



ESG STRATEGY

2024 - 2030

ARP-HANSEN  HOTEL GROUP
COPENHAGEN

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Foreword

Welcome to Arp-Hansen Hotel Group's ESG strategy 2024-2030, where we set the direction and present the goals for our sustainability work towards 2030.

Sustainability is first and foremost about taking responsibility? For the impact we have on our guests, our employees, our business partners and the world and nature around us. Because when you are as big as we are, you can make a big difference.

Responsibility has been a keyword in our business since the group's inception. We are convinced that our success is based more than anything else on our values of good behaviour, making an effort and being ambitious.

The same values apply to our ESG efforts. Therefore, the ESG strategy is built on a thorough analysis of our business and our value chain. We have had many conversations, workshops and working groups with management, employees, experts and existing and potential business partners.

We have clarified what we are good at, what we can improve on and what we need to know more about. Now, we are proud to declare that with this ESG strategy we can be transparent about our goals, focus areas, priorities and risks.

We know that there is a lot of work ahead to reach our goals and milestones, and we also know that the finish line will keep moving. Therefore, from 2026, we will supplement this ESG strategy with an annual ESG report, where we will follow up on the goals and ambitions we present here.

The ESG landscape itself (legislation, requirements, opportunities, technology, etc.) is also changing rapidly year by year. This is necessary to achieve global climate and biodiversity goals and secure the future we want to pass on. At Arp-Hansen Hotel Group, we support and push that change, while also becoming wiser ourselves along the way.

We know that we do not have all the answers and that we will make mistakes. And when that happens, we will be honest and adjust our goals, efforts and ambitions.

Therefore, the goals herein should be seen as a level of ambition and a direction we want to work in. The goals are not static. However, they have been carefully considered and pressure tested, and hopefully they can inspire customers, guests and the industry as a whole to work together in the same direction.

Is there anything we have not spotted? Please contact us. Is there something we can help you with? Our doors are open.

Thank you to our customers, colleagues and partners for your engagement in the shared commitment the green transition requires. We could not wish for better travelling companions.

We look forward to continuing the journey with you.



Henning Arp-Hansen
Chairman of the Board and owner



Dorte Krak
Managing Director



Robert Thomsen
Deputy Managing Director



“ Arp-Hansen Hotel Group is dedicated to being a responsible, constructive and positive contributor to the society we are part of. “

The ESG strategy 2024-2030 reflects Arp-Hansen Hotel Group's status and ambitions for the ESG efforts towards 2030 and has not been subject to external audit. If Arp-Hansen Hotel Group publishes other revised ESG data, the revised data will take precedence over corresponding data points contained herein if the values differ.

About Arp-Hansen Hotel Group

Arp-Hansen Hotel Group is a Danish hotel chain founded in 1960 by master bricklayer Alf Arp-Hansen and Margrete Lindskrog Arp-Hansen. They bought Gjentofte Kro in and transformed the inn into Gjentofte Hotel. In 1971, they added 71 Nyhavn Hotel and it became Copenhagen's first warehouse hotel – as well as a centre of attraction for both local and foreign tourists.

With this, the couple founded what is now Copenhagen's largest hotel chain with over 22% of the room capacity in Denmark's capital.

Today, Arp-Hansen Hotel Group consists of 14 hotels and luxury hostels with 12 units located in the centre of Copenhagen, one in Gjentofte and one in Aarhus city centre.

The strength is in the diversity

A special characteristic of Arp-Hansen Hotel Group is that we cultivate the distinctive features of each hotel building, the surrounding environment and the historical background. The unique hotels have a versatile

range of rooms mean that we can satisfy most needs, whether our guests dream of luxurious accommodation in the royal family's old guest rooms in central Copenhagen, want to wake up to the sound of creaking boats in Nyhavn or need a state-of-the-art hotel room with great facilities and panoramic views over the roofs of Copenhagen.

We have something for everyone and value the diversity.

Our values

At Arp-Hansen Hotel Group, decency and responsibility are keywords in the way we do business. Which is why we live by a set of guidelines for decency, fairness and good practice - towards each other, our guests, our employees, our business partners and the society and environment we are all part of. You can read more about this in our Code of Conduct for managers and employees.

Arp-Hansen Hotel Group is still owned by the Arp-Hansen family, and it is very much the Arp-Hansen



5.058
rooms



DKK 1.57 billion
in revenue

family values that have become the company values today. These are the values we manage and recruit according to, and they go like this:

You are at home with us when you show trust, presence and ambition.

These values form a solid foundation for the way we work together as a company. We are represented by 60 different nationalities, all of whom have one thing in common: we are passionate about being good hosts.

This is the commitment our ESG efforts are built on.

Enjoy they read.



Phoenix Copenhagen



71 Nyhavn Hotel



Copenhagen Strand



Imperial Hotel



The Square



Tivoli Hotel & Congress Center



Copenhagen Island



Gentofte Hotel

Wakeup Copenhagen
BernstorffsgadeWakeup Copenhagen
BorgergadeWakeup Copenhagen
Carsten Niebuhrs GadeWakeup Aarhus
M.P. Bruunsgade

Steel House Copenhagen



Next House Copenhagen

A joint project and a shared responsibility

No one can mitigate climate change or biodiversity loss alone. Climate change and biodiversity do not care about borders - and the consequences hit regardless of who actually polluted. Which is why sustainability is a joint project that we are proud to contribute to.

For businesses, sustainability is very much about collaborating with your value chain across borders and industries, in order to create a ripple effect.

The work starts with mapping out your own business direction and value chain to highlight what inputs and outputs the business generates. Our core business and value chain are thus depicted in the figure on the next page.

Core business and value chain

The Arp-Hansen Hotel Group is a service company which - in addition to 12 hotels and 2 hostels - also consists of a Group Office with approximately 100 employees and a warehouse hotel.

Unlike most hotels and hotel chains in the industry, we own the buildings we operate in (with the exception of Imperial Hotel), and several of our hotels have been designed and built by us. Therefore, construction and maintenance is also a key business pillar in addition to hotel operations.

Four of our hotels, Phoenix Copenhagen, Copenhagen Island, Imperial Hotel and Tivoli Hotel & Congress

Center, have modern meeting and conference facilities, and Tivoli Hotel & Congress Center also has a large congress hall with room for 2,400 participants.

Three hotels and one hostel are full service units (meaning they have their own restaurant that we run ourselves), The others are so called garni units that offer breakfast. In several locations, we have mutual agreements with partners who run restaurants in the building for the benefit of both hotel guests and local residents in the area. We thus serve overnight guests, diners as well as meeting and conference guests.

Two units also have a swimming pool for children and adults to enjoy. Pools which require cleaning, water and energy.

We have chosen to outsource some functions at our hotels and hostels to external partners, who can perform these tasks better than us. This applies to our housekeeping, security, dishwashing and those temporary workers, who are not permanent replacements. These colleagues work at our hotels and hostels on a daily basis, but they are not employed directly by Arp-Hansen Hotel Group.

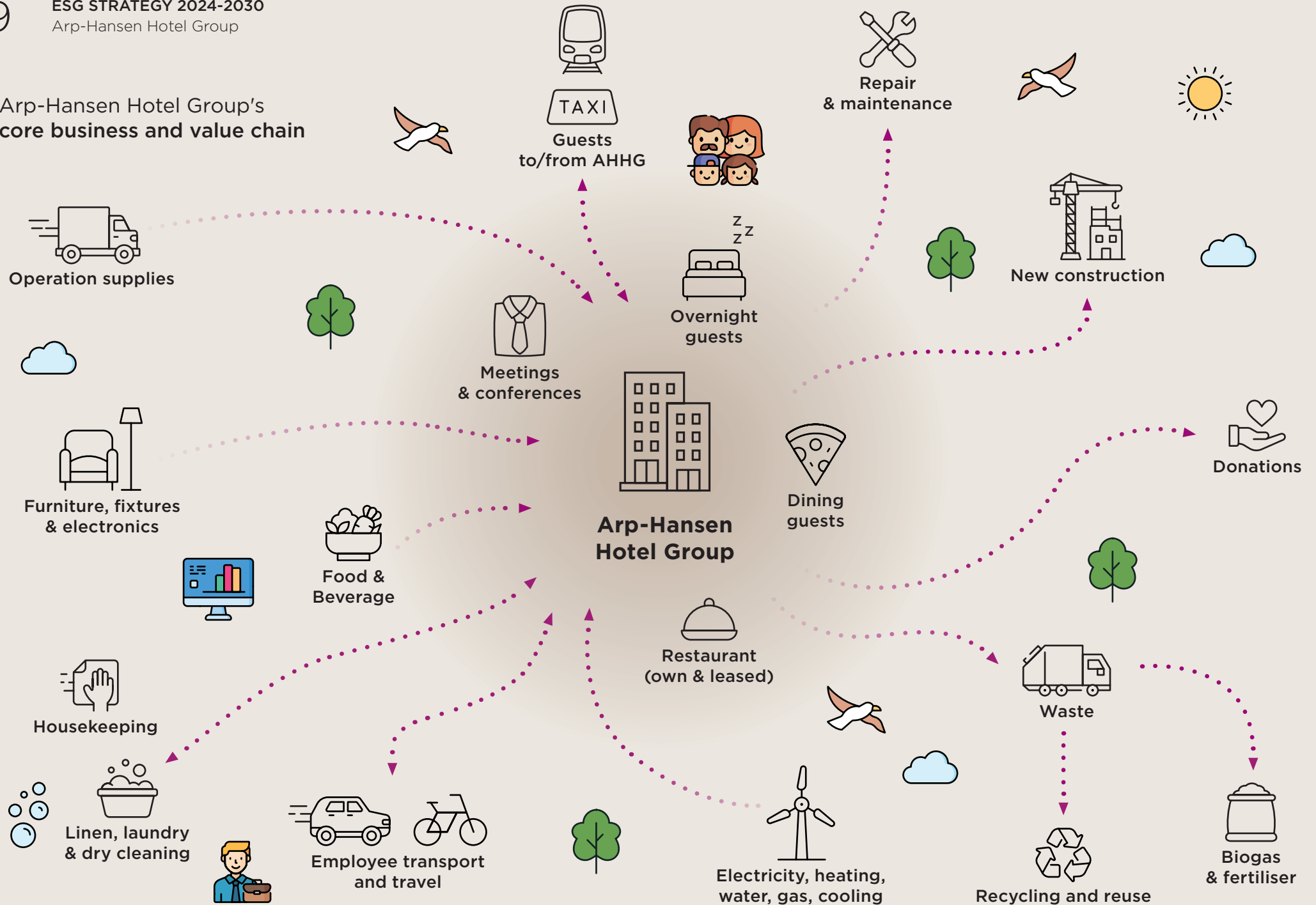
On the procurement side, we have a wide range of large and small suppliers, who are important for us to deliver the high quality to our guests that we strive for. The physical purchases can be broken down into four major purchasing categories:

1. Renting and washing of linen (outsourced)
2. FF&E (furniture, fixtures and equipment), which is and more or less fixed equipment
3. OS&E (operating supplies and equipment), covering supplies such as pens, toilet paper, mobile phones, etc.
4. F&B (food & beverage)

In addition, we have a number of other purchases, especially utilities (electricity, water, heating, cooling, etc.), services (e.g. service agreements on machinery, hosting, consultants, trainers, etc.) and financial services (insurance, etc.).

As we are a service company with a very limited impact downstream, mainly related to the sale of umbrellas and the distribution of merchandise such as notepads, pens etc.

Arp-Hansen Hotel Group's core business and value chain





**A solid
foundation**

Arp-Hansen Hotel Group is dedicated to being a responsible, constructive and positive contributor to the society we are part of. A contributor that takes responsibility and creates favourable conditions for employees, guests and local communities.

Therefore we have been working purposefully with sustainability across all departments, hotels and hotels for many years.

As early as 2009, we achieved Green Key certifications for all our hotels/hostels, as a result of our early efforts - especially within energy, water, buildings, etc.

Having an ambition to be a positive contributor requires you to regularly scrutinise yourself and carefully consider whether you have blind spots or unseen opportunities to do even better.

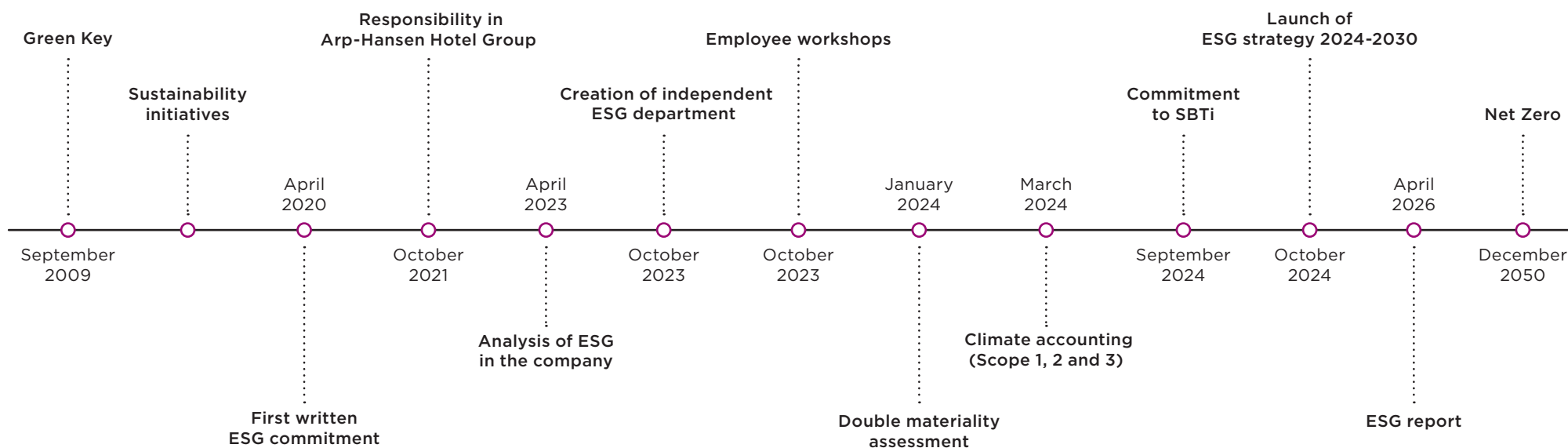
A need for new challenges

We started this work in 2023 and 2024. First, we took the temperature of the implementation of our existing ESG initiative *Responsibility in Arp-Hansen Hotel Group*.

