

2023

IMPACT REPORT.

edyn



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Our journey.



A message from our CEO.

Here at edyn, we were inspired by nature to create sanctuaries that enrich our guests and communities. So it would be strange not to take seriously our role within the biosphere. As we reflect on 2023, it's with pride and a sense of responsibility that we present edyn's second Impact Report – a testament to our unwavering commitment to driving positive change and creating the change we want to see in the world.

Throughout these pages, you'll discover the milestones we've achieved, the challenges we've faced, and the strategies we've employed to navigate an ever-evolving landscape. In a world characterised by rapid change and unforeseen challenges, accountability demands we hold up a mirror to last year's commitments – many of which were bold, believing as we did that reaching for the stars would accelerate our improvement. From our dedication to sustainability to fostering a diverse culture, this report shows that, – while we have made progress, there's still much to do.

As Interim CEO I'm immensely proud of the effort and dedication demonstrated by our team, whose collective efforts have propelled us. We know this is the beginning of a long journey and, while we're already seeing growth in many areas, in 2024 we're looking forward to continued improvement, embedding 'biosphere' into edyn's DNA, planning our net zero pathway, and working with our guests, communities and partners to elevate our shared standards and habits.

Our ambition is to make edyn a beautiful garden for all our stakeholders. I invite you to join us on our journey of opportunity, growth, and a better world – together, let's continue to build a future that's not only prosperous, but sustainable.



Daniel Carre-Bishop
Interim CEO and CFO, edyn



edyn

Introducing edyn.

We're defining the future of travel.

Combining the design and lifestyle sensibilities of boutique hotels with the freedom and flexibility of serviced apartments in a trailblazing 'aparthotel' concept, edyn's hybrid approach to hospitality is a direct response to the needs of today's traveller that sees us leading the future of the serviced apartment sector.



We create spaces for free-thinking urbanites.

With many properties featuring dedicated social and co-working spaces, destination F&B offerings and cultural programming, edyn offers more than just a place to sleep. We create sanctuaries that provide a sense of belonging, free-thinking and discovery by firmly rooting our properties in their local neighbourhoods and offering vibrant experiences and connections that nourish and enliven the soul.

We have multi-segment appeal.

Across our house of brands – including Locke, Cove and SACO – we have the largest portfolio of serviced apartments and aparthotels in the UK and are on course for the same status in Europe. Because our properties incorporate a range of room types and variable rates, offering greater choice and flexibility, edyn attracts both short-stay and extended-stay business and leisure travellers.

A bit



about us

We're pioneering a hybrid business model.

Combining real estate, development, and hospitality operations gives edyn operational flexibility, cyclical agility and economic resilience, enabling us to open 18 properties and convert six existing properties to new brands during a five-year growth phase. edyn's owned-property portfolio covers the UK, Ireland, Germany, Netherlands and Switzerland, while our global partner network includes 27 European markets.

Introducing edyn.

We plan to launch in every gateway city across Europe.

In 2024 we have openings in Portugal and France, then in 2025 we're launching in Denmark and adding another London location. This rapid growth is enabled by our active management across the value chain – from our in-house investment team, to our pan-European real estate portfolio, to our multi-jurisdictional regulatory expertise, to our compelling B2B and B2C brands.

We're committed to a structured response to sustainability.

With our long-term aim of reaching Net Zero by 2050, we want to support the wellbeing of our team and integrate harmoniously with our local communities and the environment, so we're constantly assessing and improving the structural sustainability of our business.



Introducing our brands.

Locke

Featuring unique, artfully crafted spaces inspiring connection and belonging – including beautiful and practical studios and suites, destination F&B offerings, and activated public spaces – Locke’s premium lifestyle aparthotels are designed with modern travellers in mind.



COVE

Established in 2021 as edyn’s elevated, fuss-free answer to the new work-life balance, Cove prioritises simplicity and flexibility. Our carefully designed, uncluttered serviced apartments let guests travelling for work, leisure, or both make the most of every moment.



saco

Designed primarily with business travellers in mind, since it was founded in 1997 SACO has pioneered serviced apartments in the UK. Setting the pace for competition and giving rise to a family of brands under the edyn umbrella.



2023 at a glance. edyn biosphere.

2023 Highlights

2023 Highlights

People

Engage and Empower

67%

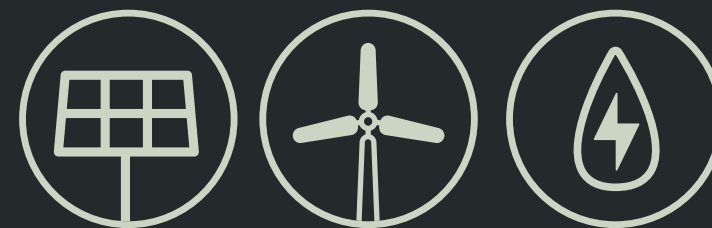
Colleagues involved in social or environmental action

-13%

Business travel emissions down by 13% vs. 2022.

Properties

Eco-conscious Stays



Reduced Scope 1&2 emissions by 66% by procuring 'green' energy



'Golden Rules' introduced to eliminate unnecessary energy use



Removed plastic from guest consumables

Partnerships

Collaborating for Change

138%

Grew our ethical supply base by 138%



Obtained actual emissions data on 50 top suppliers

Our goals in 2024.

edyn biosphere.

