



BAIRRO
ALTO
HOTEL
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BAIRRO ALTO HOTEL AND ITS COMMITMENT TO ESG



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INTRODUCTION

Within the scope of Environmental Sustainability, we acknowledge that our company's operations have an impact on the environment and we are committed to minimizing this impact. These actions contribute to the preservation of natural resources and help reduce operational and regulatory risks associated with pollution and climate change.

With regard to Social Responsibility, we value our employees, guests, partners, and the local community. By promoting equity, diversity, and inclusion within our organization, and by supporting social initiatives in the communities where we operate, we strengthen relationships with our stakeholders and build our reputation as a socially responsible company.

In the context of Governance, we believe that strong governance is essential to long-term success. By adhering to the highest standards of ethics, integrity, and transparency across all our operations, we safeguard the interests of our shareholders, maintain public trust, and mitigate risks related to corporate misconduct.

Furthermore, we recognize that the effective integration of ESG practices into our business strategy is not only morally responsible, but also fundamental to ensuring resilience and competitiveness in a rapidly changing world. Clients, investors, and regulators are increasingly demanding higher ESG standards from organizations, making it imperative that we meet these expectations to secure long-term success.

This report aims to highlight the ESG initiatives and practices already implemented, as well as our future intentions, demonstrating our ongoing commitment to sustainability and corporate responsibility.





O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

VISION, COMMITMENT AND VALUES

At Bairro Alto Hotel, our approach to sustainability is deeply rooted in our identity as an independent, family-owned property. We recognize both the privilege and the responsibility of playing a meaningful role within the community and contributing to the preservation of Portugal's cultural and environmental heritage.

We offer a unique and highly personalized experience to our guests and clients, supported by a distinctive concept and delivered by a highly motivated team, strongly oriented toward service excellence and a deep commitment to quality.

All stakeholders involved in the Bairro Alto Hotel expansion project are Portuguese, and whenever possible, national suppliers and products were selected, many of them artisanal in nature. This commitment reflects our dedication to supporting local talent, craftsmanship, and the national economy.

The bathroom tiles were designed and handcrafted in Portugal by the company Barro, conceived to be timeless, functional throughout their lifespan, and durable enough to be passed on to future generations.

Bath linens are supplied by Sampedro and Lameirinho, two Portuguese textile brands with a long-standing history and reputation in the industry. Both companies uphold strong traditions of quality, craftsmanship, and innovation in their products.

Furniture was produced by EPOCA, a company recognized for its superior quality and elegant design, known for durability, comfort, and refined aesthetics.

We celebrate art created in Portugal and proudly feature works by numerous Portuguese artists, including Rui Chafes, Vasco Araújo, Ana Jotta, Ilda David, João Louro, João Paulo Feliciano, João Queiroz, Jorge Barradas, José Pedro Croft, Julião Sarmiento, Pedro Cabrita Reis, Pedro Calapez, Pires Vieira, André Welter Ribeiro, José Pedro Cortes, Nuno Cera, and Rui Calçada Bastos. We also collaborate with renowned local artists, such as Anna Westerlund, who brought her singular artistic vision to the creation of an exclusive capsule collection for Bairro Alto Hotel.





O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

Oficina 166, by artist Diana Meneses Cunha, produced a unique tapestry inspired by Lisbon's seven hills. Artist Alexandra Mota hand-painted a bird in each room of the hotel's original wing, paying tribute to the birds that once filled Largo Camões with their song.

BAHR reflects this commitment, standing as a true showcase of Lisbon's and Portugal's rich culinary diversity. Framed by the irreverent spirit of the neighborhood, it is a tribute to the flavors and historical influences that have shaped local gastronomy. We prioritize local and seasonal ingredients, reinforcing our connection to territory, culture, and responsible sourcing.

In collaboration with local producers and suppliers—such as Hortelão do Oeste, Cerquinha, Quintal Urbano, Pasto Alentejano, Padaria Massa Mãe, SEL, Linda Rosa, Nutrifresco, Fungifresh, Queijaria Simões, Queijaria Ortodoxo, Segredos da Vila, Arroz da Ereira, and Millstone Sourdough—we reinforce our commitment to proximity, quality, and responsible sourcing.