This showed us that most of the initiatives had already been successfully implemented.

It also showed a number of areas where we are performing well - for example energy (electricity, district cooling, district heating, etc.), and gave us a direction for where we can create even more value in the future.

Ultimately, it gave us insight into how far we have come on our sustainability journey and gave us an appetite for more.



Employee perspective

We pulled out all the stops to create a new, long-term and even more ambitious ESG strategy to guide our sustainability work towards 2030.

We set up an independent ESG department and brought in new people from outside.

We set up working groups and organised thematic workshops where employees discussed ESG topics such as circular economy, energy, water, food and beverage, procurement, cleaning, buildings, working conditions and other social issues. And we sat down with a wide range of partners and looked at where and how we can take our joint efforts even further.

The many contributions have given us a 360-degree insight into the business.

Double materiality assessment

Last but not least, we carried out a so-called double materiality assessment. This is an analysis of how our business affects a number of environmental, climate and social issues and how these issues affect the company's financial or practical ability to do business. The assessment was carried out in collaboration with the consultancy Märk, and the results of the analysis are summarised in the figure on page 13.

Five key conclusions can be derived from the double materiality assessment:

1. Climate change and GHG emissions are the most significant ESG impact for Arp-Hansen Hotel Group. This is where we can really make a difference through the choices we make locally in the operation of our hotels and hostels through our procurement.
2. Another important consideration is resource utilisation and circular economy. A relatively large amount of waste is generated in our hotels and hostels and in the production of the goods we buy.

Here, we therefore have an opportunity to make a difference by strengthening our processes and infrastructure, including waste sorting and incorporating circular collaborations and processes into the value chain.

We also have a significant resource footprint when we build and renovate hotels.

3. As a service company that thrives on providing our guests with first-class hospitality experiences, it is natural and in line with our values that our employees - those who create good experiences for our guests - are also an important consideration. This applies, for example, within:
 - a. Work environment
 - b. Diversity, equality and inclusion
 - c. Skills development
 - d. Employee satisfaction, employee turnover and sick leave

These considerations are indicated with a green S1 in the figure. They are areas that we focus on today and will continue to play a central role in the future.

Accountability in the scoring method

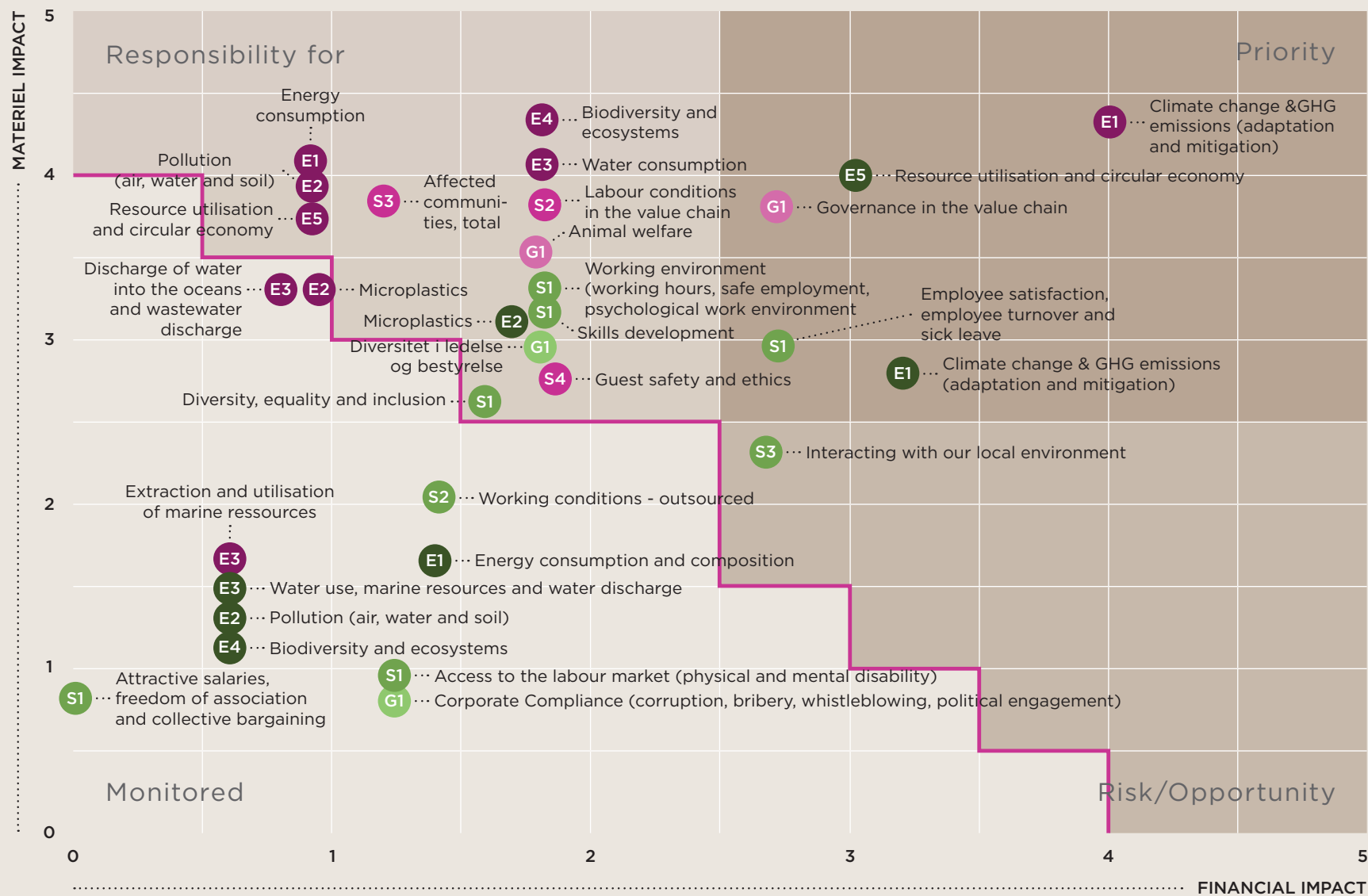
It is a central guideline for us that our consistent values of decency and responsibility are at the centre of everything we do. They have also been at the centre of our assessment of our impact on people and the environment. This is why we have chosen to give risks that we do not feel we know enough about a high score.

We have done this because we insist on taking responsibility, and that means working hard to eliminate blind spots. Only then can we make risks visible so they can be managed. Properly and responsibly.

Therefore, a high impact score does not necessarily reflect that Arp-Hansen Hotel Group is causing a negative impact, but that we do not know enough about the area and therefore want to take the necessary preventive steps.

For example, if we have concluded that we are not certain about how our suppliers relate to biodiversity protection and we also consider biodiversity to be a significant environmental and climate risk, then biodiversity in the value chain is scored high.

Double materiality assessment



Arp-Hansen Hotel Group will regularly update our double materiality assessment as we learn more, deal with risks, and things change. It should be noted that the double materiality assessment has not been checked by an outside auditor.

Own operation



The value chain



Priority

Responsibility for

Risk/Opportunity

Monitored

4. We have identified a number of potential impacts in the value chain (indicated by pink E's and S's in the figure) that have been scored as significant. This reflects that it has generally been difficult for us in the process to obtain sufficient knowledge about our business partners' subcontractors. For example, their geographical location, production and labour conditions, their due diligence, or how they protect the environment and biodiversity.
5. Finally, good governance is a key priority for Arp-Hansen Hotel Group. The analysis shows that we to a significant extent have good governance, in accordance with our corporate values in our own operations. At the same time, the analysis shows a risk that our ESG expectations and requirements are not necessarily manifested down the value chain.

It will require a concentrated effort and close collaboration with our suppliers to strengthen our governance in the value chain and make our ESG expectations visible over the coming years. Not least for our business partners to establish processes to obtain, extract and deliver ESG-related data. Of course, we are ready to help in the process so that we can reach our goals together.

**" We insist on taking responsibility.
This means working purposefully
to eliminate blind spots. "**

Embedding the ESG strategy

A good governance structure is necessary for the ESG strategy to be implemented effectively.

Both our ESG strategy and the analysis basis (the DMA) are anchored in Group Management and approved by the Board of Directors, including the Chairman and the company's owner, who is dedicated to ESG, among other things through his long-standing collaboration with the World Wild Fund for Nature, WWF.

Arp-Hansen Hotel Group's ESG efforts are developed by a steering committee consisting of a wide range of disciplines: Sustainability, HR, Supply Chain & Operational Compliance, Financial Planning & Analysis, Operations and Technical Department - in close dialogue with both Group Management and our hotels and hostels.

Employee workshops have been organised for 160 selected employees, and initiative-specific working groups have been set up across hotels and hostels to ensure anchoring and ownership locally.

The day-to-day implementation of the ESG strategy is handled by Sustainability, while Group Management ensures that initiatives and policies are reflected in the units' annual budgets and strategic management.

Gentofte Hotel



Facts

- Year built: 1600
- Arp-Hansen Hotel Group since: 1960
- Number of rooms: 98



Did you know that...

- Gentofte Hotel once served as an inn where royal families stopped on their way to Fredensborg Castle?





Sustainability in Arp-Hansen Hotel Group

We see sustainability as a privilege and as a fundamental part of our shared social contract. We are grateful for the land we live on, which we are lucky enough to borrow for a while. The least we can do is take good care of it and the people who live here.

As with other social contracts, everyone has a responsibility to contribute as best they can. As Copenhagen's largest hotel chain, we have the opportunity to make a difference for many. We do this by making it easy for everyone to make sustainable choices regardless of budget.

Our vision

Which is why our vision for 2030 is:

**We will make sustainability
an easy and accessible choice**

We know that sustainability can be difficult. It is often hard to know which choice is actually the most responsible one. And sometimes - perhaps especially when you are indulging yourself - it can be difficult to prioritise the green, the healthy or the socially responsible. We understand that.

That is why our ESG efforts are designed with the guest in mind. We know that some guests want to be environmentally and socially responsible in all choices during their stay, while other guests prefer to leave sustainability considerations to us when staying at our hotels and hostels.

With us, there is room for everyone and room to be yourself. With a clear conscience.

In other words, we want to be the preferred hotel choice for guests, regardless of budget, who want

exciting experiences in unique locations where sustainability and responsibility are a visible, natural and consistent part of the stay.

Our core goals

The best way to ensure that all guests can have a clear conscience at our hotels and hostels is simply to minimise our CO₂e emissions. That is why we have set an ambitious Net Zero target that, alongside our vision, forms the core of our ESG efforts.

We want to be carbon neutral in our business and our hotel operations value chain by 2050.

Our core goal is ambitious and long-term, and will help us integrate CO₂e reductions into all 360 degrees of the business.

Our focus areas

At the same time, we know that long-term goals require good planning and shorter-term milestones. We also know that CO₂e is not the only consideration. We will therefore work towards our ambitious vision and core objective through 4 key focus areas, each with 4 concrete commitments and clear targets towards 2030.

With the 4 focus areas and 16 commitments, we ensure that we address our most significant impacts, that we can measure our progress AND prioritise the efforts that create long-term value for both our business and society.

And we ensure that by 2030 we will be well on our way towards our core goal of being carbon neutral in 2050.

**" We must operate
our hotels responsibly
and purchase
with respect for
resources, biodiversity
and nature. "**

Focus areas and commitments



71 Nyhavn Hotel



Facts

- Year built: 1804
- Arp-Hansen Hotel Group since: 1971
- Number of rooms: 130

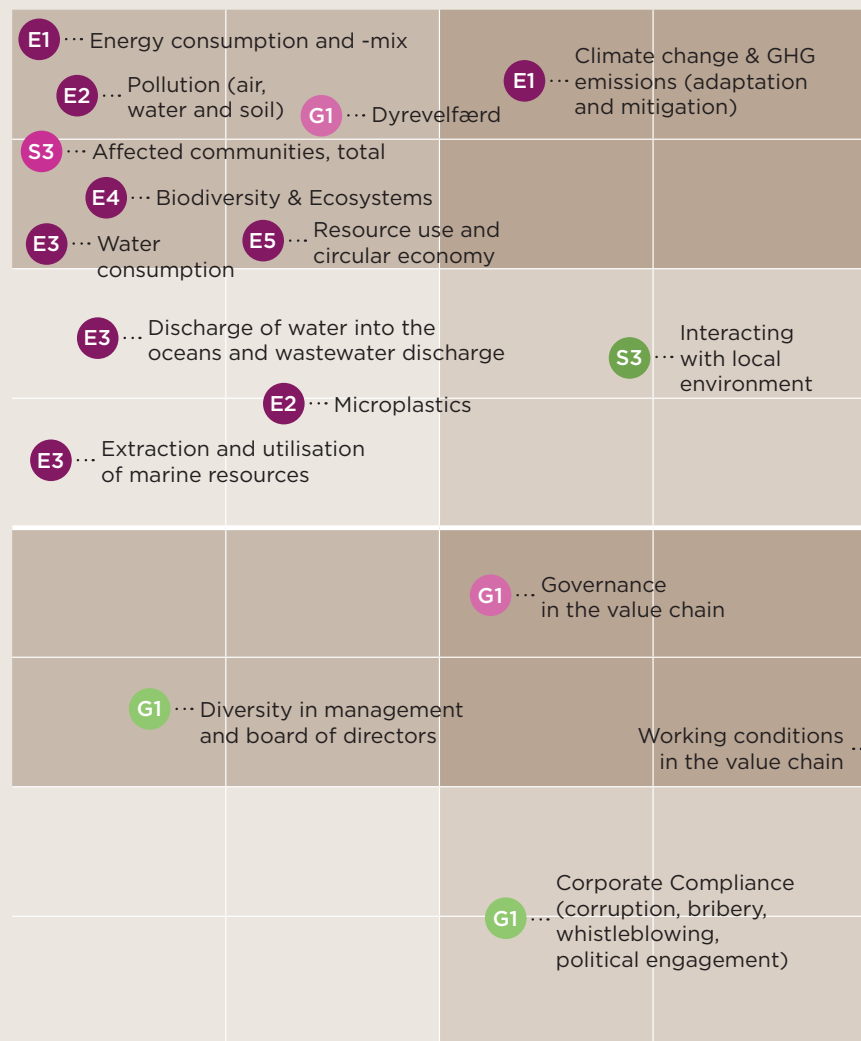


Did you know that...

