

1. Paralos Kosta Alimia

1.1. Working Towards a Better Future

Guided by the principles of sustainability and responsible business conduct, our hotel is committed to four key pillars that shape its operations and future development:

- **Reducing Greenhouse Gas Emissions**

We implement responsible consumption practices and, wherever possible, invest in energy-efficient technologies while utilizing renewable energy sources. Our goal is to continuously reduce our energy footprint and contribute to climate change mitigation.

- **Protecting Biodiversity**

We recognize the unique natural heritage of our region and are committed to preserving it through responsible water resource management, reducing the use of single-use plastics, and collaborating with local stakeholders to protect the natural environment.

- **Respecting and Protecting Human Rights**

Our operations are guided by the principles of equality, transparency, and fairness. We foster an inclusive workplace free from discrimination, respecting diversity and the individual needs of every employee, while supporting the local community through equal employment opportunities.

- **Supporting Vulnerable Social Groups, with a Focus on Children**

We believe it is our responsibility to protect and support those who are most vulnerable. For this reason, each year we seek initiatives that promote the well-being of children and other socially vulnerable groups through partnerships with organizations, educational programs, and corporate social responsibility activities.

We implement targeted initiatives to deliver on these commitments and achieve our sustainability objectives.

Beyond our commitment to our guests, we recognize our responsibilities toward all those who directly and indirectly contribute to our success. Our employees, local community, partners, and suppliers are essential to our achievements, and we are committed to sharing that success with them. Every day, we foster a culture that combines environmental responsibility with social contribution, actively supporting the sustainable development of our region.

At Paralos Kosta Alimia, we have introduced initiatives across all areas of our operations to help us achieve our sustainability goals. We encourage our guests, staff, and visitors to support these efforts by following the guidance and signage displayed throughout the hotel regarding water and energy conservation, as well as waste reduction and proper waste separation practices.

For every step we take, we communicate our initiatives and achievements to all stakeholders, recognizing that without their collaboration, the impact of any action would be limited.

Help Us Achieve Our Sustainability Goals!

2. POLICIES

Taking into account current geopolitical challenges and global developments, the Hotel and its Management have developed a Sustainability Policy, which establishes the organization's commitment to serving its guests within a sustainable development framework.

In addition, a number of complementary policies have been developed to further define and communicate the organization's objectives and commitments. Collectively, all hotel operations are governed by the following policies:

- ☞ Quality policy
- ☞ Food safety policy
- ☞ Sustainability policy
- ☞ Environmental protection policy
- ☞ No food waste policy
- ☞ Sustainable procurement policy
- ☞ Community policy
- ☞ Human resources policy
- ☞ Health and safety policy
- ☞ Policy to prevent violence and harassment
- ☞ Child and youth protection policy
- ☞ Policy on complaints and grievance management

Our policies are published on the Hotel's website. They were reviewed in 2026 as part of this Sustainability Report and were deemed to adequately meet our current requirements and objectives.

3. Environmental performance

3.1.Reducing energy and fuel consumption

We have analyzed the hotel's main sources of energy consumption and we have developed measures to mitigate them.

At the hotel an open-circuit Air Conditioning Energy System for heating/cooling is installed, utilizing heat from geological formations and underground or surface waters. In sequence, solar fields are used for heating the network water, followed by heat pumps and heat exchangers. An oil burner is used only when necessary. Heat is also recovered from the air conditioning for heating hot water.

For the hotel's lighting, almost all lamps used are low-consumption LED lamps. In some areas, lighting management systems have been installed, such as dimmers in restaurants, reception and bars. In all outdoor areas, common restrooms and the basement (Γ1). A BMS system is installed to monitor lighting and water temperature. Guest rooms are equipped with a control system that automatically activates and deactivates air conditioning when external doors are open.

All critical equipment was maintained before the start of the season and its performance is monitored throughout the season. In order to improve our environmental performance, management aims to explore additional automation and to raise awareness among stakeholders.

We have developed awareness materials for our employees and guests to help reduce energy consumption.

Below are our performance figures for the period 4th/2025 – 3rd/2026, regarding energy consumption as well as the targets we have set for their improvement by the 3rd/2027.

Subject	Reference Period Values	Target	Indicator
	4 th /2025 – 3 rd /2026	4 th /2026 – 3 rd /2027	
Energy Consumption – Average kWh per guest night	29,7 kWh	Reduction in energy consumption per guest night	5%
Energy Consumption – Average kg CO ₂ e per guest night	7,84 kg CO ₂ e	Reduction in CO ₂ emissions per guest night	2%

You may help by setting the air conditioning thermostat to reasonable levels and ensuring that cooling units are turned off whenever doors or windows are open. Additionally, please turn off lights and appliances when not in use.