Our wine list is structured around low-intervention wines, including organic, natural, and biodynamic options, with the vast majority being Portuguese. Examples include Quinta de Monte d'Oiro, Humus – Quinta do Paço, Soalheiro Pour Nature – Soalheiro, Quinta do Vallado – Vinha do Orgal, Quinta das Murças – Esporão (Douro), and Quinta do Javali – Porto.

At the table, our preference for Portuguese brands is also evident, with names such as Cutipol, Studio Neves, and Costa Nova reflecting our dedication to national design, craftsmanship, and quality.

For staff uniforms, we selected JAK Shoes, a Portuguese footwear brand whose mission is to create elegant and durable shoes, produced using high-quality materials and traditional manufacturing techniques.





O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

All of these choices reflect our commitment to valuing and strengthening a sense of belonging within the surrounding community.

We are committed to minimizing our environmental impact and promoting sustainable practices across all areas of our operation. This includes the reduction of food waste, achieved through the internal reuse of food from our outlets for the staff canteen.

We prioritize the efficient use of natural resources and the implementation of measures aimed at mitigating climate change.

We continuously strive for excellence in everything we do, from the quality of our products to the standard of our services.

Open to innovation, our objective is to consistently identify opportunities to improve and evolve as an organization.





O BAIRO ALTO HOTEL E O COMPROMISSO COM ESG

ESG GOALS

ENVIRONMENTAL SUSTAINABILITY (E)

Throughout 2025, Bairro Alto Hotel consolidated an integrated environmental approach based on conscious decision-making, operational efficiency, and the responsible preservation of its heritage. Environmental sustainability is understood not as a set of isolated actions, but as a continuous and cross-functional way of operating, embedded in daily activities and oriented toward the long term.

In the area of energy and efficiency, strategic measures were implemented to align cost control with environmental responsibility. Key initiatives included the renegotiation of electricity and gas contracts, prioritizing more efficient partners, as well as the continuous monitoring of energy consumption. In parallel, regular maintenance of critical equipment was reinforced, contributing to optimized energy performance and a significant reduction compared to previous periods.

In 2025, maintenance assumed a central role as a sustainability tool. The consistent investment in preventive and predictive maintenance enabled the reduction of unexpected breakdowns, extended the useful life of equipment, and avoided premature replacements, thereby minimizing waste and the disposal of resources. The use of digital monitoring platforms allowed for proactive intervention, promoting greater operational efficiency and a reduced associated environmental impact.

Conscious consumption management was also strengthened through daily practices focused on waste reduction and the responsible use of resources. In food and beverage operations, careful planning and efficient stock management contributed to minimizing food waste, while internal reuse between outlets and the staff canteen was promoted. Product selection increasingly prioritized durability, quality, and longevity, alongside a progressive increase in the use of recyclable or reusable materials throughout the operation.



O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

At the core of the hotel's environmental commitment, a detailed carbon footprint assessment was conducted, revealing performance indicators consistent with an efficient and responsible urban luxury operation. During the reporting period, total emissions amounted to 533.72 tonnes of CO₂ equivalent, corresponding to an intensity of 23.37 kg CO₂e per occupied room per day and 93.13 kg CO₂e per square meter per year. These results establish a solid baseline for the definition of future targets, reinforcing the commitment to continuous emissions reduction.

The environmental strategy was also extended to the management of partners and suppliers, with a clear focus on local and national producers, small-scale suppliers, and more efficient logistics routes. This approach enabled the reduction of the carbon footprint associated with transportation, strengthened the local economy, and ensured greater control over the origin of the products used, fostering closer and more responsible commercial relationships.

Waste management remained a central pillar of the operation, supported by proper waste separation practices, reuse whenever possible, and partnerships with specialized organizations. Notably, the collaboration with Clean the World, through the Global Hospitality Recycling Program, enabled the collection and reprocessing of partially used soaps and amenities. This partnership contributes simultaneously to waste reduction and lower environmental impact, supports vulnerable communities through access to essential hygiene products, and promotes ethical and responsible practices across the value chain.

Together, these initiatives reinforce an environmentally conscious and efficient operation, ensuring that continuous improvements in environmental performance are achieved without compromising the quality of service delivered to guests, and aligning sustainability with the operational excellence that defines Bairro Alto Hotel.