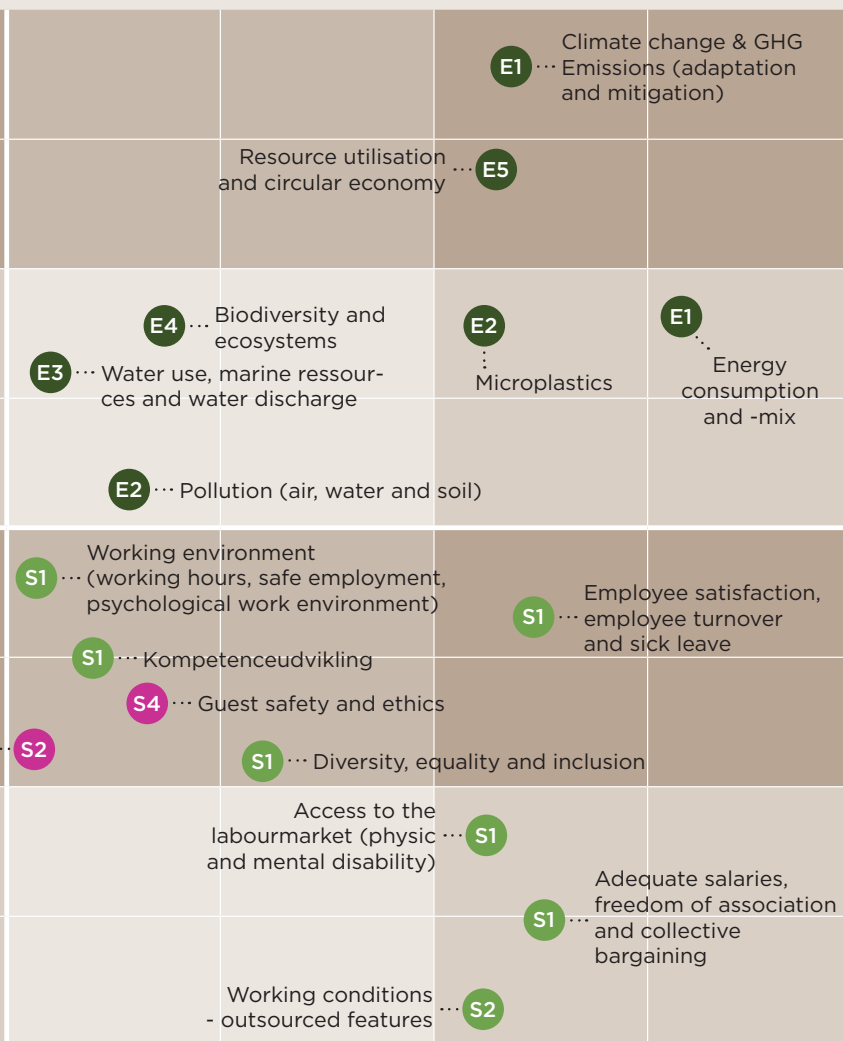
- The hotel is located in "Det Suhrske Pakhus", which in the 1800s was used to store spices from the Far East?

Strategic link to the DMA

Accountable Procurement



Hotel operations and buildings with a stance



The figure shows the link between our double materiality assessment and our ESG strategy by indicating in which focus area we address each impact.

For example, if you want to read what initiatives we have implemented and have in the pipeline to address resource utilisation in our own operations, check out the chapter *Hotel Operations and buildings with a stance*.

Own operation



The value chain



Priority



Responsibility for



Risk/Opportunity



Monitored

Good Governance

Human Hospitality

Our commitments towards 2030

A

Accountable Procurement

- Our partnerships are transparent, mutually value-creating and centred around common ambitious goals
- Our procurement is based on a 360-degree assessment of quality, ESG footprint and total cost of ownership
- We buy F&B with care and serve world class plant rich dining experiences
- We have fewer deliveries and fewer kilometres driven on diesel and petrol

H

Hotel operations and buildings with a stance

- We use environmentally friendly electricity and reduce water and energy consumption with water- and energy-saving hardware, technology and routines
- We use environmentally friendly cleaning agents and products that are certified biodegradable and free of hazardous chemicals
- We respect the Earth's resources by producing as little waste as possible and by reusing and recycling what we can
- We build high-quality, energy-efficient and durable buildings with a low carbon footprint

H

Human hospitality

- We create high employee satisfaction and pride that makes us all want to make a difference for each other and our guests
- We are a relevant and attractive workplace that retains, develops and attracts competent employees
- We make everyone feel welcome, included and heard no matter who they are or where they come from
- We engage in our community and make a positive difference for our neighbours

G

Good Governance

- We actively work to make our value chain more sustainable by setting clear requirements for good behaviour and setting a good example ourselves
- We perform ongoing due diligence and we prevent and mitigate risks
- We inspire through honest and trustworthy communication
- We invest in data systems and incorporate ESG data in our collaborations to make the most sustainable choices possible

Our 2030 goals

The road to NET ZERO

In the value chain for hotel operations (scope 1, 2 and 3)

Accountable Procurement



100 %

of key suppliers are ESG certified

60 %

procurement volume from top 10 suppliers is ESG certified

8,5 kg

CO₂e from procurement per room night per year

12

ESG certified product categories

50 %

plant percentage

2,2 kg

CO₂e per kg food purchased

100 %

of hotels have the Organic Cuisine Label

70 %

green employee commuting

Human Hospitality



15 %

in employee turnover

3,3

(out of 4) in wellbeing score

62

in eNPS

4,5

(out of 5) in course evaluation

3,5

(out of 4) in psychological safety

3,5

(out of 4) sense of inclusion

≤ 8,5

sick days per FTE per year

14

In the City Together events

Hotel Operations and Buildings With a Stance



10 %

lower energy intensity

15 %

lower water intensity

30 %

less waste per room night

3,86 kg

CO₂ per square metre per year in new construction

30 %

less food waste

100 %

certified chemistry

80 %

recycling rate



THE GLOBAL GOALS
For Sustainable Development

Good Governance



100 %

suppliers have committed to CoC

100 %

employees have completed ESG e-learning

50/50

gender balance in management

80 %

business partners have been risk-assessed



The Green Key

100 %

sourcing from known country of production

60 %

supplier-specific emission factor

4,0

(out of 5) guest experience of our ESG efforts

UN Sustainable Development Goals

Through the efforts and commitments in our ESG efforts contribute towards 24 of the UN's 169 targets across 10 of the 17 Sustainable Development Goals (SDGs). This is where we can actively work towards the UN's ambitions for a more sustainable future. We recognise that we are not finished in our own value chain, but we believe that our commitments can push for a positive development



Good health and well-being

3.4 Promoting mental health and well-being.

3.9 Reduction of deaths and illnesses from exposure to hazardous chemicals, air, water and soil pollution.

Quality education

4.3 Equal access to technical, vocational and higher education.

4.4 More young people and adults have relevant technical and vocational skills and competences.

4.7 Learners acquire knowledge and skills in sustainable development and sustainable living.

Gender equality

5.1 Stop all forms of discrimination against women and girls.

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making processes.

Clean water and sanitation

6.3 Improve water quality globally by reducing pollution, waste dumping, releases of hazardous chemicals and materials, untreated wastewater and increasing recycling.

6.4 Improved water use efficiency over time.

Affordable and clean energy

7.2 Increasing the share of renewable energy in the energy mix.

7.3 Improving energy efficiency.

Decent work and economic growth

8.4 Promote resource efficiency in consumption and production and decouple economic growth from environmental degradation (with developed countries in the lead).

8.8 Protecting labour rights and promoting a safe and stable working environment.

8.9 Implement policies that promote sustainable tourism that creates jobs and promotes local culture and products.

Reduced inequalities

10.2 Increased inclusion of all, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status, in social, economic and political decisions.

10.3 Ensuring equal opportunities and minimising discrimination.

Responsible consumption and production

12.2 Promoting sustainable management and efficient utilisation of natural resources.

12.3 Reducing food waste and food loss in production and supply chains.

12.4 Environmentally sound management of chemicals and waste throughout their lifecycle.

12.5 Reduction in waste generation through prevention, recycling and reuse.

12.6 Sustainability practices and sustainability reporting among large organisations.

12.8 Promote relevant information and knowledge about sustainable development and lifestyle, for example in education.

Climate action

13.1 Strengthen resilience and adaptive capacity to climate-related risks and natural disasters.

Peace, justice and strong institutions

16.5 Reduction of all forms of corruption and bribery.

Partnerships for the goals

17.17 Promote effective partnerships, including in civil society, building on experiences and resource strategies from partnerships.

Green Key on the journey

In connection with the preparations for the Climate Summit, COP 15, in Copenhagen in 2009, Arp-Hansen Hotel Group decided to give the climate movement a boost by joining Green Key Denmark with all hotels and hostels. This was the start of a close collaboration between Arp-Hansen Hotel Group and Green Key Denmark.

Since our first Green Key certification in 2008, all our existing and new properties have been awarded or re-certified with Green Key every year. Most recently with Next House Copenhagen, which opened in 2021.

Today, Green Key is the leading international standard for environmental responsibility and sustainable operations in the hospitality industry with over 5,000 Green Key certified companies in 60+ countries.

Green Key represents a commitment by companies to ensure that buildings and outdoor areas meet strict environmental criteria set by the non-profit organisation Foundation for Environmental Education (FEE).

Green Key certification assures our guests that by booking a stay with us, they are making a difference.



Structure of the strategy

In the upcoming chapter 4 *The Road to Net Zero*, we first present our climate accounts, which is the starting point of our journey towards the core goal of Net Zero.

But it only makes sense to talk about Net Zero if we also focus on reducing the CO₂e we emit in our operations and in our value chain. We must operate our hotels responsibly and source with respect for resources, biodiversity and nature. We must continue to focus on the people who work in our hotels, hostels and group office, on the safety and security of our guests, and on people and local communities in the value chain. And at the same time we must demonstrate good leadership and be an inspiration to others around us.

In the following four chapters, we will dive into each focus area and each of the four associated commitments. For each commitment, we describe our policies, goals and baselines, and we present a series of actions to take us the first steps on the journey to fulfil the commitments we have set for ourselves.

Phoenix Copenhagen



Facts

- Year built: 1684
- Arp-Hansen Hotel Group since: 1991
- Number of rooms: 213



Did you know that...

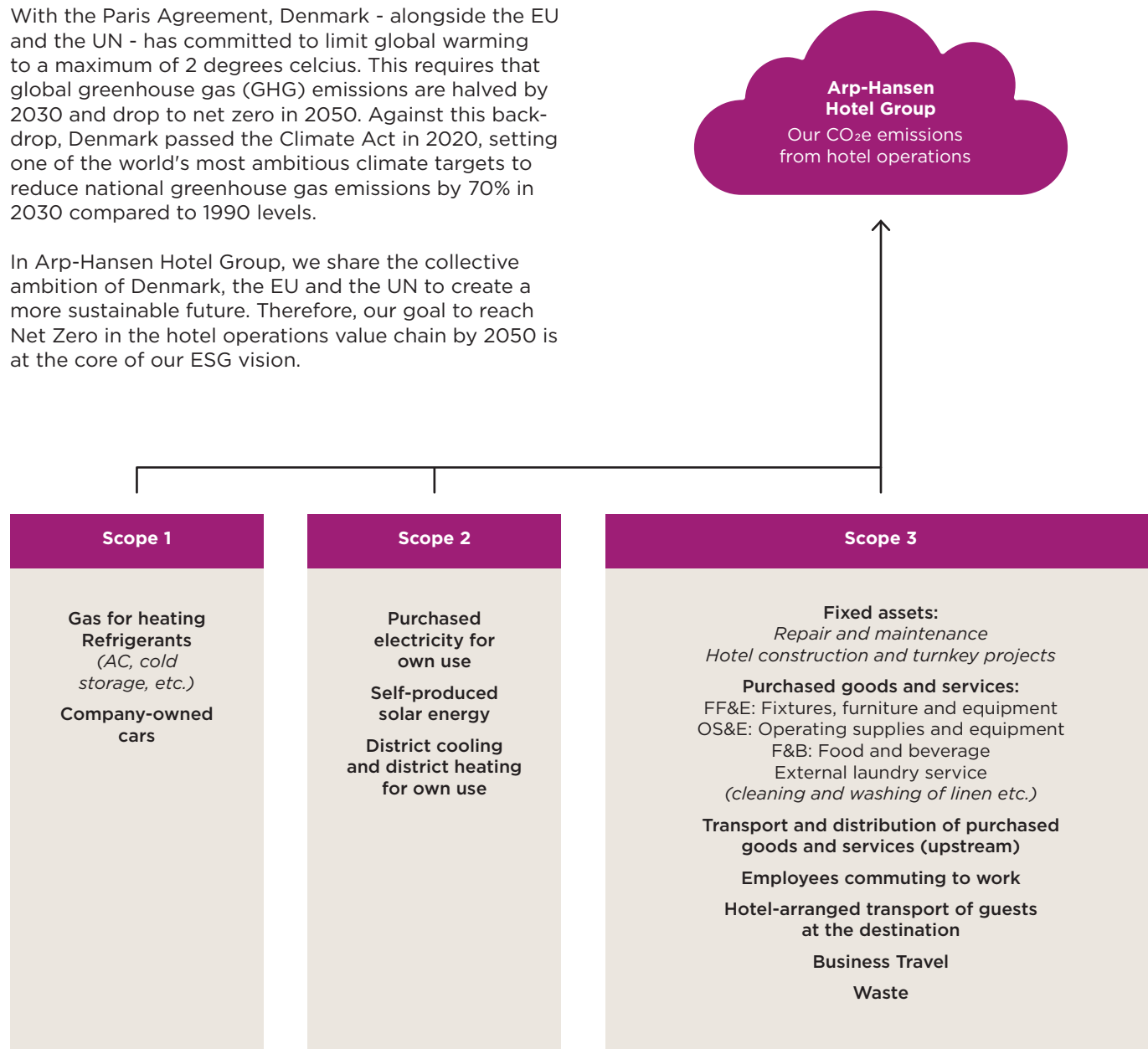
- Hotel Phoenix was already one of the finest and most celebrated hotels in Copenhagen in the 1800s. In 1861, the great French writer Jules Verne stayed at the hotel while on a study trip to the Danish capital. Unfortunately, he missed the birth of his son back home in France.