3.2.Reducing water consumption

To protect water resources, all washbasins and showers are equipped with flow-reducing devices, while toilet cisterns have a low water level and dual-flush buttons.

All critical equipment was properly maintained before the start of the season, and its performance is monitored throughout the operating period. This is achieved through daily measurements, monthly monitoring records, and laboratory analyses to evaluate treatment efficiency and overall water quality.

Irrigation is carried out mainly through an automatic drip system based on a schedule developed by our consulting agronomist, who is also responsible for the overall supervision of the hotel's gardens.

We encourage guests to follow our linen management policy. Information materials are available in guest rooms and at the reception. Bed linen and towels are laundered by an external specialist provider equipped with the appropriate technology and expertise to ensure optimal energy and water efficiency. We kindly ask guests to send linen for laundering mindfully.

Awareness materials are also provided to employees and guests to encourage water conservation. Help us achieve our sustainability goals! Take a shorter shower—showers can consume between 6 and 45 liters of water per minute. Turn off the tap while brushing your teeth; this simple action can save up to 6 liters of water per minute.

In order to continuously improve our environmental performance, management aims to raise awareness among all stakeholders.

Below are our performance figures for the period 4th/2025 – 3rd/2026, regarding water consumption as well as the targets we have set for their improvement by the 3rd/2027.

Subject	Reference Period Values	Target	Indicator
	4 th /2025 – 3 rd /2026	4 th /2026 – 3 rd /2027	
Water Consumption – Average m³ per guest night	0,36 m3	Reduction in water consumption per guest night	1%
Water Consumption – Average kg CO₂e per guest night	0,14 kg CO₂e	Reduction in CO₂ emissions per guest night	1%

3.3.Waste reduction and responsible consumption of goods

In 2025, as part of a program implemented by the Municipality of Hersonissos, organic waste bins were installed at the hotel. This enabled the effective separation of waste into recyclable, organic and general waste. To facilitate waste segregation, appropriately labeled recycling bins are available in staff work areas, guest rooms and public spaces throughout the property.

To facilitate waste separation, appropriately labelled bins are available in staff working areas, common areas, and guest rooms. Dedicated collection points are also available for returnable packaging, battery recycling, light bulb recycling, glass recycling, and used cooking oil recycling.

Please, always use the recycling bins for plastic containers, aluminium cans, paper, and glass. In your room, place recyclable waste in the wastebasket provided in the room and general waste in the bathroom bin. Additionally, we encourage guests to select only the food they intend to consume from our buffet and to consider choosing more plant-based and meat-free meals.

Below are our performance figures for the period 4th/2025 – 3rd/2026, regarding solid waste generation as well as the targets we have set for their improvement by the 3rd/2027.

Subject	Reference Period Values	Target	Indicator
	4 th /2025 – 3 rd /2026	4 th /2026 – 3 rd /2027	
Solid Waste generation- Average kg CO₂e per guest night through general waste	1,7 kg CO₂e	Reduction of CO₂ emissions per guest night through general waste	1%

4. Sustainable Procurement

All purchasing activities are carried out in accordance with our Sustainable Procurement Policy. We prioritize bulk packaging options and organize our orders based on inventory assessments and forecasted operational needs in order to minimize waste and optimize resource use.

In addition to communicating our Sustainability Policy to suppliers and informing them of practices that are not accepted within our supply chain, we actively encourage them to develop and implement their own sustainability policies. The existence of such a policy, and particularly its certification where applicable, is a key criterion in our supplier evaluation and selection process, as defined in our Sustainable Procurement Policy.

In 2025, 4% of our suppliers had implemented certified sustainability initiatives. A total of 63.4% of our suppliers are based in Crete, and the Hotel already makes extensive use of locally produced goods and services.

An important criterion in the selection of guest amenities is the absence of ingredients that are harmful to marine life or contain microplastics. Our on-site partners who sell or use sunscreen and cosmetic products have also been informed of these requirements and encouraged to carry out the necessary checks and actions on their part.

The proportion of paper products and cleaning chemicals purchased with recognized sustainability certifications (such as FSC, EU Ecolabel, or equivalent schemes) is relatively high. In contrast, the proportion of food and beverage products purchased with sustainability certifications remains at a lower level.