2024 Goals

2024 Goals

People

Engage and Empower

75%

Colleague engagement

70%

Colleague participation in The Pledge

Properties

Eco-conscious Stays



Improve controllable energy consumption YoY

30% minimum recycling rate

Partnerships

Collaborating for Change

50%

Increase spend with ethical and diverse suppliers 50% YoY



Develop enhanced standards for eco-impactful suppliers

Plus

Plus

Business travel emissions

Guest engagement

Sustainable designs

Greener developments

Supplier emissions

Sustainable f&b

Independently certified

People.



‘Soulful Hospitality’ is edyn’s purpose, our ‘why’, reflecting the core human ethos and relationships in everything we do. Our brand values are ‘the courage to question, evolve, and be human’, which we apply to everything from creating an extraordinary guest experience to attracting and training the best people, making every interaction – with everyone from our guests, to our colleagues, to our local communities – memorable for all the right reasons. We take a ‘guest-first’ approach with everyone we interact with – from our guests, to our colleagues, to our local communities.

Soulful Hospitality.

Empowering our people.

2023 target: 80% average colleague engagement score;

2023 result: 75% (November survey)

2024 target: Our goal for 2024 is to maintain 75% average colleague engagement, whilst not leaving any teams behind. Going forward, our aspiration is to achieve 80%.

There's a growing awareness of the importance of human connection for our wellbeing. For edyn, the opportunity to bring people together – including guests, colleagues, and communities – is what makes working in hospitality so rewarding. As well as responding to the needs of travellers to define the future of hospitality, we respond to the needs of employees (both current and prospective) to make

hospitality a career of choice, developing the next generation to lead our sector with courage and pride.

When it comes to our guests, service is the foundation of Soulful Hospitality. We've developed a unique approach to guest experience focused on how we want our guests to feel throughout their journey with us. We pay attention to details and do whatever we can to make them feel understood, appreciated, and cared for. All this contributes to our 'Guest First' framework for delivering 'Soulful Hospitality' and helping our teams provide excellent service through first class training, clear processes, well-designed systems and actionable insights.

Just as crucially, we invest in the development of our central support teams through initiatives including our leadership training sessions and community, where we cover topics such as resilience and stakeholder engagement. Along with ensuring all employees have the skills to support their day-to-day roles, our goal is to nurture skills like leadership and strategic thinking so they can move beyond participation and actively progress their careers.

To achieve our goal of cultivating the future leaders of our business and hospitality as a whole, we plan to invest further in training and development in

2024 and beyond. We're establishing programmes to enhance core skill sets in areas like problem-solving, change-management, performance and onboarding, as well as putting frameworks in place for career-mapping to ensure that we are building pathways to engage and keep the incredible talent we have within the business.

We measure our progress with an engagement survey. In 2023, our average colleague engagement score ranged from 75% to 78%. Our goal for 2024 is to achieve a high bar of 75% average colleague engagement, with a minimum departmental score of 75%.



Activating our colleagues.

2023 target: 100% colleague participation in environmental or social action;
2023 result: 67% participation

2024 target: 70% colleague participation in environmental or social action

Spotlights.

Shaping a more sustainable world needs everyone's involvement, so we encourage our colleagues to be changemakers in their local communities. In 2023, we empowered them by:

- Challenging our teams to raise money for plastic-fighting not-for-profit organisation City to Sea – to which they've responded with activities including our management committee scaling Ben Nevis, our marketing team hosting a live music night and raffle, and our procurement team hosting a natural wine-tasting evening – which we'll match to bring our total contribution to at just over £7,500



City to Sea is behind the award-winning Refill Campaign – which has saved over 100 million pieces of plastic from entering our waste stream – along with #SwitchTheStick, #PlasticFreePeriods, and other planet-protecting behaviour-change campaigns.



Our brand and marketing team hosted a musical fundraiser at Bermonds Locke for colleagues, guests, friends and families, including a DJ set and live performance, plus a raffle with prizes donated by partners.

- Introducing an annual Impact Day when all colleagues can take a day off work to serve in their community
- Launching The Pledge, asking teams to commit to action with environmental or social benefits, which ranged from smaller personal commitments like walking to work or switching to a green electricity tariff, through to team actions like organising a local litter-pick or hosting a fundraising event – in 2023, 67% of edynites got involved; in 2024 we're aiming for 70% participation

Engaging our guests and communities.

Our guests have a big role to play in sustainability, but we take a different approach to many hotels. Because we consider it our responsibility to make their stay sustainable, we don't patronise guests with endless prompts to save the environment. Instead, we take proactive steps by using technology to align consumption to occupancy, providing plastic-free consumables, using chemical-free cleaning products, and servicing rooms weekly to reduce laundry and cleaning emissions.

Because we see the potential for our guests to become sustainability advocates, we inspire them to believe change is possible by:

- Sharing our properties' sustainability features in pre-stay communications and in-room TVs
- Running sustainability-focused cultural activations that inspire guests and locals about fun, engaging ways to improve their wellbeing or care for the environment

Spotlights.



At Kingsland Locke in Dalston, London, we host a monthly 'Collage Café' where guests and locals make art from scrap materials.

We also partner with local community organisations to further their causes however we can.



Zanzibar Locke and Beckett Locke in Dublin have partnered with Down Syndrome Ireland (DSI) to distribute lost and found items to their charity shops, giving misplaced belongings a second life while supporting the charity's amazing work.