An aerial photograph of a city street scene. In the foreground, a large, modern building with a grey facade and many windows is visible. Its roof is covered with a grid of solar panels. To the left of this building, another roof is covered with a dense layer of yellow and orange autumn leaves. In the background, several other buildings with red-tiled roofs and many windows are visible, along with a street with parked cars and a few trees. The overall scene is a mix of urban architecture and greenery.

The road to Net Zero

With the Paris Agreement, Denmark - alongside the EU and the UN - has committed to limit global warming to a maximum of 2 degrees celcius. This requires that global greenhouse gas (GHG) emissions are halved by 2030 and drop to net zero in 2050. Against this backdrop, Denmark passed the Climate Act in 2020, setting one of the world's most ambitious climate targets to reduce national greenhouse gas emissions by 70% in 2030 compared to 1990 levels.

In Arp-Hansen Hotel Group, we share the collective ambition of Denmark, the EU and the UN to create a more sustainable future. Therefore, our goal to reach Net Zero in the hotel operations value chain by 2050 is at the core of our ESG vision.



Glossary of terms

The GHG Protocol, or Greenhouse Gas Protocol, is an internationally recognised and widely used standard for how companies and organisations should measure and report their greenhouse gas emissions

The GHG Protocol divides emissions into 3 "scopes":

Scope 1: Direct emissions from sources controlled by the company. You could say it is what we burn ourselves. For us, this includes emissions from gas for heating, our own vehicles and fugitive emissions from our refrigeration installations.

Scope 2: Indirect emissions from the consumption of purchased electricity, steam, heat and district cooling. These emissions come from the installations that produce the energy we consume.

Scope 3: Other indirect emissions that are a consequence of the company's activities, but which originate from sources not controlled by the company. For Arp-Hansen Hotel Group, this includes everything from emissions related to linen washing, production and shipping of purchased products, interiors, food and beverages etc. to emissions related to employee travel and transport of products.

Net zero means that a company reduces its greenhouse gas emissions and offsets the remaining emissions by removing an equivalent amount of GHG from the atmosphere.

CO₂-equivalents (CO₂e) is a generic term for the effect of different greenhouse gases with different global warming potentials (GWP). Greenhouse gases such as methane (CH₄) and nitrous oxide (N₂O) will warm the atmosphere much more over 100 years than CO₂e.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Committed to SBTi

As an important step on our journey, Arp-Hansen Hotel Group has committed to the Science Based Targets initiative (SBTi), which is the highest standard for companies setting binding targets for CO₂e reductions. We have done this because it is important to us that our work with the green transition contributes to real change and is based on the latest science and research in the field.

With our SBTi pledge, we are committed to setting and implementing additional science-based greenhouse gas reduction targets that are in line with the Paris Agreement.

Our commitment to SBTi involves getting our reduction targets approved by September 2026. However, our ambition is to achieve approval of ambitious interim targets by the end of 2025 at the latest, so that we can monitor our work towards Net Zero as soon as possible.

The Science Based Targets initiative is a global initiative by the United Nations Global Compact, WWF and others.

Climate accounting

To help us work strategically to reduce our CO₂e emissions and set interim targets in collaboration with SBTi, we have (for the first time) prepared a full climate accounting of our total operating activities for 2022 and 2023. This allows us to begin the journey of decoupling our CO₂e emissions from our growth over time by taking action where it will have the greatest potential impact, and we can track our progress going forward.

Arp-Hansen Hotel Group's hotel operations emitted 17.03 tonnes CO₂e per million DKK in net revenue in 2022 and 17.05 tonnes CO₂e per million DKK in net revenue in 2023. So even though we have grown our revenue in 2023 by 13.1%, the relative emissions have remained at a stable level.

If we look at emissions per room sold, this has increased by 4.9%. However, an important consideration is that we use spend data and average emission factors to calculate the emissions of our procurement. Therefore, increasing costs and prices are reflected in increased emissions for the exact same product.

The same applies in cases where we switch from a conventional to an environmentally certified product, which is typically more expensive.

This will apply until we replace consumption data with activity data and until we replace average emission factors with product and supplier specific emission factors. You can read more about this in the section about knowledge and data-based value creation in the Good Governance chapter.

The largest part of Arp-Hansen Hotel Group's CO₂e emissions from hotel operations is in scope 3 (93.1% in 2023), while the remaining 6.9% comes from the use of our own buildings (scope 1 and 2).

Procurement is where we can make the biggest difference, as it accounts for 87.4% of our total emissions.

Table 1

Development in CO₂e on key metrics (*market based*)

Key figures	2022	2023	Change CO ₂ e	Change %
tCO ₂ e total (scope 1, 2 and 3)	23,563	26,702	3,139	13.3 %
tCO ₂ e per employee	36.76	39.68	2.92	7.9 %
tCO ₂ e per DKK million net sales	17.03	17.05	0.03	0.2 %
tCO ₂ e per m ²	0.11	0.13	0.02	16.7 %
Kg CO ₂ e per room sold	18.46	19.38	0.91	4.9 %

Development in CO₂e on key metrics (market-based)

Tabel 2

Emissions by scope,
2022 and 2023 (market based)

Scope	2022		2023	
	Tonnes CO ₂ e	Share of emissions	Tonnes CO ₂ e	Share of emissions
Scope 1	788	3.3 %	780	2.9 %
Scope 2	1,021	4.3 %	1,071	4.0 %
Scope 3	21,754	92.3 %	24,852	93.1 %
Total	23,563	100.0 %	26,702	100.0 %

A natural climate journey

Climate change is a serious risk and we are dedicated to operating our hotels in a way that contributes to a sustainable future. Since the chain's inception, we have taken steps to reduce our carbon footprint. We have energy-renovated our buildings, chosen water- and energy-friendly installations and equipment, we have a certificate for 100% green electricity, and we have taken active and early action with environmentally certified key partners. You can read much more about these and many more initiatives in the rest of the strategy.

To support us in achieving real measurable progress towards our goals, over the next four chapters, we are launching a number of initiatives that we at Arp-Hansen Hotel Group will implement over the coming years. We look forward to our common journey towards Net Zero - together with our partners, our guests and all of us at Arp-Hansen Hotel Group.

Table 3

Emissions by emission category, 2023 (market based)

Main category ¹	Emissions in tonnes CO ₂ e	Share of emissions	Change in tonnes CO ₂ e 2022-2023
Energy and processes	2,306	8.6 %	49.05
Electricity	246	0.9 %	0.75
Heat and process energy	2,060	7.7 %	48.30
District heating	1,129	4.2 %	61.97
Fuels	48	0.2 %	-13.66
Cooling (district cooling, AC, cold storage)	883	3.3 %	0.00
Procurement	23,335	87.4 %	3,133
Materials	1,512	5.7 %	-13.29
Products and services	21,824	81.7 %	3,147
Transport	1,061	4.0 %	-42.96
Own and leased transport	87	0.3 %	2.93
Employee transport (commuting and business travel)	950	3.6 %	-43.28
Transporting goods	25	0.1 %	-2.61
Waste and recycling²	0.15	0.0 %	-0.31
Total	26,702	100.0 %	3,139

Note 1: The total relative emission of energy and processes (9.6%) is higher than the share of scope 1 and 2 (7.7%). This is because energy and processes also create a derived scope 3 emission.

Note 2: Our waste sorting and the waste we send for recycling also contribute to emitting 2,095 tonnes less CO₂e than if the materials had been produced from scratch. This is a benefit to society that we are proud of, and something that is part of Denmark's overall climate accounts.

Accountable procurement

Our commitments

1. Our partnerships are transparent, mutually value-adding and centred around shared ambitious goals.
2. We work actively with certifications as a management tool and increase the share of certified products and partners.
3. We buy F&B with care and serve world class plant-rich dining experiences.
4. We have fewer deliveries and fewer kilometres driven on diesel and petrol.

Accountable Procurement is the first of four focus areas. Through our procurement, we can set requirements for environmental, climate and social conditions in our value chain, and we can create demand for new solutions, products and production methods. In this way, we can influence the impact we and our business partners have on society, our environment and the world around us.

As a hotel and conference organisation, we need to balance guests' expectations and demands for their stay with sustainable considerations. As we are not willing to compromise on either, it is our job to be innovative, curious and outreaching to find the golden sustainable solutions with the right partners.

Sustainability already has a significant impact on our procurement practices today. With this strategy, we are raising our ambitions further and setting concrete goals for our work with accountable procurement.

The ambitions and goals we present in this chapter will be unfolded with initiatives in a procurement strategy that we expect to launch in the spring of 2025.

Together we are stronger

1. Our partnerships are transparent, mutually value creating and centred around common ambitious goals

At Arp-Hansen Hotel Group, we see our suppliers, service providers and other collaborations as key partners. Our co-operation partners are crucial to the good product and high quality we deliver at our hotels and hostels. Therefore, we emphasise mutual loyalty, respect, creativity, innovation and care in our cooperation.

Our clear ambition is long-term partnerships that create mutual value. Therefore, we prioritise fewer, strong partnerships rather than partnerships without the same level of involvement. As a result of our materiality assessment we must increase our knowledge of our value chain, not least about manufacturers' geographical location, production and employee conditions, their due diligence, etc.

It is therefore even more urgent for us than before that we succeed in working with partners, who demand the same high level of integrity and behaviour from their

Upcoming initiatives

Launch of Procurement Strategy

In the spring of 2025, Arp-Hansen Hotel Group will launch a new, ambitious procurement strategy towards 2030 based on our hospitality DNA. The purpose of the procurement strategy is partly to make our expectations visible to external partners and partly to make the supply chain easier to understand internally, create clearer guidelines for hotels and hostels, invite sparring between departments and create a breeding ground for innovative solutions.

Common ESG goals in co-operation agreements

Together with our business partners, we want to support the development of more sustainable solutions and production methods. Therefore, from the beginning of 2025, we will introduce common, ambitious ESG targets as standard in all new and renegotiated co-operation agreements. The targets will ensure focus on sustainable development, strengthen Arp-Hansen Hotel Group's ability to measure progress and ensure that we and our partners work together on common ESG efforts.

Mapping of key business partners

By the end of 2025, we will map and categorise all business partners of Arp-Hansen Hotel Group. This may involve eliminating and selecting partners in areas where we have several suppliers for the same service or product, taking into account competition, risk management, etc. In this process, particular emphasis will be placed on the quality of the partnerships, that future partners of Arp-Hansen Hotel Group can provide the data we need, that they are ambitious in achieving their own and our ESG goals, and that they can offer added value for our guests.

By working towards more data stability, we ensure that in the future we will have a better opportunity to compare different solutions and suppliers.

Table 4
Goals and baseline¹

KPI	2024	Goals for 2026	Goals for 2030
Formalised collaborations (% of creditors)	NA ²	50 %	75 %
Growth in procurement through formalised collaborations (% of procurement volume)	NA ²	+10 %	+25 %
Supported small Danish companies (units)	5	+5	+10

Note 1: Definitions of KPIs can be found in Appendix A
Note 2: Baseline must be established

own employees and their subcontractors as we demand from ourselves.

Today, we have more than 1,000 suppliers contributing in large and small ways. This creates complexity in our value chain and makes it difficult to maintain the care in our partnerships that we want.

Quality partnerships are a core value

Against this background, Arp-Hansen Hotel Group in the coming years will work to reduce the number of non-essential suppliers with the aim of centralising value creation with selected partners without compromising on tendering and security of supply. This will reduce the complexity and scope of our value chain and minimise any negative impacts that we have no knowledge of or control over.

Support for smaller Danish companies

We are always curious to test new, exciting and sustainable products that can ensure efficient operational solutions and create added value for our guests. We give small businesses the opportunity to trade directly with our hotels and hostels, either through our procurement platform or through wholesalers.

Procurement principles with insights

2. Our procurement is based on a 360-degree assessment of quality, ESG footprint and total cost of ownership

Our procurement accounts for 87.4% of our total carbon footprint. That is why it is important for us to actively work with more sustainable procurement to achieve our core goal of Net Zero in the hotel operations value chain by 2050.

" We are always curious to test new, exciting and sustainable products that can ensure efficient operational solutions and create added value for our guests "

Table 5
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
Certified suppliers (% of key suppliers)	40 % ²	60 %	100 %
Number of product categories where certifications are mandatory	4	8	12
Share of certified products at top 10 suppliers (%) ³	56 %	60 %	65 %
CO ₂ e in procurement (kg/room night/year)	16.9	12.7	8.5
TCO procurement	20 % ⁴	50 %	100 %

Note 1: Definitions of KPIs can be found in Appendix A.
Note 2: Estimated based on an online screening of websites conducted in September 2024.
Note 3: At top 10 suppliers, in the period 01.07.2023 - 30.06.2024.
Note 4: The figure is estimated as TCO calculations have been included in all major centralised purchases. However, mandatory use and documentation through TCO tools has not been required so far.

Luxurious, circular duvets and pillows at The Square

Guests on the 5th and 6th floors of The Square hotel near Copenhagen's City Hall Square can indulge themselves while testing a new luxurious comfort that consists of recycled duvets and pillows with real down and feathers from Re:Down®. All duvets and pillows are GRS certified, Oeko-tex 100 certified, NOMITE certified and Nordic Eco labelled.