O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG



ESG GOALS

SOCIAL RESPONSIBILITY (S)

At Bairro Alto Hotel, the Social dimension of ESG is deeply embedded in the organizational culture and in the way leadership engages with teams. We believe that the guest experience has its direct origin in the employee experience, which is why investment in people is understood as a strategic factor for service quality, operational consistency, and business results.

In 2025, a more mature and structured approach to people management was consolidated, with employees assuming an active role in the organization's strategy. This vision is reflected in a culture oriented toward care, shared responsibility, and the creation of positive working environments capable of transforming emotions into memories, both for guests and for teams.

In 2025, the organization employed a total of 154 people, reflecting a diverse and multicultural workforce. Gender distribution remained balanced, with 48% women and 52% men, while the diversity of nationalities reinforced the inclusive character of the operation, with employees of Portuguese, Brazilian, Nepalese, and other national origins. Recruitment and people management practices were based on clear principles of equality, equity, non-discrimination, and full compliance with national and international labor legislation.

In the area of culture and leadership, 2025 marked a significant evolution in the way leadership, collaboration, and teamwork were approached. The company made a consistent investment in leadership development through the creation of a Leadership Academy, fostering the development of competencies aligned with organizational values. In parallel, training and awareness initiatives were implemented with a focus on cross-departmental collaboration, encouraging stronger internal alignment and an integrated operational vision.

A clear shift in work focus was also observed, moving from a problem-centered approach to a solution-oriented culture. This framework was supported by increased transparency in the sharing of management information, strengthening relationships of trust and promoting a more open and participative organizational environment. This cultural evolution had a direct impact on operational results, reflected in a significant reduction in complaints compared to 2024 and in external recognition of operational excellence, with the hotel achieving first place in the LQA ranking.





O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

In the area of organizational climate and well-being, an Organizational Climate Survey was conducted in 2025, revealing a high level of trust in the Human Resources strategy and reinforcing the need to continue investing in the internal working environment. The organization was recognized among the Top 10 Medium-Sized Companies in Portugal at the People Engagement Awards, a distinction that validates the positive impact of the practices implemented. Based on the survey results, clear intervention axes were defined, focused on strengthening trust, promoting clear and bidirectional communication, fostering collaboration across teams, and encouraging individual accountability grounded in autonomy and commitment to results.

People development and capacity building remained strategic priorities. A continuous learning model was reinforced, aligned with operational needs and team development, ensuring that each employee has access to the tools required for professional growth. This model included an internal academy focused on leadership, sales, culture, and service, a structured and closely supported onboarding process, performance evaluations centered on both performance and potential, and the practical implementation of the Level Up Career (LUC) career model, based on merit and accountability. This investment was also reflected in a positive average salary increase, recognizing the contribution and performance of the teams.

Bairro Alto Hotel's social commitment extended to the local community through concrete and measurable initiatives, with active team involvement. Throughout 2025, support actions were carried out for Comunidade Vida e Paz, including donations of funds, small household appliances, and clothing, as well as participation in the Clean the World program, resulting in the collection of 343 kg of soaps and amenities. Additional initiatives included the Solidarity Christmas Market, which raised funds for social welfare institutions, and the "Duvets and Rugs – Second Life" initiative, through which textiles were donated to employees.

These initiatives reflect a practical, supportive, and responsible social approach, demonstrating that positive impact is achieved through concrete, consistent actions aligned with organizational values. The Social dimension of ESG at Bairro Alto Hotel thus plays a structural role in the creation of sustainable value, placing people at the center of the strategy and reinforcing the link between culture, performance, and social responsibility.



O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG



ESG GOALS

GOVERNANCE (G)

At Bairro Alto Hotel, the Governance dimension is understood as an essential pillar to ensure a solid, transparent, and future-ready operation. Governance is embedded in the organization's daily activities through clear processes, responsible decision-making, risk prevention, and a culture of consistency and trust that supports operational performance and long-term value creation.

Throughout 2025, the governance framework was strengthened through the consolidation of internal processes that enhanced efficiency, predictability, and organizational clarity. Key developments included clearer definition of decision-making flows and responsibilities, reinforced cross-functional operational control, and improved coordination between departments. Continuous improvements in information sharing and monitoring enabled more informed decision-making and a more effective response to daily operational challenges, strengthening internal confidence and organizational resilience.