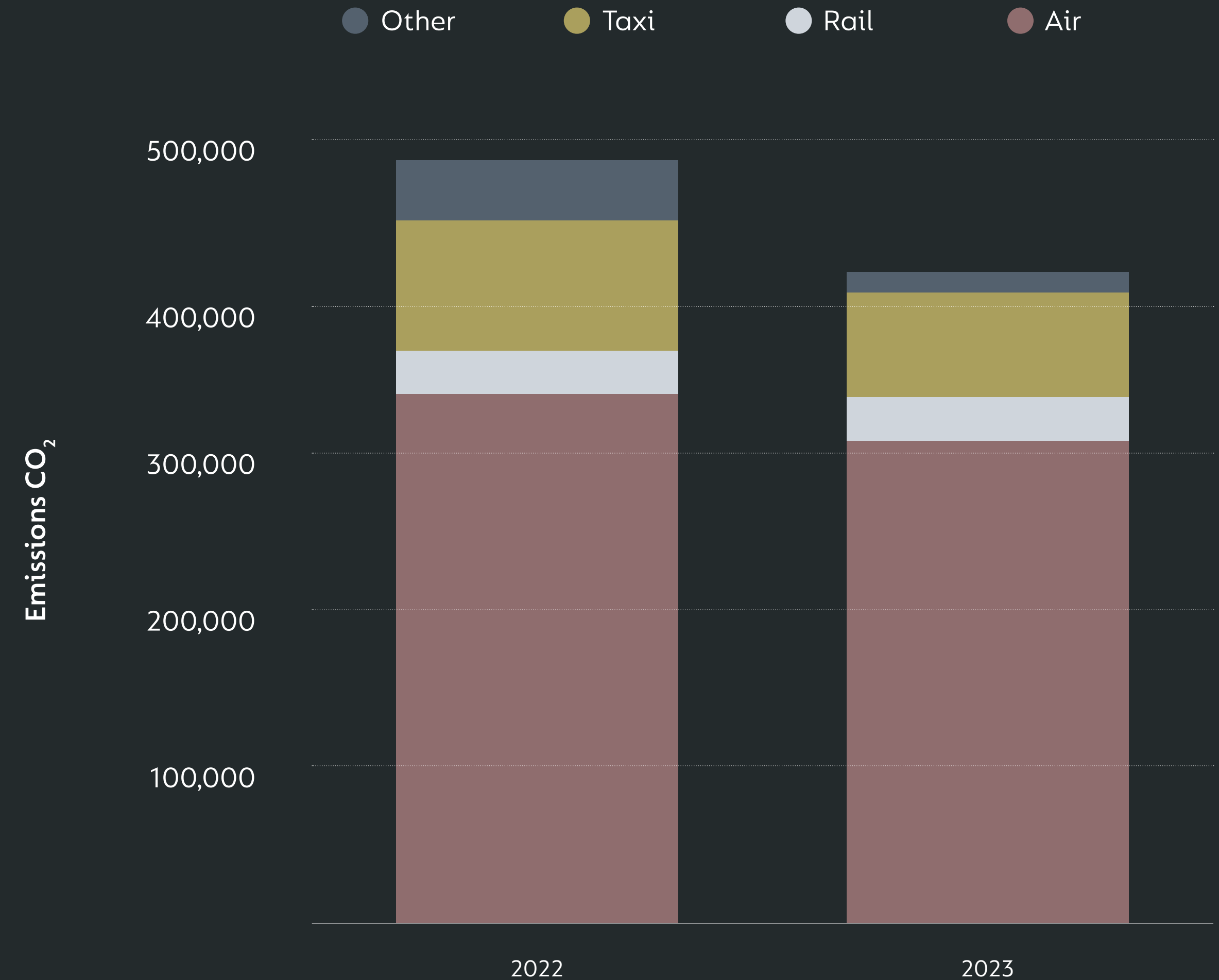
Business travel emissions.

In hospitality there's no substitute for being present – whether we're developing client relationships, researching the local area, or monitoring the progress of a project. Of course, we have to balance this against travel's environmental impact. That's why we take a conscious, pragmatic approach to business travel by:

- Being transparent about our business travel emissions with our colleagues
- Creating and distributing a guide for reducing business travel emissions that specifies:
 - A preference for video calls wherever practical
 - Or a preference for rail over air travel where an in-person meeting is necessary

Our 2024 goal is to maintain travel emissions at or below 0.8 tCO₂ per person. With an ever-growing European portfolio – including the development and opening of three new properties in Lisbon, Paris and Copenhagen over the next year – we know some business travel will be necessary, but we'll keep a close eye on this and may explore offsetting emissions if we've exhausted all other options.

Business Travel Emissions



properties.



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Properties.

Our vision is to create sanctuaries where free-thinkers belong. So it's important our properties inspire a sense of wellbeing in both their aesthetic and functional design. Our job is to achieve this while minimising negative environmental impact.