Re:Down® is not just luxury, but respect for nature. New down and feathers are sourced as residue from other local production, while broken feathers and down are recycled into natural fertiliser products for agriculture. The production, located in Hungary, is based 100% on the company's own solar energy and even the water comes from a local thermal spring. Wastewater from the production is treated and returned to the source.



Copenhagen Strand



Facts

- Year of construction: 1869
- Arp-Hansen Hotel Group since: 2000
- Number of rooms: 174



Did you know that...

- The hotel is located in one of Copenhagen Harbour's original warehouses from 1869, which over the years has been used as a paper factory, among other things.

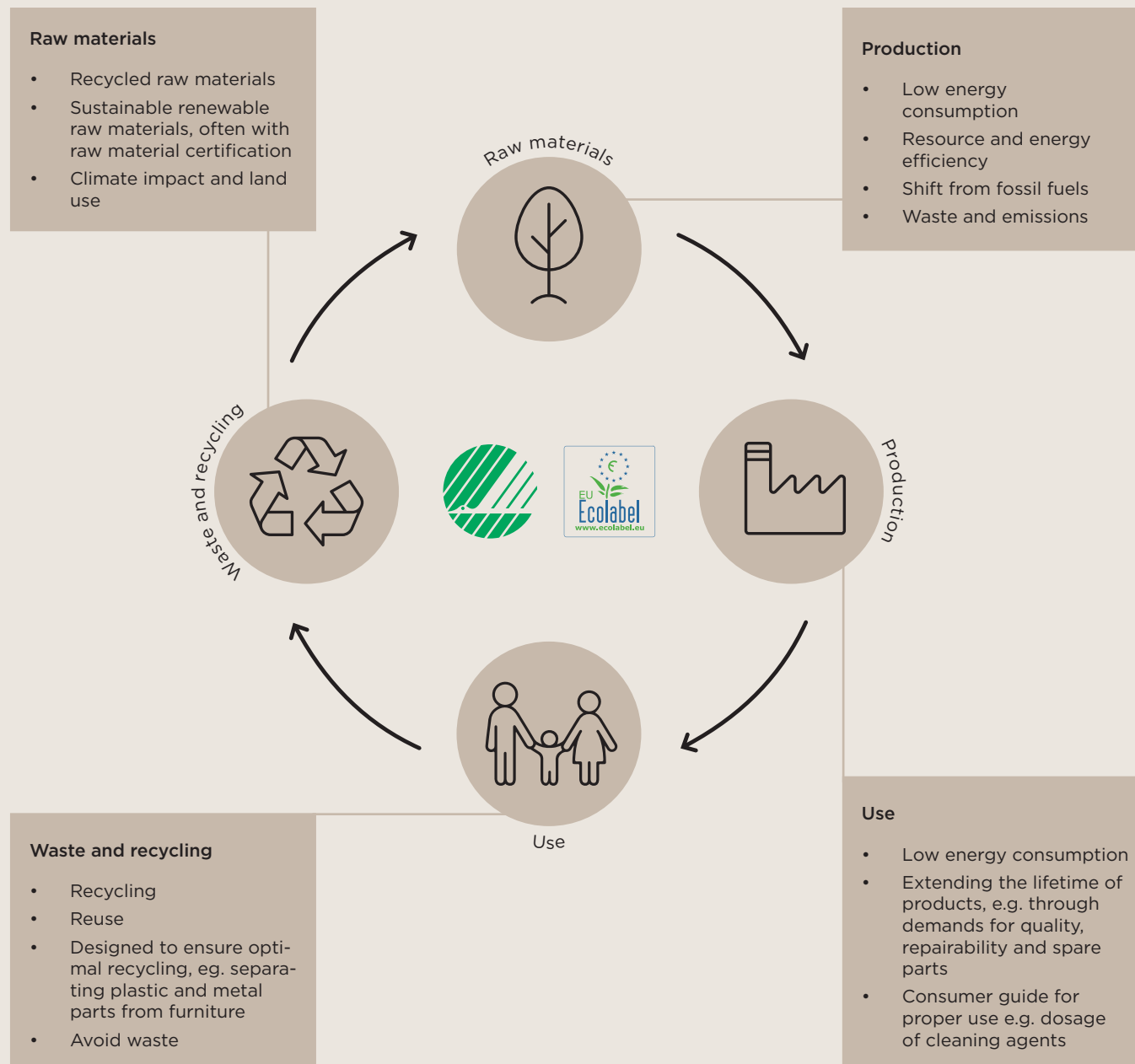
What is a Type-1 environmental certification?

The Nordic Swan Ecolabel and the EU Ecolabel are the official ecolabels in Denmark. They both have the highest ranking as so-called type 1 certifications according to the international standard, ISO 14024. Common to all type 1 certifications is that they are life cycle based with the same high standards and criteria, as shown in the figure.

For example, the Nordic Swan Ecolabel includes requirements for climate impact, biodiversity, hazardous chemicals, circular economy and product properties that ensure quality and durability.

Type 1 ecolabels require independent third-party certification and compliance is monitored. This provides security for us and our guests.

Other type 1 certifications that are less well-known in Denmark include The Blue Angel Eco-label, The Green Product Mark, Milieukeur, Good Environmental Choice, ISEAL Alliance and others.



Certifications as a management tool

ESG certifications are a valuable tool to optimise processes, reduce environmental and climate impact, and ensure quality and decent conditions for employees and society across the organisation and value chain. The right certifications also serve as a guideline for our employees to communicate correctly and deliver consistent, high-quality products and experiences to our guests.

We work with certifications at both product and company level, as well as certifications related to our own operations, our procurement and our suppliers and their business.

In addition to all our hotels and hostels being certified with both Green Key and Refood, we have a number of environmentally certified key partners and products. For example:

- The Group's main supplier of linen, ELIS, and our long-standing housekeeping partner, De 5 Stjerner A/S, are both Nordic Ecolabelled
- We have a Renewable Energy Certificate (REC) for wind energy, which covers 100% of our electricity consumption
- Our bed linen has three environmental and quality labels: BCI cotton, EU Ecolabel and OEKO-TEX 100 Made in Green
- We have developed our own Nordic Ecolabelled skincare product
- All printer paper and paper for printed matter is FSC,
- 92% of the coffee we consumed in the group in 2023 was Rainforest Alliance certified, etc.

You can read much more about this in the rest of the strategy.

Certifications are part of the overall procurement strategy for Arp-Hansen Hotel Group and ensure a continuous focus on sustainable procurement and credible communication.

Towards 2030, Arp-Hansen Hotel Group will be working even more actively with ESG certifications as a management tool, and we will increase the share of certified products and partners.

As a responsible company, we take a critical approach to the certifications we choose. We started this work in 2024, and it will continue into 2025. As part of this, we have defined a number of certifications that we in Arp-Hansen Hotel Group want to purchase according to whenever possible (see Appendix B), of which Type-1 certifications have first priority.

Product categories - a structured approach

At Arp-Hansen Hotel Group, we want to take a structured and measurable approach. Therefore, we have started to identify product categories within which it is mandatory to purchase a certified alternative, if available. This makes it easy to implement, communicate and measure across our hotels and hostels.

The first product groups we will identify in 2024 are:

1. Coffee
2. Linen laundry
3. Printer and writing paper
4. Personalised paper products (toilet paper, towel paper, paper tablecloths and napkins, etc.)

It is estimated here that we almost exclusively buy certified products. As of 2025, all purchases within these product categories will have at least one relevant ESG certification (see Appendix B), if available.

Upcoming initiatives

Designating product categories with mandatory certification

At Arp-Hansen Hotel Group, we already make many certified purchases. From 2024 onwards, we will continue to analyse our purchases, consult with our partners and research the market for certified quality products so that we can continuously add product categories to the list.

Total cost of ownership

As part of reducing our CO₂e emissions, from 2025 we will introduce total cost of ownership (TCO) calculations for all purchases over DKK 32,000 within selected product groups, such as electronics and appliances. This will ensure that the products that have the lowest lifetime costs including water consumption, electricity consumption, disposal costs, etc. also stand out as the most affordable alternative.

The assessment must be made using a recognised TCO tool, such as the Danish Environmental Protection Agency's TCO tool, The Responsible Buyer, or equivalent.

Green dining experiences

3. We buy F&B with care and serve world class plant-rich dining experiences

Denmark is known for its outstanding gastronomy and an extraordinary restaurant scene. We are proud that our guests can enjoy this. That is why it is not important to us that you eat "at home" - our priority is that you have a wonderful dining experience. Whether your dinner is prepared by us, by one of the unique kitchens we have welcomed into our hotels, or by one of the many eateries in town.

If you choose to dine with us, we of course offer vegan, vegetarian and allergy-friendly dishes in our restaurants. We do not serve foie gras or eel, as they are highly endangered. It is common sense, but we want to make sustainable food choices even more simple and accessible for our guests towards 2030.

The production of food and beverages has a large environmental and climate footprint. Even though food and beverages only make up a small part of our turnover, the food and beverages we serve to our guests account for 31% of our total CO₂e emissions. As part of working strategically and purposefully with plant-rich dining experiences, we set clear goals and continuously evaluate our progress.

More plant-rich, climate-friendly and in season

The most effective thing we can do to eat more sustainably is to eat more plant-based. Greener menus are better for the environment, nature, carbon footprint and animal welfare than more animal-based menus. We take responsibility for helping our guests eat a more plant-rich diet by ensuring that our green menus have the same high standards of quality and variety that our guests are used to.

For our business customers, our chefs design exciting, customised menus based on the premise that the more climate-impacting dishes are optional, which makes the sustainable choice simple and visible.



Restaurant Jordnær

In the beautiful premises of Gentofte Hotel, you'll find the award-winning Restaurant Jordnær. Here, our guests can enjoy a world-class 3-star Michelin experience, created and served by hosts Tina and Eric Vildgaard. When Eric cooks, love for the ingredients, the Nordic cuisine, and respect for the environment are at the forefront. It is recommended to book a table well in advance.

Three Michelin stars are awarded for extraordinary culinary artistry that is worth traveling for.

Table 6
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
Plant percentage	41 %	44 %	50 %
CO ₂ e in food (kg CO ₂ e/kg food purchase) ²	2.8	2.6	2.2
Better animal welfare (% of purchase volume of animal purchases)	Must be calculated	To be determined in 2025	To be determined in 2025
Organic Eating Label (% of hotels)	83 %	100 %	100 %

Note 1: Targets are tentative and can be adjusted as baselines are established.

Definitions of KPIs can be found in Appendix A.

Note 2: Calculated with emission factors from Concito's database 1.1

We focus on procuring according to the seasons. By buying fruit and vegetables when they are in season in Europe, we get the goods when the quality is at its best, without having to grow them in greenhouses, and we minimise the risk of shipping the goods by plane.

Love for the organic

Organic farming gives us food without pesticide residues; it protects our groundwater, nature and biodiversity, and emphasises animal welfare. And frankly, we think it tastes better.

That is why we are proud that the historic Gentofte Hotel was awarded the silver Organic Cuisine Label in 2024 with an organic share of more than 70%. A further nine of our hotels are certified with the bronze Organic Cuisine Label. This means that 30-60% of all food and beverages served there is organic. We aim for the last two of our hotels to achieve the Organic Cuisine Label by the end of 2025.



Upcoming initiatives

Better animal welfare

We want to focus more on animal welfare, and we believe that animals should have access to the outdoors and the opportunity for more natural behaviour. Our materiality assesment has shown us that we procure items today that do not live up to these values. At the same time, it has proved difficult to convert to 100% animal welfare labelled meat for reasons of supply, availability, economy, etc. But decency and responsibility are core values for us, even when they are difficult to live up to, and we will therefore develop and implement a realistic and responsible animal welfare policy by 2025.

Phasing out turbo chickens

One thing our upcoming animal welfare policy will address is the phasing out of turbo chickens. We believe it is a general challenge in Denmark that between 80-85% of the chickens bred and slaughtered annually are so-called *turbo chickens*, such as the Ross 308, which grows from 50 grams to 2 kilos in just 33 days. We therefore want to require our suppliers to ensure that all fresh, frozen and processed chicken meat does not come from fast-growing breeds, and that it should be possible for our business partners to ensure and document this. At the same time, we will explore the possibility of supporting other requirements in the Better Chicken Commitment, which can be found [here](#).

Upskilling chefs in plant-rich dishes

We will further train our kitchen staff in greener cooking and support knowledge sharing and mutual inspiration across our hotels and hostels.

Nudging guests towards greener food choices

In 2025, we want to test how/whether we can help guests put more green on their plates in the buffet through nudging and positive, inclusive information.

Climate friendly driving step by step

4. We have fewer deliveries and fewer kilometres driven on diesel and petrol

Freight is an essential part of our Accountable Procurement strategy, as we (also here) can make demands from our business partners. We can demand new innovative solutions and modes of transport, and we can perhaps influence how our employees and guests travel.

Shipping goods and services

Everything we buy has to be transported. The shorter the better, and the less fuel it takes, the better. That is why we require suppliers and partners to limit their CO₂e emissions from transporting goods by not using half-loaded containers and by converting to electric or other more sustainable transport where possible - as soon as possible.

Employee transport

As a service company, we rely on our colleagues coming to work every day to serve our guests. We have estimated our employee commuting to emit 900 tonnes of CO₂e in 2023 (3.4% of our total emissions), according to municipal commuting statistics.

As we are centrally located in the cities, we as employees have good opportunities to take public transport or cycle to work if the distance etc. allows it. We try to support this eg. by being active participants in the "We cycle to work" campaign. In 2024, we also expanded our network of EV charging stations at Gentofte Hotel, Tivoli Hotel & Congress Center, Wakeup Copenhagen Carsten Niebuhrsgade and Arp-Hansen Group Office.

Guest transport

Although we have no influence on our guests' choice of transport to and from the destination and our hotels, and although their transport is not part of our carbon footprint, we still want to promote climate-friendly transport whenever possible. We want to help our guests experience the city the way the locals do, while travelling emission-free - which is why we have 590 guest bikes available at our hotels and hostels.

When our guests need to take a taxi, we try to help them to an electric car. Which is why we are happy that 63 % of the taxis owned by our partner, taxi company 4x35, at the beginning of 2024 were electric vehicles and that the company has committed to a 100% emission-free fleet by the end of 2025.

