2.7.5. Remuneration policy](#)
[2.7.5. Remuneration policy](#)
[2.7.5. Remuneration policy](#)
[2.7.5. Remuneration policy](#)

5. Stakeholder engagement

Disclosure 102-40 List of stakeholder groups
 Disclosure 102-41 Collective bargaining agreements
 Disclosure 102-42 Identifying and selecting stakeholders
 Disclosure 102-43 Approach to stakeholder engagement
 Disclosure 102-44 Key topics and concerns raised

[2.3. Supply Chain](#)
[2.3. Supply Chain](#)
[2.3.2. Selecting stakeholders](#)
[2.3.1. Approach to stakeholder engagement](#)
[2.7.6. Key topics and concerns raised](#)

6. Reporting practice

Disclosure 102-45 Entities included in the consolidated financial statements
 Disclosure 102-46 Defining report content and topic Boundaries
 Disclosure 102-47 List of material topics
 Disclosure 102-48 Restatements of information
 Disclosure 102-49 Changes in reporting
 Disclosure 102-50 Reporting period
 Disclosure 102-51 Date of most recent report
 Disclosure 102-52 Reporting cycle
 Disclosure 102-53 Contact point for questions regarding the report
 Disclosure 102-54 Claims of reporting in accordance with the GRI Standards
 Disclosure 102-55 GRI content index
 Disclosure 102-56 External assurance

[2.7.7. Entities included in the consolidated financial statements](#)
[2.7.8. Defining report content and topic Boundaries](#)
[3. Topic Specific Aspects](#)
[3. Topic Specific Aspects](#)
[1.1. About the Report](#)
[1.1. About the Report](#)
[1.1. About the Report](#)
[1.1. About the Report](#)
[1.1. About the Report](#)
[1.1. About the Report](#)
[4. Appendix](#)
 N/A

GRI 200 – Economic

GRI 201 – Economic Performance
 GRI 202 – Market Presence
 GRI 203 – Indirect Economic Impacts
 GRI 204 – Procurement Practices

[3.1.1. Economic Performance](#)
[3.1.2. Market Presence](#)
[3.1.3. Indirect Economic Impacts](#)
[3.1.4. Procurement Practices](#)

GRI 300 – Environmental

GRI 302 – Energy

[3.2.1. Energy](#)