Reducing energy demand

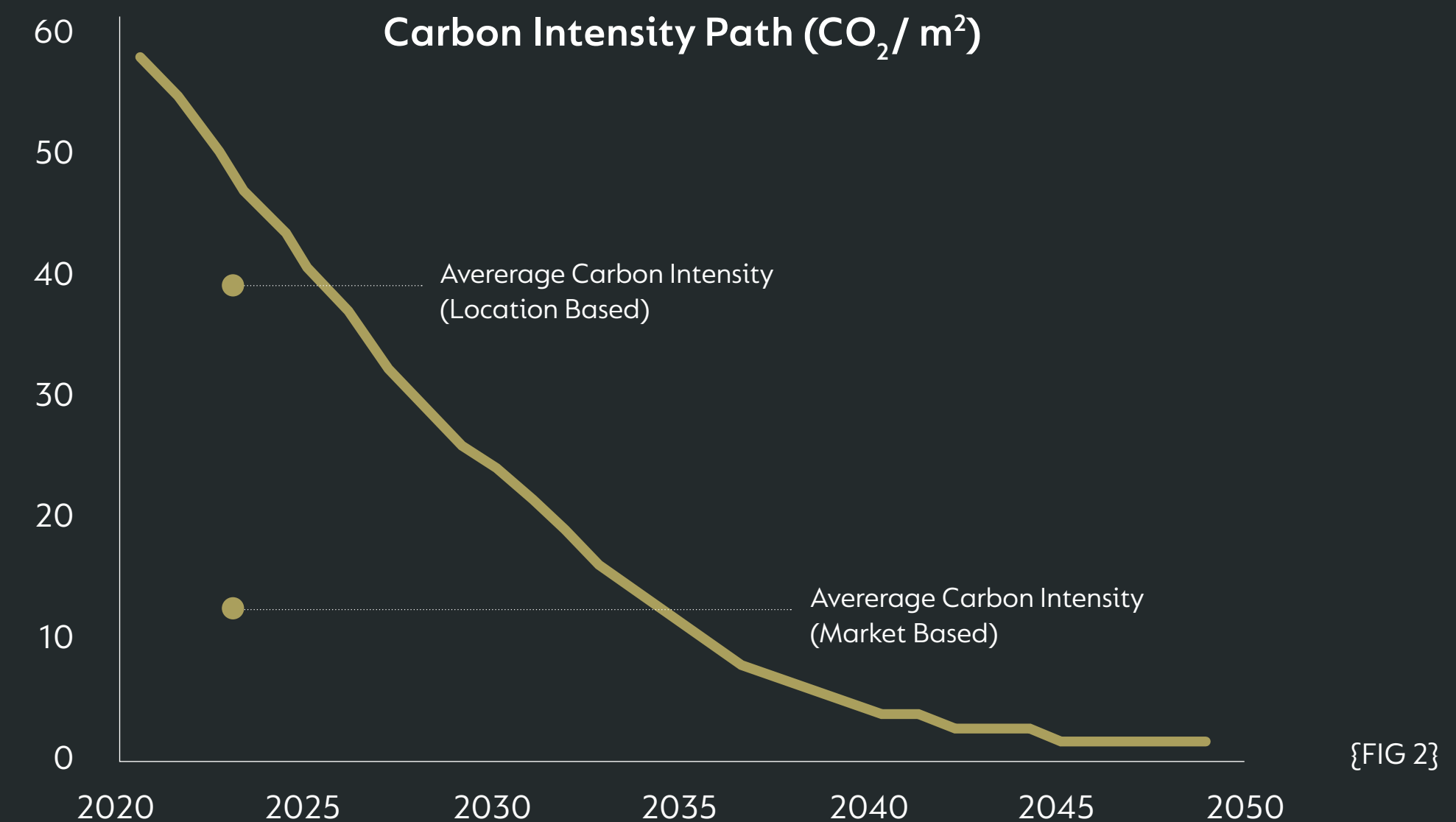
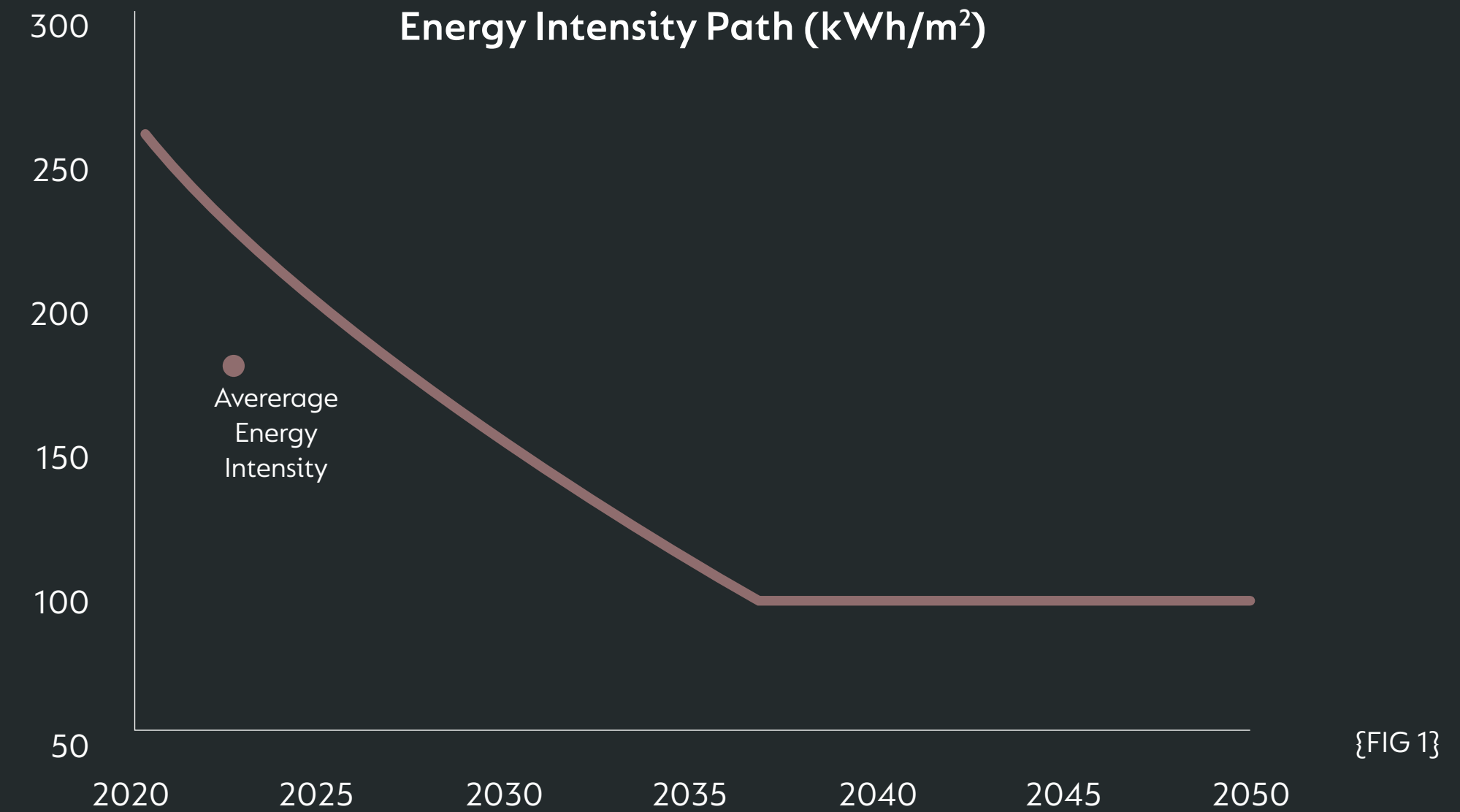
2023 target: 9% reduction (Dec 23 vs Dec 22) in energy consumption and emissions across all like-for-like properties;
2023 result: 10% reduction (read on to find out why this was an unsuitable target!)