Imperial Hotel



Facts

- Year built: 1958
- Arp-Hansen Hotel Group since: 2004
- Number of rooms: 304



Did you know that...

- Imperial Hotel is featured in the iconic 1965 film "The Girl and the Millionaire" and that the popular actor Dirch Passer often ate (after his late-night appearances) in the hotel's restaurant, which he loved?"

Table 7
Goals and baseline¹

KPI	2022	Goals for 2026	Goals for 2030
Deliveries (units/revenue DKK million)	NA	To be determined	To be determined
Public transport or fossil-free employee commute (%)	55 % ²	60 %	70 %

Note 1: Definitions of KPIs can be found in Appendix A
Note 2: Estimated based on municipal statistics data on average commute and mode of transport



Arp-Hansen Hotel Group bikes to work

Arp-Hansen Hotel Group has participated in the "We cycle to work" campaign since 2016. The internal competition creates a good atmosphere and has really gotten our employees in the saddle. In 2024, 9 of our hotels and hostels participated with a total of 109 cycling employees.

Most importantly, cycling to work kills two birds with one stone when the day's recommended exercise is done as CO₂e-free transport to and from work.

"If people in other countries cycled as much as Danes do, the world would save 414 million tonnes of CO₂e every year".

- Life Cycle Engineering, University of Southern Denmark

Upcoming initiatives

More green freight

We will work with our partners to increase the share of deliveries transported by green means of transport such as electric vans or trains, including working together to create access to data on freight kilometres.

Development of KPIs on deliveries

We recognise that it is costly and slow for our partners to electrify their fleets, mainly because the technology is not yet sufficiently developed for long-distance trucking. Based on the motto that relatively fewer deliveries mean fewer freight kilometres driven, we also want to take responsibility by working in a structured way to reduce the number of goods deliveries. Before the end of 2026, we will thus clarify how we can develop our data systems so that we can establish a KPI for the number of deliveries.

No flight policy

We have an ambition to implement a no flight policy on shipping goods within the group. Unfortunately, this is not possible at the moment as several partners cannot guarantee that products have not been flown in, or they do not offer filtering on no flight items on their shopping portals.

Greening employee transport

Through nudging and gamification, we will work to encourage more employees to cycle or use other green means of transport to work. As part of this, we will collect more accurate data on employee commuting so that we can better measure results and adjust our efforts in the future.

Electrification of own fleet

By 2030, we will replace the petrol and diesel cars we provide for some of our employees with electric or hybrid cars.

Hotel Operations and Buildings With a Stance

Our commitments

5. We reduce water and energy consumption by investing in water- and energy-saving hardware, technology and practices.
6. We will only use environmentally friendly cleaning agents and products that are certified biodegradable and free of hazardous chemicals.
7. We respect Earth's resources by producing as little waste as possible and by reusing and recycling what we can.
8. We build high-quality, energy-efficient and durable buildings with a low carbon footprint.

Through our second focus area, *Hotel Operations and Buildings With a Stance*, we set the framework for how we will operate, renovate and build our hotels and hostels in a responsible and proper manner with respect for climate, environment and biodiversity.

In our own operations, we can lead the way through our actions and practices, and we can help show the way for our partners in the value chain. We can make sustainable choices through our consumption of energy (electricity, heat, gas, oil, refrigeration and fuel), water and chemicals, for example in washing and cleaning, and through our production, sorting and treatment of waste.

In addition to hotel operations, another leg of Arp-Hansen Hotel Group's business is our property portfolio. During the construction and renovation process, we have a significant impact on the environment and climate, which is why we are proud that our buildings have followed increasingly climate-friendly regulations in recent years. You can read more about this in the Building & Biodiversity section.

Less water and green energy

5. We reduce water and energy consumption by investing in water- and energy-saving hardware, technology and practices.

We use energy when we bring light, warmth, food and "hygge" to our guests, and we use water when our guests shower or relax in the pool, or when we make our rooms clean and inviting.

Over the past several years, we have been looking for ways to become more water and energy efficient without compromising the experience of luxury and pampering we want to give our guests.

Less consumption

We have continuously carried out efficiency-enhancing repairs and maintenance of our buildings and switched to energy- and water-saving solutions. For example, we have installed water-saving showerheads and wash-basins, most with sensors, dual-flush toilets, etc.

Copenhagen Island



Facts

- Year built: 2006
- Arp-Hansen Hotel Group since: 2006
- Number of rooms: 326



Did you know that...

- The hotel was designed by Jørn Utzon's son, Kim Utzon, whose architecture was inspired by the famous Ponte Vecchio in Florence?

Table 8
Goals and baseline¹

	2022	2023	Change	Goals for 2030
Energy intensity (kWh/room night)	31.3	29.6	-5.6 %	-10 %
Water intensity (litres per room night)	206.6	190.7	-7.6 %	-15 %
Electricity consumption, excluding solar energy (mWh)	14,424	14,099	-2.2 %	-
Water consumption (m ³)	263,642	262,794	0 %	-

Note 1: Definitions of KPIs can be found in Appendix A

More than 90% of all light sources in our hotels and hostels are energy-efficient LED bulbs. And with motion sensors installed in public areas and power management in the vast majority of our 5,058 rooms, no unnecessary power is used when our guests are away.

The majority of our hotels are also supplied with district cooling via cold seawater from the Copenhagen Harbour. This solution is attractive because it uses significantly less power than traditional cooling/air conditioning and therefore emits less CO₂e.

In collaboration with HOFOR – Greater Copenhagen Utility, we carry out optimisation processes at all hotels and hostels every year to check, regulate and find possible energy improvement measures.

Renewable energy

Since 2022, Arp-Hansen Hotel Group's entire power consumption has been covered by certified environmentally friendly electricity from Nordic wind turbines.

We have also installed solar panel systems at three hotels and hostels, and these systems have contributed positively to our electricity bill for several years.

At most of our hotels, we have also installed charging points so our guests can charge their electric cars. We have done the same at the Arp-Hansen Group Office in Gentofte, where over 100 employees work on a daily basis.

Power from your own solar cells



Wakeup Copenhagen Borgergade (picture), Wakeup Copenhagen Bernstorffsgade and Next House Copenhagen all three have solar panels installed on the roof of their buildings.

Table 9
Energy-related CO₂e emissions, 2023¹

Energy source	Emissions (kg. CO ₂ e)	Share of total CO ₂ e emissions
Electricity	246	11 %
District cooling	209	9 %
District heating	1,129	49 %
Gas	48	2 %
Refrigerants (fugitive) ²	674	29 %
In total	2,306	100 %

Note 1: A market-based approach has been used to calculate CO₂e emissions from electricity.

Note 2: A 1% annual release of refrigerants (gases or liquids) is assumed. GWP for various refrigerants from HCMI (Hotel Carbon Measurement Initiative, v1.2, June 2020) has been used.



More tap water for hotel and conference guests

We've made it even easier for hotel guests, conference participants and employees at Tivoli Hotel & Congress Center to quench their thirst with clean tap water. We have entered into an agreement with the award-winning company BE WTR, which supplies sustainable and state-of-the-art water dispenser systems.

The system is based on an innovative filtration system that first and foremost ensures high water and flavour quality, but with BE WTR we are also making an active choice on behalf of the climate by reducing the use of plastic bottles and unnecessary CO₂-intensive transport of bottled water across borders.

Upcoming initiatives

The shower of the future

When creating 16 new rooms on the 6th floor of the The Square hotel, our ambition is to install 16 high-tech, computerised showers. The technology behind the showers originates from a NASA project and works by keeping the hot water in a closed circuit where the water quality is checked via sensors in the floor drain 20 times per second, and where built-in filters and UV light purify the water down to the a nano-particle level. Clean water is returned to the shower head, while contaminated water is discarded. Initial calculations show that the system can save 65-75% of water consumption and 50-60% of energy consumption compared to a regular shower.

A gentle guest nudge

In 2025, we will test whether we can use nudging and positive, storytelling information to help guests make more resource-saving choices, such as switching off lights and sorting waste.

More charging points

Electric cars accounted for 36% of all new cars in Denmark in 2023, and the need to expand the infrastructure for charging electric cars is increasing. Arp-Hansen Hotel Group would like to accommodate this by installing charging stations at our hotels with own car parks that cannot offer other easily accessible electric charging at street level.

LED bulbs only

As part of our Green Key certification, we have ensured that over 90% of all lighting in our hotels is already LED. The remaining light sources that have not yet been replaced are typically unique and often historical light sources, such as the chandeliers in Phoenix Copenhagen's meeting rooms. As lighting technology develops, we will replace the remaining light sources to reach 100% LED by 2030.

Less chemistry in washing and cleaning

6. We use environmentally friendly cleaning agents and products that are certified biodegradable and free of hazardous chemicals.

The European Environment Agency (EEA) estimates that the European Union emits more than 500 million tonnes of hazardous chemicals into the air, water and soil every year. Therefore, we have a responsibility to use products that do not harm the environment, employees or guests.

Washing and cleaning is a natural part of daily life behind the scenes in all hotels. In Arp-Hansen Hotel Group, cleaning products are primarily used for room cleaning, general cleaning (e.g. in restaurants and kitchens), linen washing and pool cleaning.

Sustainable use of cleaning products and chemicals is about limiting consumption, ensuring correct and safe handling and dosage, and choosing environmentally and climate-friendly alternatives. We work on all three levels.

Table 10
Goals og baseline¹

	2022	Goals for 2026	Goals for 2030
Certified chemicals (% of cleaning products)	90 % ²	95 %	100 %

Note 1: Definitions of KPIs can be found in Appendix A
Note 2: Measured by the number of cleaning products.
The baseline will be recalculated with a new measurement method (based on purchasing volume) in connection with the 2025 ESG report.

The best possible choice

We use environmentally friendly cleaning agents and products that are certified biodegradable and contain no hazardous chemicals wherever possible. For example, we use Diversey's Cradle-to-Cradle certified Sure range wherever possible. The Sure range are vegetable-based cleaners and sanitisers, where the starting material is typically by-products from the food industry, for example from sugar beets, corn, straw, coconut or milk.

In some places, we have not yet managed to find a chemical-free alternative, for example for cleaning swimming pools. In these areas, we minimise the use of necessary chemicals, ensure proper handling and work with our partners to identify or develop more sustainable alternatives.

Limited consumption

To reduce consumption, we have outsourced all linen washing to a Nordic Eco labelled laundry, Elis Denmark. In line with Arp-Hansen Hotel Group's ambitions, through SBTi, Elis Denmark has committed to reducing their CO₂e emissions by reducing water, energy and chemical consumption and the environmental impact of transport. On the same track, Elis is aiming for 100% recycling of textiles by 2030.

Upcoming initiatives



Finding alternative and certified cleaning products

Towards 2030, we will work to identify effective cleaning products in areas where we do not yet have a chemical-free alternative, in order to reach our goal of 100% certified chemistry.

New measurement method for chemical consumption

Towards our ESG report 2025, we will strengthen the data basis for reporting our consumption of certified cleaning products.

Circular economy and recycling

7. We respect Earth's resources by producing as little waste as possible and by reusing and recycling what we can.

At Arp-Hansen Hotel Group, we focus on the six R's: Reduce, Repair, Reuse, Refill, Return and Recycle. At the core, we aim to minimise our waste and resource consumption by reusing and recycling materials and products where we can. And we ask our partners to do the same.

When materials are recycled into new products, we not only extend the lifespan of the material and save CO₂e emissions from disposal. We also save the virgin raw materials that would otherwise be used in the production of new products.

For example, sending one tonne of plastic for recycling saves approximately 1.5 tonnes of crude oil. This is the oil that would normally be needed to produce an equivalent amount of new plastic. It also saves large amounts of water, which is required for the production of plastic.

By recycling plastic and other materials, we can reduce people's dependence on fossil fuels and minimise our environmental impact. Therefore, Arp-Hansen Hotel Group naturally supports the Capital Region of Denmark's ambitious goal of recycling at least 80 per cent of all waste by 2035, and we have set the same ambitious goal for our hotel Wakeup Aarhus. In fact, we would like to reach this goal already in 2030.

We sort our waste into the 10 mandatory fractions: residual waste, food waste, plastics, food and drink cartons, glass, cardboard, paper, metal, hazardous waste and textiles. Food waste can become biogas or fertiliser, sorted glass, cans, deposits, plastic, cardboard and paper can be given new life in new products, and the unsorted residual waste that is not sorted lives on as heat in our buildings.

In 2023, we increased our focused on waste sorting. We are proud that this effort has increased our recycling rate by 9.3 percentage points in just one year. Improved sorting has naturally also meant that the proportion of residual waste has fallen, while the proportion of sorted food waste has risen.

Table 11
Goals and baseline¹

	2022	2023	Change 2022-2023	Goals for 2030
Recycling rate	37.2 %	46.5 %	+9.3 %-points	80 %
Waste per room night (kg)	1,15	1,17	+1.3 %	-30 %
Residual waste per room night (g)	711	616	-13.3 %	-75 %
Food waste per room night (g)	161	190	+17.6 %	-30 %

Note 1: Definitions of KPIs can be found in Appendix A.

Wakeup Copenhagen Carsten Niebuhrs Gade



Facts

- Year built: 2009
- Arp-Hansen Hotel Group since: 2009
- Number of rooms: 510



Did you know that...

- Wakeup Copenhagen Carsten Niebuhrs Gade is the first Wakeup Copenhagen hotel in Arp-Hansen Hotel Group? In total, our four Wakeup Copenhagen's have 2,180 rooms, which represents 43% of the chain's capacity.

Phasing out disposable packaging

But the best way to save Earth's resources is to simply reduce consumption and waste. That is why we have put a lot of effort into the fight against single-use packaging that draws unnecessarily on Earth's resources and contribute to microplastic pollution. We took the first big step in 2022, when we replaced the small containers for soap, shampoo and lotions in the rooms with larger containers. This saved the environment approximately 1.35 million plastic containers, equivalent to approximately 8 tonnes of plastic packaging annually and 17.6 tonnes of CO₂e.