Quality assumed a central role within the hotel's governance framework, evolving from a standalone indicator into an element fully integrated into daily management. In 2025, continuous monitoring of guest satisfaction was reinforced through the systematic collection of feedback via Qualtrics surveys, analysis of online reviews through Revinat, and the structured recording of complaints in an internal database. This ongoing monitoring supported a more informed management approach focused on continuous improvement.

In the area of audits and quality control, regular internal audits were conducted across multiple areas of the hotel, with records maintained through the LQA – Leading Quality Assurance platform. These audits were supported by the preparation of monthly reports and action plans to address non-conformities. In 2025, a total of 292 internal audits were carried out, reflecting a consistent commitment to monitoring and service improvement. Active team involvement was encouraged through LQA training sessions, the development of tailored fact sheets, role plays, and pocket standards, fostering a culture of continuous excellence.



O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG



These efforts were reflected in a positive evolution of key quality indicators and in external recognition of the hotel's performance. Highlights include a significant improvement in overall satisfaction results, a substantial reduction in the number of complaints compared to 2024, and the achievement of the hotel's highest-ever score in the official LQA audit, reinforcing the credibility of the governance processes and the effectiveness of the practices implemented.

Security, risk, and contingency management were further strengthened in 2025 through the reinforcement of a prevention-focused culture and the organization's response capabilities. The hotel is classified under Risk Category 3 within the framework of the CVII for Hospitality and Food & Beverage, and regular emergency exercises were conducted throughout the year. These included multidisciplinary daytime and nighttime drills involving the entire team, theoretical exercises (Table Top), and technical and practical simulations (Command Post Exercises). The mandatory general fire safety drill under the Fire Safety in Buildings (SCIE) regulations was also carried out, alongside the continuous reinforcement of contingency plans, protocols, and general and specific safety procedures, supported by regular testing of safety systems and equipment.

In terms of certifications and recognitions, Bairro Alto Hotel maintained its commitment to international standards of sustainability and responsible governance. Notably, the hotel holds the Green Key certification, a globally recognized label that distinguishes tourism establishments for compliance with rigorous environmental and social criteria, verified through independent audits. This certification reinforces the adoption of sustainable management practices, the reduction of resource consumption, environmental education, and continuous improvement.



O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

In addition, the hotel is part of the Sustainability Leaders collection of The Leading Hotels of the World, an international recognition awarded to properties with a proven commitment to environmental sustainability, positive social impact, and cultural preservation. This distinction is granted to hotels aligned with global standards recognized by the Global Sustainable Tourism Council (GSTC), with sustainable management plans that are continuously audited and monitored, reinforcing transparency, best practices in ESG governance, and support for local communities.

With regard to ethics, compliance, and organizational responsibility, Bairro Alto Hotel maintains a firm commitment to full compliance with applicable legislation, ethical integrity, continuous updating of internal policies, and the support of external consultancy in critical areas. In 2025, further progress was made in strengthening compliance, data protection, and organizational responsibility policies, ensuring operations are conducted in accordance with the highest standards of integrity and accountability.

This report represents a point of maturity in Bairro Alto Hotel's ESG journey. The governance practices described herein are now fully embedded within the organization and reflect a conscious, responsible, and consistent way of operating. Looking ahead to 2026, the commitment is to ensure continuity and further deepen these practices, strengthening the transversal integration of ESG, maintaining a strong focus on people, and ensuring robust processes that support the future of the business. Operating with responsibility, intention, and rigor is understood as a strategic choice fundamental to the creation of long-term value.



O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

ESG PERFORMANCE & KEY INDICATORS

Bairro Alto Hotel's ESG performance in 2025 reflects the consolidation of an integrated approach, supported by clear indicators, continuous monitoring, and the active use of information as a management tool. A cross-pillar analysis of Environmental, Social, and Governance dimensions demonstrates consistent progress, with a direct impact on operational efficiency, guest experience, people development, and organizational resilience.

From an environmental perspective, the measurement of the carbon footprint made it possible to quantify the impact of operations and establish a solid baseline for the definition of future targets. Recorded total emissions, together with carbon intensity indicators per occupied room and per square meter, demonstrate an efficient operation aligned with responsible practices. Energy management, supported by continuous monitoring, preventive maintenance, and strategic decisions regarding suppliers and contracts, contributed to resource optimization and waste reduction, reinforcing environmental efficiency without compromising service quality.