2024 target: Reduce controllable energy intensity across all properties

We're determined to achieve Net Zero by 2050 at the latest, and we're currently assessing how much sooner we can reach this for Scopes 1 and 2 (we'll let you know next year). Having already switched to 100% zero-carbon electricity wherever possible and 25% 'green gas' in the UK (saving c.66% of our Scope 1 and 2 emissions), our pathway towards Net Zero now requires:

- 1) Reducing our energy usage by an average of c.46% (so we don't exceed our fair share of renewable energy generation capacity), and
- 2) Electrifying our gas appliances (to remove the remaining Scope 1 emissions)

Fig. 1 and 2 demonstrate hotels' necessary reduction in energy consumption and carbon emissions for limiting global warming to 1.5C, as advised by the Carbon Risk Real Estate Monitor (CRREM) model. We're pleased to be on track right now, but know we must take action to maintain this.



Properties. Spotlights.



In 2023 we introduced ‘5 Golden Rules’ for operating properties with less energy, which now form part of our Apartment Promise – a demonstration of our commitment to make our guests’ stays more sustainable.



In Q4 of 2023 we also engaged an engineer to review our Building Management Systems (BMS) and investigate ways to lower our energy consumption. This work will continue into 2024 as we analyse and optimise each of our properties, using the findings to steer future energy efficiency initiatives.

Learning and growing on our sustainability journey: Creating a ‘controllable consumption’ metric.

Overall, in 2023 our energy use intensity (consumption per square metre) remained steady at

175kwh/m²

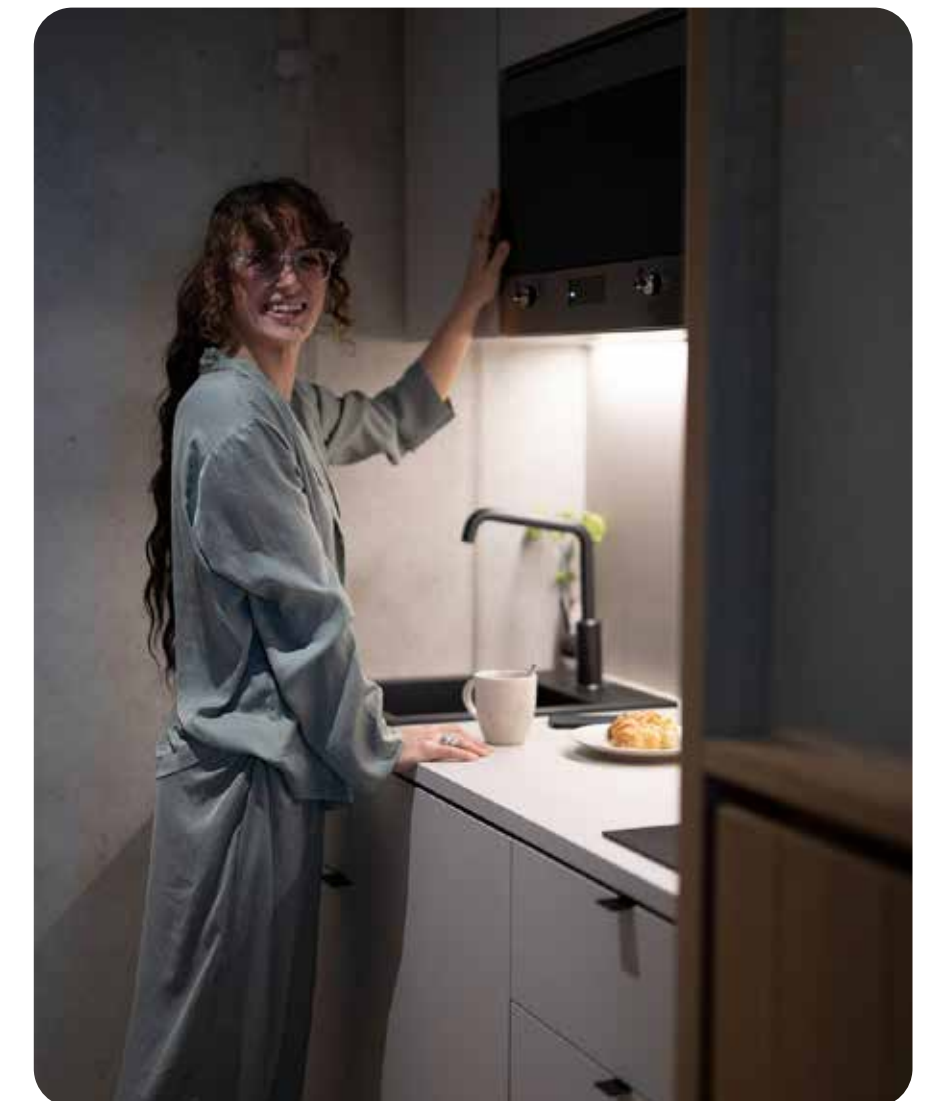
across all fully operational properties.