Regarding food procurement, we monitor purchases of products associated with higher CO₂ emissions. While respecting individual choice, the Hotel offers a wide range of dining options for both guests and employees, including vegetarian and other lower-impact meal choices.

Regarding plastic procurement, the Hotel continuously seeks to reduce plastic consumption by selecting products in bulk packaging, promoting reusable alternatives such as drinking glasses, and choosing products made from more environmentally friendly materials.

Below are our performance figures for the period 4th/2025 – 3rd/2026, regarding sustainable procurement as well as the targets we have set for their improvement by the 3rd/2027.

Subject	Reference Period Values	Target	Indicator
	4 th /2025 – 3 rd /2026	4 th /2026 – 3 rd /2027	
Sustainable Procurement – % of suppliers with certified sustainability initiatives	4%	Increase the number of suppliers that have a sustainability policy or related initiatives.	Increase by 2%

In order to further enhance our environmental performance, management is committed to the continuous communication of its requirements to suppliers and to investigating alternative suppliers and product codes that may contribute to improved environmental performance

4.1. Hazardous chemical Management

Equipment containing fluorinated gases, as well as the management of these substances, is handled exclusively by appropriately licensed external contractors. All such equipment, including units that have been taken out of service, is stored in secure, access-controlled areas. Whenever disposal is required, it is carried out by an authorized external contractor licensed to perform the relevant work.

The use of chemicals for landscape and garden management is undertaken exclusively by the person responsible for the hotel's gardens, who is specifically trained for these tasks, including the safe and responsible handling of chemicals.

Chemicals used for water treatment are stored in controlled-access maintenance areas, alongside other maintenance-related chemicals. Housekeeping and food service cleaning chemicals are stored in locked facilities, and their distribution to operational departments is controlled through dosing systems to ensure safe and efficient use.

Packaging from hazardous maintenance chemicals is returned to suppliers for appropriate management and disposal. Empty cleaning chemical containers are rinsed with water after use and then directed for proper waste management and recycling.

All Hotel employees who handle chemicals that may pose risks to human health or the environment have received the required training and instruction.

You can support our efforts by disposing of used batteries in the dedicated battery recycling containers available on the property.

5. Local biodiversity

The hotel's flora includes a wide variety of shrubs and herbaceous plants, many of which belong to the native flora of Crete, as well as several non-native species (such as cacti and succulents) that have low water requirements. These species are distributed throughout both the indoor and outdoor areas of the property.

To support biodiversity, the Hotel has organized a tree-planting initiative, as well as a beach clean-up activity with hotel staff.

Subject	Target 4 th /2026 – 3 rd /2027	Indicator
Protection of Local Fauna and Biodiversity – Native Plants	Planting native plants	2 species
Protection of Local Fauna and Biodiversity – Initiatives	Development of an initiative related to biodiversity protection	1 initiative

6. Staff

Our employees are our most valuable asset, and we are committed to fostering a culture of respect while continuously investing in the development and well-being of our team members.

At Paralos Kosta Alimia, we employ 189 staff members of both genders. Women represent 53% of our workforce, while men account for the remaining 47%. Employee remuneration is determined solely by the position held and in accordance with the collective labor agreement of Heraklion, without regard to any other criteria.

A total of 74.6% of our employees are residents of Crete and permanent residents of the Regional Unit of Heraklion. In recent years, individuals from third countries have joined our hotel team. It is our priority to ensure that these employees come to our country through fully transparent and lawful procedures and are treated equally and fairly in the workplace, just like all other members of our hotel team.

7. Local community and social responsibility

The Company encourages the participation of the local community in the volunteer initiatives it organizes and seeks ways to contribute to local infrastructure that supports entrepreneurship and cultural development. As part of this commitment, it demonstrates tangible support for local businesses, with 63.4% of its suppliers being based locally.

In this context, a donation was made to support a voluntary spay/neuter initiative for stray companion animals, through a programme implemented by the Municipality of Hersonissos.

To help reduce traffic congestion and transportation-related impacts in the surrounding area, we encourage our guests to use alternative means of transportation, such as public buses. In addition, we provide parking facilities for both employees and guests who use rental vehicle.

Our hotel invites guests, members of the local community, and employees to share their views and suggestions regarding our efforts to improve our environmental and social impact.

We welcome your feedback, ideas, and recommendations, which can help us further enhance our sustainability performance. You can share your comments with us through the suggestion box (Tool Box) available at the hotel or by contacting us via the hotel's email address.

*Markos Avlonitis
Hotel Manager*

Reporting period: April 2025 to March 2026

Next evaluation period: April 2026 to March 2027