In 2024 we have taken several new big steps:

We have phased out a wide range of disposable packaging on the breakfast buffets e.g. for butter,



jam, Nutella, honey, milk and cream in disposable packs, paper tubes with sugar, small salt and pepper sachets, sweetener tablets in portion packs, etc. The initiative will reduce our waste by 3.2 million pieces of cardboard- and plastic packaging (not including small paper bags for sugar, salt and pepper). In total, the initiative will save us 3.3 tonnes of packaging per year for an avoided CO₂e emission of 6.9 tonnes. We are proud of this.

We have also started work on replacing our single-use plastic glasses with washable reusable glasses. This involves installing additional washing facilities and deploying extra staff to collect and wash the glasses. The effort will reduce our plastic waste by 3.9 tonnes annually, corresponding to 8.5 tonnes of avoided CO₂, and is expected to be fully implemented at Next House Copenhagen and Steel House Copenhagen by mid 2025.

Finally, in 2024, in collaboration with our housekeeping partners, we have initiated a pilot project at Wake-up Aarhus to find a good model for phasing out the disposable coffee cups found in hotel rooms. In Aarhus alone, this effort will reduce the amount of cardboard waste by 0.6 tonnes annually, which corresponds to 0.9 tonnes of avoided CO₂. At group level, the potential savings at full implementation is 8.9 tonnes of cardboard and 14.9 tonnes of CO₂e.

Recycling is gold

We focus on preventing things from becoming waste if they can be reused elsewhere, either by us or by others. This applies to hotel interiors, IT equipment and materials.

For example, when our hotels need to replace their duvets with new ones, there are often many warm nights left in the used duvets. Of course, we donate these duvets to others so they can be reused and have a longer lifespan. This is good for both us and the new owners, and it is also good for the environment.

" By switching to larger containers and phasing out single-use portion packs, we save the environment approximately 8 tonnes of pure plastic and 17.6 tonnes of CO₂e every year. "



Duvets and pillows for hospitals in Ukraine

Wakeup Copenhagen, Bernstorffsgade and Copenhagen Island donated approximately 650 sets of duvets and pillows to hospitals in Ukraine in the first quarter of 2024. The donation was made in collaboration with Kolo Nordic who sent the soft emergency aid to north-eastern Ukraine. In this area, beds and linen are worn by war, and therefore duvets and pillows are a welcome help at all times.

"Kolo Nordic is extremely grateful for the support from Arp-Hansen Hotel Group and others. Without this, it would not be possible for us to help the Ukrainian people" - Andreas Foss, founder of Kolo Nordic

Forgotten items become fruit trees

In August 2023, Arp-Hansen Hotel Group partnered with the innovative company Faundit, which plants trees to compensate for the amount of CO₂e required to transport forgotten items back to their owners. For example on behalf of guests who forgot something during their stay with us, avocado trees were planted in Tanzania.

At group level, a total of 617 new trees were planted between August 2023 and August 2024, offsetting a total of 56.7 tonnes of CO₂.

Less food waste

According to the UN, a third of all food produced in the world is thrown away every year. But food waste is not just a waste of food. It is a waste of CO₂e, a waste of time and a waste of good food experiences.

Which is why we work to minimise food waste and why all our hotels and hostels have been ReFood certified since 2014.

We can minimise food waste by shopping smarter, planning meals and managing stock better. We down-size the dishes in the buffet when the majority of the guests have eaten, so we avoid filling up large dishes for a few guests, and leftovers are given new life in new delicious dishes. If there is leftover food from the staff lunch, we encourage our employees to take excess food home.

We sort the food waste that remains, and by sending it for recycling in biogas plants instead of sending it with the remaining waste for incineration, we can limit CO₂e emissions and at the same time return phosphorus and nutrients to the soil in the form of fertiliser. This is essential, as phosphorus is an invaluable resource in our food system that is very difficult to replace and is only found in limited quantities in nature.

In the spring of 2024, we launched an exciting pilot project to automatically measure food waste at Imperial Hotel and Tivoli Hotel & Congress Center's restaurant Brasserie using digital scales.

In addition to contributing to a significantly increased focus on food waste, the project generates a lot of data on daily waste in DKK and kilos, in food waste per guest, per day of the week and per location. This gives us a better opportunity to focus our efforts and intervene where the waste occurs. If the pilot phase is successful, we expect to roll out the initiative to the remaining units by the end of 2025.



In 2023, our company's food waste contributed to:

399,075 kg.
Danish carrots
fertilised

174.000 kg.
CO₂ saved

9,672 days
heating for a
Danish household

9,470 litres
biodiesel
produced



Fighting food waste with... rum balls

At many of our units, including Copenhagen Strand, we have taken an active stance in the fight against food waste for several years. This includes making homemade rum balls from leftover pastry from breakfast buffets and meetings. The balls are made in-house by the hotel's own staff and the initiative saves several hundred kilos of food waste every year.

The rum ball is a great way to stop good food going to waste. And from a business point of view, it is a brilliant way to make a tasty product out of something you would otherwise have to pay to have collected as waste. What's more, the truffles - as they are called in other parts of Denmark - fit perfectly into the current trend of being climate-conscious and preserving resources.

And it doesn't hurt that they taste heavenly!



Upcoming initiatives

Sorting and recycling

Sorting is a difficult task. Not just for us, but for the entire industry. Waste is generated in kitchens, lobbies, corridors, hotel rooms and the depot.

Successful sorting requires everyone contributing, and sorting is maintained throughout the journey - because a contaminated fraction cannot be recycled.

Therefore, we are launching a large-scale project in 2024 to further increase our recycling rate. The project consists of 6 elements:

1. Develop and implement a model for sorting waste from rooms
2. Upgrading sorting facilities in public areas
3. Nudging guests and staff
4. Competence development, including with external partners
5. A waste campaign for employees
6. Transition to a new waste contractor with a greener profile.

We will strive to have the project fully implemented by the end of 2025.

Paper policy

By 2024, we want to develop and implement a paper policy in the group, including finding secure and stable workflows for processes that currently involve printing, such as printing reports with booked rooms and number of guests as an analogue backup in case of fire.

Construction & biodiversity
8. We build high-quality, energy-efficient and durable buildings with a low carbon footprint.

As Copenhagen's largest hotel chain and one of the only chains to own and build our own hotels, we at Arp-Hansen Hotel Group are aware that we have a responsibility to contribute to sustainable construction and its impact on biodiversity.

Construction is one of the world's major sources of emissions because materials like steel and concrete have a high carbon footprint. We need to work with the industry to find new ways to build, become better at recycling materials and, where possible, use less polluting materials in construction.

We are not there yet, but we are working with our contractor to continue building in a more climate-friendly way. Our latest construction, Europe's largest luxury hostel, Next House Copenhagen, is an example of this.

We support Reduction Roadmap
With our commitment to SBTi, we have pledged to set CO₂e reduction targets aligned with the Paris Agreement. Of course, the same ambition should apply to our buildings, but there is currently a gap between legislation and climate science in Danish construction. If the construction industry is to live up to the climate

goals of the Paris Agreement, new buildings may emit no more than 5.8 kg CO₂e/m²/year on average by 2025. In comparison, the political emission requirement today is 12.0.

But the construction industry is already well below 12kg. In fact, the average building emits only 9.5kg CO₂e/m²/year - and there are numerous examples of buildings that emit less than 5.8. Furthermore, the construction industry will earn CO₂e savings over the next few years due to climate improvements in the energy sector alone, without changes in construction practices.

We want building legislation to be in line with climate science so that the task does not become the responsibility of individual companies - no company can do it alone. This is why, through Reduction Roadmap, we have joined forces with the construction industry to urge politicians to set more ambitious climate requirements that fulfil the Paris Agreement. And we have set the same targets for our own new construction.

Biodiversity - a little goes a long way
As a hotel chain located in the centre of cities, our ability to make a significant difference to biodiversity is relatively limited compared to our colleagues who have large green spaces at their disposal. However, we focus on contributing where we can.

We minimise soil contamination, protect existing natural habitats and preserve surrounding vegetation before, during and after a construction process. For example, we cleaned hundreds of tonnes of contaminated soil during the construction of Tivoli Hotel & Congress Center, which has now made way for "The Green Line", providing better conditions for biodiversity to thrive in the city centre.



Reduction Roadmap

Reduction Roadmap is a project that - for the first time ever - works to translate the Paris Agreement and the Planetary Boundary for Climate Change into industry-specific reduction targets for new Danish housing projects.

Reduction Roadmap identifies where we are today, where we need to go and the rate at which we need to reduce our emissions to reach a sustainable level for the planet.

The result is a science-based transformation tool and a call to action for the Danish housing and construction sector that aims to align all construction industry players with the commitments of the Paris Agreement.

Table 12
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
CO ₂ e kg per square metre. per year (new construction)	NA	6.16kg	3.86kg

Note 1: Definitions of KPIs can be found in Appendix A



Sustainable construction - Next House Copenhagen



DGNB is a sustainability certification for buildings and urban areas. We use the certification as a management tool and target for new buildings and renovation projects. In the DGNB system, a building is evaluated on six main parameters: Environmental quality, economic quality, social quality, technical quality, process quality and area quality.

The extensive remodelling of our luxury hostel Next House Copenhagen is based on DGNB. Throughout the construction process, it has been a cardinal point to minimise climate impact in both the construction phase and subsequent operation. The goal from the start was a top DGNB certification.

In January 2025, Next House Copenhagen was awarded a DGNB Gold with Diamond certificate.

The Square



Facts

- Year built: 1961
- Arp-Hansen Hotel Group since: 2003
- Number of rooms: 268



Did you know that...

- The hotel in 2025 will have 16 new rooms on the top floor, which are planned to be fitted with recirculating shower systems that can reduce water consumption by up to 75%?

Requirements for construction

Contractors Arpe & Kjeldsholm are experts in hotel construction and have for many years been Arp-Hansen Hotel Group's regular partner when we have built something new or renovated. They are our guarantee that the climate impact from both the construction site and the construction process is implemented and complied with.

They do this by developing a "Construction Site Concept" with measures to reduce waste, noise, dust and negative effects on soil and groundwater, as well as an energy concept for the construction with principles for reducing and optimising energy consumption on site. In addition, they require subcontractors to extract raw materials responsibly, including requirements for the protection of forests and compliance with environmental standards for the extraction of e.g. wood and stone (source: Arpe & Kjeldsholm).

Gentle demolition and securing potentials

During demolition, it is essential that the potential of the resources found in the existing building is safeguarded. This is done by removing unwanted substances from the waste, sorting waste as best as possible and documenting quantities and quality along the way.

Arpe & Kjeldsholm requires the contractor to carry out a careful demolition and sort the demolished materials that are not reused on-site into separate fractions that are delivered for resale or to a waste recipient that handles the materials for reuse and recycling.

Gentle demolition reduces the risk of disruption to the surrounding ecosystem and the need for new production and resource consumption. In this way, Arpe & Kjeldsholm can reduce the negative impact of construction on both the environment and biodiversity.

"The Green Line" at Tivoli Hotel & Congress Center

Tivoli Hotel & Congress Center is part of Copenhagen's 7,200 m² "Green Line", which connects SEB Bank, The National Archives and Tivoli Hotel & Congress Center. A breathing space in the centre of the city on a second floor level, above the buzzing roads of Kalvebod Brygge.

Inspired by The Highline in New York, The Green Line is lush and stylish and gives visitors the experience of walking through a Nordic rocky landscape and a southern, sun-baked moorland to end up in Tivoli Hotel & Congress Center's beautiful grounds with green grass, fruit trees, ground covering plants, planter boxes and lots of nice references to Tivoli Gardens. The vegetation here focuses on creating good living conditions for insects, butterflies and other species that have difficult conditions in cities.

Green urban spaces like this create small oases that collect rainwater, increase biodiversity, purify air, provide recreation and enable the cultivation of trees, flowers and vegetables. The Green Line is open to hotel guests, citizens and visitors of all ages.





Gentle restorations

In 2017, the 4-star 71 Nyhavn Hotel, located in the listed "Suhrske Pakhus" right next to The Copenhagen Playhouse, underwent a thorough renovation that included a gentle facade restoration, new roof and complete interior remodelling.

The renovation was carried out with respect for the building's cultural heritage, history and values, and we managed to preserve the old carpentry structure and existing floor decks. This had a positive impact on the project's carbon footprint as we avoided using a lot of virgin materials.

Another of Copenhagen's most historic hotels - our own luxury hotel Phoenix Copenhagen in Bredgade - has also been given a facelift (twice actually). First in 2018 with an extensive upgrade of all the hotel's suites, carried out with respect for the building's history dating back to the 1680s. And most recently in the Spring of 2024, bringing bathrooms and cooling systems into the 21st century with water-saving upgrades and the installation of centralised, resource-saving air conditioning units.

Upcoming initiatives

Certified sustainable construction

For future construction projects, we will transition to the new Danish environmental regulations (BR18) and building standards that came into force on 1 January 2023 to ensure a focus on sustainability throughout the building process. We will strive to achieve green building certifications such as DGNB to document our efforts to build high-quality, energy-efficient and sustainable buildings. And we will prioritise the use of recycled or sustainable materials such as FSC-certified wood and strive to minimise the use of high carbon footprint materials such as concrete and steel, taking into account urban and local planning, building use, aesthetics, etc.

Life cycle analyses on construction projects

For future construction projects, we or an external partner will perform Life Cycle Analyses (LCA) to determine the environmental and climate impact of the materials and processes we use in each of the 4 phases of construction:

1. Material production
2. Building process
3. Use phase/operation
4. End-of-life phase (including the potential for reuse, recycling or recovery)

Space for biodiversity

Biodiversity gives us clean air, fresh water, healthy soil and crop pollination. In the coming years, we will explore opportunities to enter into strategic partnerships and implement biodiversity projects wherever we can. We hope that our biodiversity project at Tivoli Hotel & Congress Center will be scalable, that we can re-establish our garden that was lost during Covid-19, and perhaps even make room for keeping bees.