Although our target was a 9% reduction in energy use intensity by December 2023, this metric didn’t account for unseasonal temperatures and occupancy variability (for example, we saw a

10% decrease

in December 2023, despite limited energy-saving initiatives, steady occupancy, and the surrounding months seeing comparatives of just +/-5%).

But, with the help of sustainability consultants Considerate Group, we’ve now developed a ‘controllable consumption’ metric for accurate measurement in 2024.



Transitioning appliances from gas to electricity is a longer-term objective, as most of our gas-powered boilers have a lot of life left in them and we want to minimise waste. In 2024, we’ll assess how much longer they should last and what technology we’ll adopt in order to phase out carbon emissions.

Reducing waste.

2023 target: Measure recycling rates to inform a target for 2024;
2023 result: 28% average UK recycling rate

2024 target: Minimum 30% recycling rate across UK properties



One of our key sustainability goals for 2023 was to remove all single-use plastic from guest consumables and swap them for more sustainable alternatives, which we're proud to say we've achieved (with a few minor exceptions).

Prior swaps:

- Refillable toiletries (shampoo, conditioner, body wash and hand wash) across all brands
- Sustainable bamboo toilet roll in paper wrapping
- Glass carafes for drinking water

New swaps in 2023:

- Plastic-free tea bags
- Milk in glass bottles (UK and Ireland only)
- Biodegradable scourers
- Plastic-free dishwasher and laundry tabs

So far, sourcing milk in plastic-free packaging for our EU and Swiss properties has proven a challenge and we're also yet to solve the problem of plastic bin liners, but we'll continue to explore our options as more alternatives become available.



Our second objective was measuring our waste so we could set targets for better waste management. Many companies opt for zero waste to landfill, but to us this feels like a low bar when most waste-management providers offer it as standard and landfill will soon be outlawed. A better goal is a circular economy, where nothing is wasted. Our initial focus is on improving recycling rates from an average 28% to a minimum 30% (by weight), which we expect to deliver primarily through clearer labelling and better housekeeping practices. In the coming year we'll also explore food recycling, along with ways to help our guests buy supplies with less packaging.

Sustainable designs.

For a long time we've been making environmentally conscious design decisions, believing beautiful design needn't cost the earth – take our bed frames made from scrap reinforcement bars at Bermonds Locke, or retaining historical building features in our Paris and Lisbon developments.

We've also partnered with B Corp procurement company Dodds & Shute to source FF&E across six projects, including two of our 2023 openings: Ember Locke in Kensington, London, and Locke Am Platz in Zurich. As well as sourcing from responsible suppliers, in 2023 they helped us offset 130 tCO₂ emissions by buying carbon credits from Ecosphere+.

Our next step to reducing FF&E emissions is consolidating our combined learnings from developing 19 properties and refurbishing 10 properties to codify our design standards, including our environmental guidelines.



Dodds & Shute

Greener development.

There's no denying developing real estate is carbon-intensive. A report from Sustainable Fitch in April 2023 estimated 8% of global emissions come from the cement industry, with concrete being a key product in constructing new builds and no low-carbon alternatives currently available at scale.

While achieving economic growth requires growing our portfolio, we believe it's our duty to minimise the environmental impact of developing and refurbishing properties. Last year we made a commitment that all our current and future developments would meet the BREEAM rating of Very Good (or equivalent from other green building-accreditation schemes), including our two new openings in 2023.

We're pleased to report we've submitted an application to achieve BREEAM 'Very Good' for Ember Locke in Kensington, London, and await confirmation from the assessor. Unfortunately, it turned out the development of Locke Am Platz in Zurich had already progressed too far for us to seek an assessment. Though disappointed, we're somewhat comforted that we saved around 2,000 tonnes of embodied CO₂ by choosing to convert an existing hotel, rather than embark upon a ground-up development.



Ember Locke

Partnerships.



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Partnerships are vital for any business, but strong partnerships have the potential to add value beyond the sum of their parts. Because we're determined to use our buying power to influence positive change, we look for partners who're open to reciprocally raising one another's quality and ethics standards, where we can invest in their business expansion. For example, we're proud to have been instrumental in the European expansion of B Corp and social enterprise Who Gives A Crap? by becoming their first EU B2B customer.

Ethical suppliers.

2023 target: Grow our ethical supplier base from 8 to 14;
2023 result: 19 ethical suppliers

2024 target: 50% increase in spend with ethical and diverse suppliers

We seek like-minded suppliers who share our values and ambition to build a better world – whether that’s social enterprises who give away at least 50% of their profits to good causes, B Corps committed to being a force for good, or minority-owned businesses that are more likely to face barriers entering and competing in markets. We aim to invest in these businesses and help grow their impact by trading with and promoting them.