Within the social dimension, performance indicators highlight the direct correlation between organizational culture, service quality, and business results. The significant reduction in complaints compared to 2024, high levels of guest satisfaction, and external recognition achieved throughout the year confirm the positive impact of continued investment in people, leadership, and organizational well-being. Workforce diversity, positive salary evolution, and the implementation of structured development and career models further reinforce a people management approach oriented toward equity, merit, and long-term sustainability.

At the governance level, the results achieved reflect the effectiveness of control processes, quality management, and risk management. The systematic execution of internal audits, continuous improvement of quality indicators, the hotel's highest-ever result in the official LQA audit, and the significant reduction in complaints demonstrate the maturity of the governance framework and its ability to ensure operational consistency, anticipate risks, and support informed decision-making. Active management of safety and contingency plans further strengthened organizational resilience and preparedness to respond to different scenarios.





O BAIRO ALTO HOTEL E O COMPROMISSO COM ESG

Across all dimensions, the use of environmental, social, operational, and quality performance indicators enabled the transformation of data into strategic management tools. This approach ensures alignment between responsibility, performance, and value creation, reinforcing the integration of ESG into decision-making processes and the culture of Bairro Alto Hotel.





O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

CONCLUSION & 2026 OUTLOOK

The year 2025 represents a milestone of maturity in Bairro Alto Hotel's ESG journey. The practices described in this report are now fully integrated into the organization, reflecting a conscious, responsible, and consistent way of operating, aligned with the business strategy and with the expectations of guests, employees, and partners.

Looking ahead to 2026, the commitment is focused on continuity and further deepening this path. Priorities include consolidating existing practices, strengthening the use of indicators as strategic management tools, defining progressively more ambitious targets, and ensuring an increasingly transversal integration of ESG into daily operations. A continued focus on people, operational efficiency, and process robustness will remain the pillars supporting future development.

Operating with responsibility, intention, and rigor is not viewed as a trend, but as a fundamental strategic choice to ensure long-term value creation, trust, and relevance. This principle guides Bairro Alto Hotel in building a sustainable, balanced, and resilient future.





O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

EXECUTIVE SUMMARY

The year 2025 marked a period of consolidation in Bairro Alto Hotel's ESG journey, reflecting the effective integration of environmental, social, and governance principles into both strategy and daily operations. Sustainability is understood as a responsible way of operating, guided by conscious decision-making, operational efficiency, and long-term value creation, rather than as a set of isolated initiatives.

Throughout the year, the hotel strengthened an integrated ESG approach, applied across the entire organization and supported by performance indicators, continuous monitoring, and consistent practices. Within the environmental pillar, key highlights included energy optimization, efficient resource management, a strong focus on preventive maintenance, and the measurement of the carbon footprint. These initiatives enabled the quantification of operational impact and the establishment of a solid baseline for the definition of future targets, demonstrating an efficient urban luxury operation aligned with responsible environmental practices.

In the social dimension, continued investment in people remained a strategic priority. The evolution of organizational culture, the strengthening of leadership, the promotion of well-being, and the continuous development of teams had a direct impact on service quality and guest satisfaction. The significant reduction in complaints, high levels of satisfaction, and external recognition achieved throughout 2025 confirm the correlation between a positive employee experience and operational excellence.

At the governance level, the focus was placed on process consolidation, strengthened operational control, active quality management, and risk mitigation. Continuous monitoring, the systematic execution of internal audits, the positive evolution of quality indicators, and the hotel's highest-ever result in the official LQA audit demonstrate the maturity of the governance model and its ability to support informed decision-making, operational consistency, and organizational resilience.





O BAIRRO ALTO HOTEL E O COMPROMISSO COM ESG

Across all dimensions, ESG assumed a structural role in decision-making, supported by data, performance indicators, and practices aligned with recognized standards. The Green Key certification and inclusion in The Leading Hotels of the World's Sustainability Leaders collection reinforce Bairro Alto Hotel's positioning as a reference for responsible sustainability within the luxury hospitality segment.

This report reflects a journey of maturity and consistency. Looking ahead to 2026, the commitment is to further deepen ESG integration, strengthen the use of metrics as strategic tools, define progressively more ambitious targets, and ensure the continuity of a balanced, responsible, and future-oriented operation.