In 2022 we had eight ethical partners, which we aimed to grow to 14 by the end of 2023. We’re delighted to report that we smashed this target, partnering with 19 ethical suppliers by the end of 2023! Here are a few of our new partners:



We produce branded print collateral for our German, Portuguese and Swiss properties in partnership with Wildhearts, a social enterprise that reinvests profits into social projects and causes – including their flagship initiative StartHer, which provides financial and enterprise training for women in underdeveloped countries.



We collaborate with the eco-conscious Sea Change Wine for guest celebrations in our UK properties. As well as using lighter-weight bottles to reduce waste, plant-based closures and sustainable label-paper made partly from grape waste, they also donate a portion of profits to marine charities protecting the health of our oceans.



From recycling bins to kitchen utensils and bathroom accessories, we use certified B Corp Brabantia products throughout our apartments because we love their design focus on recycling and longevity (with many certified ‘Cradle-to-Cradle’) and their ambition to move to 100% circular design by 2035.

Spotlights

As well as continuing to seek new ethical suppliers, our 2024 target is to increase our spend with diverse and sustainable suppliers by 50%.

Enhancing standards.

2023 target: Assess sustainability credentials of suppliers;

2023 result: Identified high-impact categories and mitigations

2024 target: Create enhanced sustainability standards for high-impact suppliers

Different industries have different degrees of impact on society and the planet. For example, furniture suppliers have more scope to reduce their environmental footprint than a marketing agency, and a housekeeping provider typically has more impact on addressing remuneration, training and job stability for those on low incomes than a software provider. We believe our supplier standards should mirror this variance, incorporating higher expectations where potential impact is greatest, and we expect suppliers who share our values to have similarly high expectations.

Starting in 2023 and continuing into 2024, we aim to strengthen supplier relationships across higher-impact services such as housekeeping, laundry, energy, waste, and consumables. We'll share our enhanced standards and incorporate them into tenders, including requirements for increased self-reporting and independent audits.

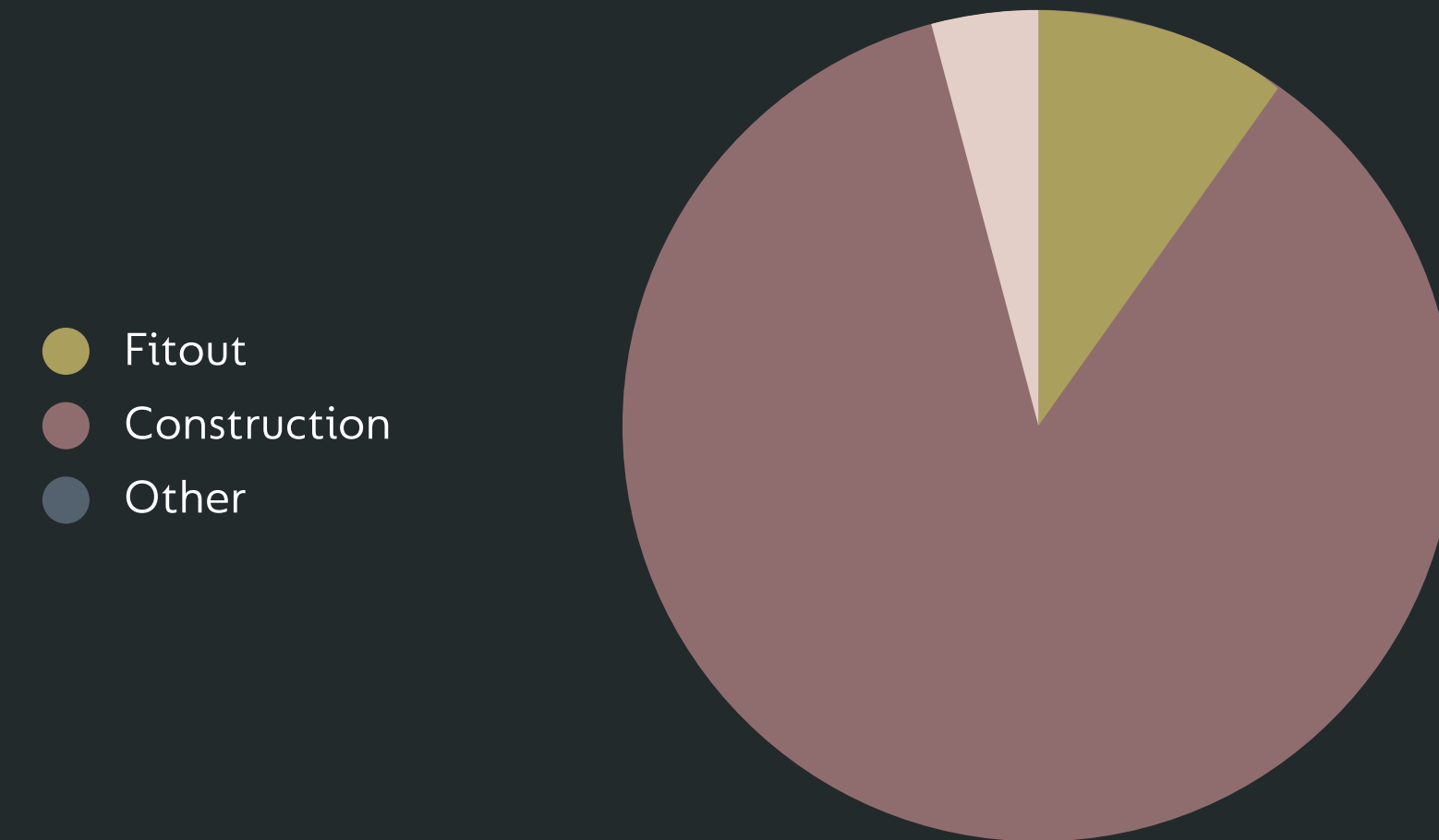


Supplier emissions.

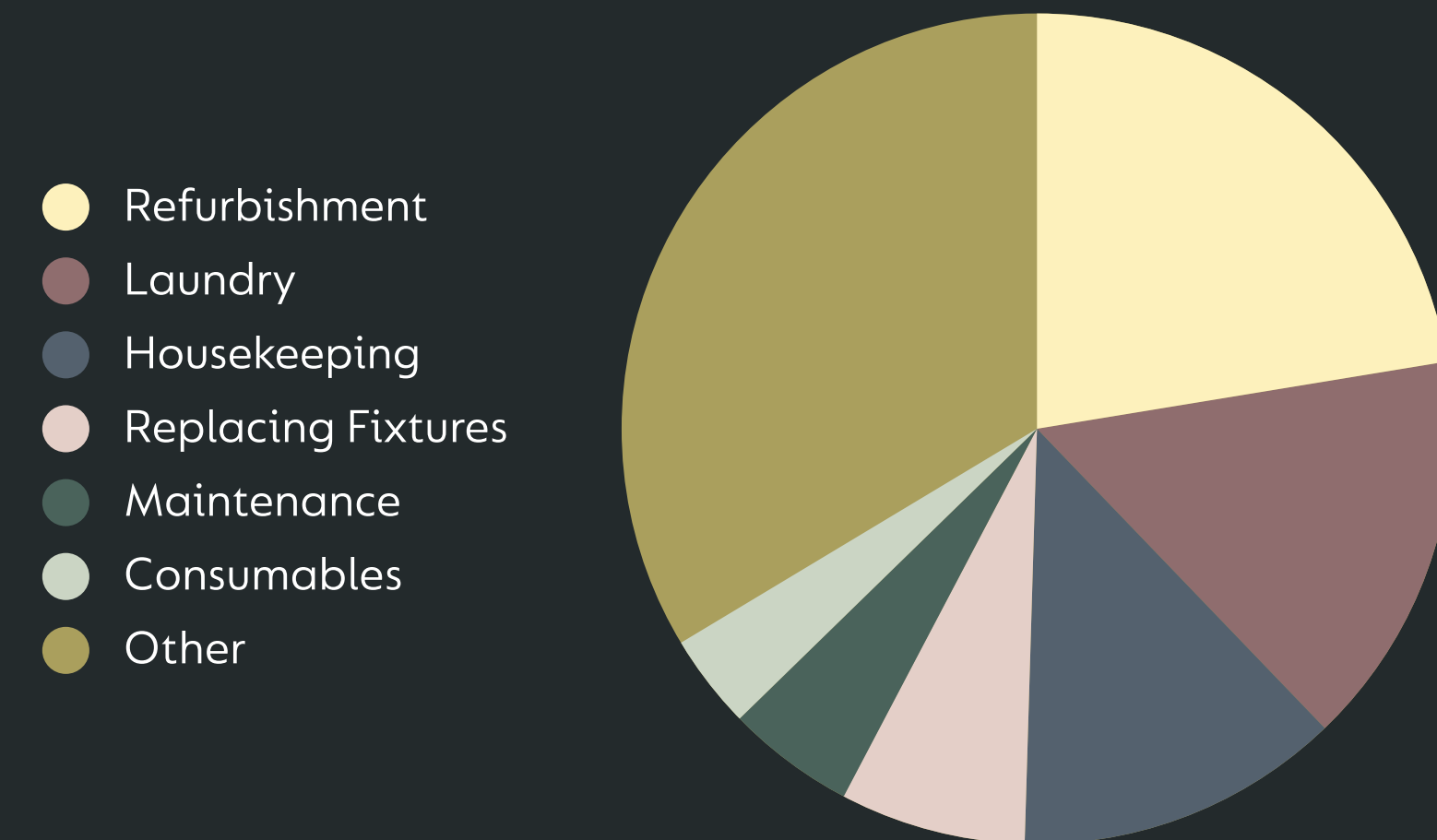
Although running a property takes a lot of energy, last year we calculated that our supply chain is responsible for approximately two-thirds of our operational emissions (if we didn't source renewable energy). This proportion rises further still when factoring in emissions from our properties under construction. To achieve Net Zero by 2050, we need our suppliers to come on the journey, too – firstly by measuring their emissions, and then by taking steps to reduce them.

In 2023, we obtained emissions data on 50 of our suppliers to refine our estimated carbon factors (CO₂/£) for each spend category. This gives us a more accurate view of the areas in our value chain causing the most emissions (see charts), and which partners we need to work more closely with on a Net Zero strategy in 2024. We've already started including emissions reporting as a non-negotiable contractual obligation.

Development Emissions 2023



Operational Emissions 2023



Sustainable F&B.

Our Locke guests have the pleasure of enjoying our restaurants, bars and cafés operated by our food and beverage (F&B) partners. Each brings their own concept, creating an authentically local experience at each of our properties.

In 2024 we're working with our F&B partners to achieve economic success while raising environmental and social standards, engaging them on topics from recycling to single-use plastics, food sourcing to labour practices. We all win when we collaborate on these important issues.

Spotlight.



Wunderlocke's Michelin-star restaurant Mural Farmhouse in Munich has taken the farm-to-table concept to a new level by growing around 10% of produce in their rooftop garden.



edyn

Thanks for reading our second Impact Report.
If you have any questions or suggestions,
please get in touch.

Sharing out
journey with you.

edyn