Human Hospitality

Our commitments

9. We create high employee satisfaction and pride that makes us all want to make a difference for each other and our guests
10. We develop employee skills to attract and retain labour and provide great guest experiences
11. We ensure equal opportunities for everyone regardless of gender, age, ethnic background, sexual orientation or other differences
12. We engage in our community and make a positive difference for our neighbours

Human Hospitality is our third focus area. Because everything we do is about human beings. About creating a good environment for the people who enter our hotels, hostels and Group Office on a daily basis, whether they are guests, employees, business partners or visitors who drop by.

As a family-owned company founded on principles of personal integrity and ethical business practices, our employees’ job satisfaction has always been a success criteria. Quite simply, it takes satisfied and confident people to provide the good service and create the great guest experiences that Arp-Hansen Hotel Group is known for. Therefore, a large part of our ESG efforts are based on a fundamental prioritisation of people and their well-being - physically, professionally, psychologically, economically and socially - both within our company and in our value chain.

Today, we have a strong culture and a number of structures in place to ensure the well-being, motivation,

community and pride of our employees - and we are proud of that!

Job satisfaction, well-being and employee pride
9. We create high employee satisfaction and pride that makes us all want to make a difference for each other and our guests

At Arp-Hansen Hotel Group, we appreciate the complexity of individuals’ lives and put people first. People with ambitions, professionalism and drive - and also with great personalities, exciting hobbies, family life, community spirit and everything else that connects to a full and complete life. We want to be a workplace with room for it all.

That is why we encourage our employees to “bring themselves to work”. This is how we get to know each other - personally and professionally. It is how we build friendships and co-operation within and across departments, hotels and hostels. And it is the only way to cre-

Tale 13
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
Employee turnover (% of FTE)	18.3 % ²	16 %	15 %
Seniority (years, among permanent employees)	4.4 (2023)	Maintain level	Maintain level
Wellbeing score (scale from 0-4)	3.2	3.3	3.3
Wellbeing survey response rate (% of permanent employees)	84	85	90
Employee NPS (eNPS)	58	60	62
Sick leave (sick days / FTE / year)	9.4 ²	9	8,5

Note 1: Definitions of KPIs can be found in Appendix A
Note 2: Data is from 2023, the last full year of measurement

Tivoli Hotel & Congress Center



Facts

- Year built: 2010 (Harbour Tower, 402 rooms), 2015 (City Tower, 277 rooms)
- Arp-Hansen Hotel Group since: 2006
- Number of rooms: 679



Did you know that...

- The hotel architect was inspired by the Swedish landscape when he designed the cliff-like facade that we know today from the Copenhagen skyline?

ate a safe, cosy, nurturing, appreciative and welcoming working life for the entire Arp-Hansen Hotel Group. For the benefit of us all - including our guests.

We aim to be among the best in the industry when it comes to employee satisfaction. We believe in the principles of the Service Profit Chain, where happy employees are loyal and productive, and create greater value for our guests. And happy guests come back, which is good for our business.

That is why our employees are, quite literally, the foundation of our company and the experiences we give our guests.

Of course, we have joined the collective labour agreements in this area, we have collective bargaining and freedom of association, and for employees covered by collective agreements, we have a wage level that is at least 10% above the minimum wage.

A high level of seniority

We are proud that our focus on people and their well-being seems to make a positive difference for many of our employees. In fact, we are pleased that we have a high seniority of 4.4 years on average among permanent employees (2023), compared to an industry average of 2.5 years. We would very much like to maintain this, as we believe it reflects that Arp-Hansen Hotel Group is a great place to be. At the same time, the good balance between seniority and employee turnover ensures that there is also a sufficient, natural turnover in the employee group, so that we continue to promote innovation and knowledge sharing in the industry.

A good working environment

We actively work to ensure a good working environment everywhere. As part of this, we organise regular work environment group meetings at all hotels and hostels. We organise an annual work environment day for managers and employees in the groups - each year with a new carefully selected theme that the groups

work with locally. In 2023 the theme was Sick Absence and in 2024 the theme is Boundaries, Good Behaviour and Tone of Voice at the Workplace.

Well-being surveys and workplace assessments as a safe voice

To identify how we can best create a healthy and positive workplace culture that enhances employee well-being, engagement and productivity, we measure our employees' satisfaction through an annual well-being survey. Every two years, the survey is combined with a workplace assessment (APV) to identify risks in both the physical and the mental work environment. Based on the results, each unit prepares action plans to ensure that identified themes are addressed.

Sick leave and health checks

Sick leave can be caused by factors both outside and inside the workplace. Whatever the reason, we want to help our employees enjoy going to work and minimise sick days wherever we can.

For example, in collaboration with the work environment groups, our management focuses on good and healthy habits, the importance of having a dialogue

with employees with sick leave and creating team spirit so that everyone feels responsible to the team.

We also offer annual health checks to our employees who work at night. In this way, it is our ambition to detect incipient problems early so that we can take the necessary measures to reduce the risk of illness. We carefully follow the research from the National Centre for Working Environment (NFA) on how night work affects general health, and we comply with the set guidelines.

Health and wellbeing

We have a strong focus on supporting the overall health of our employees. We offer a healthy lunch programme, we provide a fully equipped fitness room at our Group Office for employees to use around the clock, and we offer discounts on wellness and fitness, among other things, according to individual needs. Our own physiotherapist offers treatments for all employees, provides ergonomic counselling and assists with setting up and purchasing equipment at all our hotels and hostels.

Strong social communities

Social communities and events strengthen trust and closeness - locally at the hotels and hostels, but also across the group. That is why we are committed to socialising and plan a number of different events for all employees throughout the year.

Every year we have an indoor football tournament, DHL relay run (picture), Christmas tree party and New Year's party, and lots of local events like summer parties and study visits. Several of our hotels and units have staff associations that also organise social events.





Christmas tree party

Every year in December, Arp-Hansen Hotel Group organises a huge indoor Christmas tree party for all employees and their families at Tivoli Hotel & Congress Center, where the congress hall is decorated for the occasion, including one of the largest Christmas trees in Copenhagen. At the party, delicious Christmas treats are served and Father Christmas drops by with gifts for the children.

With an annual Christmas tree party, we hope to give our employees and especially their families something in return for letting us borrow their sister, brother, mum, dad, grandma, grandpa or someone else, when they go to work with us every day and make an extraordinary effort to give our guests unforgettable experiences.

Upcoming initiatives

Continued focus on sick leave and health

We have a continued goal of reducing sick absence, which requires a targeted effort. This requires increased attention to mental health, sleep and exercise, among other things, and is a task that must be solved in close collaboration and dialogue between managers, health and safety representatives, union representatives, employees, Group Management and HR.

Boundaries, good behaviour and workplace tone

The new theme for the work of the AM groups is Boundaries, Good Behaviour and Tone of Voice in the Workplace. It is our responsibility to ensure that working conditions are completely safe and healthy. Therefore, we will work to implement initiatives to prevent, handle and prevent offences from guests, colleagues, managers and business partners.

Competent employees

10. We are a relevant and attractive workplace that retains, develops and attracts competent employees

To be the best in the industry, we need to make sure we remain a relevant and attractive workplace so we can continue to attract and retain the most talented employees in the future.

In order to exceed guest expectations, our employees need to be up-to-date in their fields so they can adapt to changing guest needs, technological advances and market dynamics.

These are both prerequisites for us as a company to remain innovative and competitive in an industry where many of us are competing for the same guests and employees.

We see employee development as a social responsibility. We believe that when employees are developed, their skills and competencies increase, and as a company, we can contribute to employees being better equipped to handle future challenges and labour market demands.

We work according to the 70-20-10 principle. This means that approximately 70 per cent of our learning happens when we perform our work tasks. 20 per cent takes place in relationships with other people and colleagues, and 10 per cent happens through courses and seminars. That is why we focus on learning and sparing, both in everyday life and through formal courses and programmes.

Arp Review - employee performance talks

Our employees have a say in their own development through the annual performance talk, we offer our permanent employees. We call these conversations Arp Reviews. At the review, employees and managers can give each other constructive feedback in a safe atmosphere, and each employee has the opportunity to discuss their performance in the past year as well as their goals and wishes for future development.

Arp Review is based on our expectation agreements and the predefined roles and goals that are common to all employees and managers and reflect our values, DNA and goal to be the best in the industry.

Arp Academy - Courses & training

We provide courses and training for all permanent employees regardless of profession and level. We call it the Arp Academy.

Some courses are mandatory for employees to ensure a high, consistent level of service. This also applies to our middle managers, managers and directors. For example, it is mandatory for managers to participate in management training. Other courses are aimed at upskilling employees in specific work areas that match the individual employee's needs and wishes for their own development.

We work with carefully selected course providers and utilise internal trainers when it makes sense, and we continuously evaluate courses to ensure high quality and value.

Students

We share responsibility for training the industry's future employees and this year (2024) we have 24 apprentices. That is six times more apprentices than we are legally obliged to train. We do our best to motivate and empower our students and to prepare them for a future position either with us or with one of our colleagues in the industry.

That is why we established our own trainee school for receptionist-, waiter- and chef trainees back in 2010 to supplement school periods at Copenhagen Hospitality College and internships at the hotel. Each student school has a new theme and focus that develops and challenges the students' horizons and professionalism. We dive into everything from conference theory, complaint handling, cultural understanding and revenue management. We meet competing hotels, visit museums and companies, and discuss relevant topics relevant to the industry and the times we live in.

Today, many of our graduates are still employed with us, either as chefs, waiters, receptionists, supervisors, sous chefs or department managers.

Table 14
Goals and baseline¹

	2023	Goals for 2026	Goals for 2030
Course days (pcs)	1,096	1,397	1,500
Course participants (% of permanent employees)	NA	80 %	100 %
Course evaluation (score 1-5)	NA	4.5	4.5

Note 1: Definitions of KPIs can be found in Appendix A

The three employee roles from our Expectation Agreements

All employees and managers are given an “Expectation Agreement” at the start of their employment. The purpose of the agreement is to align the expectations we have of the individual and how we create the most value together - for our guests and for Arp-Hansen Hotel Group.

The Expectation Agreement is built around three roles. They cover the behaviours that we expect from our employees in everyday life with the aim to succeed, develop and thrive:

- The role of **Result Creator**
- The role of the **Follower**
- The role of the **Good Colleague**

For our managers, the following three roles apply:

- The role of **Result Creator**
- The role of **Culture Creator**
- The role of **HR Manager**



Wakeup Copenhagen Borgergade



Facts

- Year built: 2014
- Arp-Hansen Hotel Group since: 2014
- Number of rooms: 770



Did you know that...

- Did you know that Wakeup Copenhagen Borgergade has its own solar panel system on the roof?

Great career paths

We emphasise that as an employee with us, you have many opportunities. A career path is not necessarily linear with a goal of becoming a manager. We may change our minds or need new challenges.

When this happens, we encourage our employees to try other hotels and hostels with different workflows, processes, types of guests, etc. or other disciplines where they can bring their existing knowledge into play in a new way. In this way, it is not only the employees who develop, but also us as an organisation.

We believe that our high average seniority of 4.4 years (2024) (compared to the industry average of 2.5 years) is partly due to the fact that we invest in our people, and give them the opportunity to grow to their full potential.

At the same time, we recognise the importance of new external labour and we always try to recruit the best candidates for each job. Therefore, we have a principle that all vacancies are advertised externally. This gives everyone an equal opportunity to apply based on their qualifications and experience. We believe that this contributes to a positive work culture and strengthened trust among our employees.

**" We have
a seniority of
4.4 years (2024)
because we invest
in our people "**

Upcoming initiatives

Succession Planning & Talent Management

Like many companies, we find that we can be vulnerable to unforeseen events such as the departure of specialised employees and the resulting loss of knowledge. We want to ensure that we have a talent pipeline of employees who have the potential to take over key positions should it become necessary, while strengthening our ability to attract, retain and develop talent.

Therefore, is why we want to work more strategically with career paths, including creating more transparency about what it takes to advance, and identifying key people and specialised positions and competencies. It is a longer journey and we expect it to start in spring 2025.

More English courses

Even though we offer a number of courses in English, non-Danish speaking employees do not have the same opportunities for development as Danish speakers. One of the ways we deal with this today is by paying for Danish lessons for those of our employees who want to learn the language. From 2025, we will also offer even more courses in English. The courses must be relevant and of high quality, with an evaluation score of at least 4.0, to ensure that our colleagues get a motivating outcome that they can use in their everyday work.

E-Learning

We are on a digital journey in Arp-Hansen Hotel Group, which is why we want to supplement traditional classroom training with e-learning. This makes it more flexible for employees to learn at their own pace and at a time that suits them and our operations, and as a company it gives us greater flexibility in terms of reaching many employees at the same time without having to provide premises, course materials, trainers, etc.

Train the Trainer and in-house training

We want to become even better at utilising internal employees when it comes to learning. We believe that training that is even more tailored to our specific needs when the trainer is one of our own who knows our hotels and hostels inside out. Furthermore, training by internal resources will help build internal capacity and expertise, improving our competitiveness now and in the future. On a practical level, by the end of 2025, we will conduct the first training of selected employees in self-training and facilitation where relevant.



"AHHG
treats their
employees well"

"Our manager is
good at consulting us
and giving us a sense
of empowerment"

"I find it a gift to
be part of the team
at my hotel"

"This is a great
place to work"

"There is room
for all differences
and personalities.
Arp-Hansen accom-
modates everyone. It is
absolutely fantastic!"

Employee quotes from **our well-being survey**

"They will have to
carry me out of here.
I love my job"

"I love being part of
a workplace that embraces
and sees the benefits in
our differences"

"Arp-Hansen as a group
does a lot. Thank you
for everything you give
us employees"

"I have fantastic
colleagues and we are a
great and supportive team.
One of the best teams
I've ever been part of"

Diversity, equality and inclusion

11. We make everyone feel welcome, included, respected and heard, no matter who they are or where they come from

At Arp-Hansen Hotel Group, there is room for you, just as you are. We celebrate difference and diversity and see it as an important part of running a healthy and sustainable business. Our goal is to create a culture where everyone feels welcome, included, respected and heard regardless of gender, age, disability, ethnicity, sexual orientation or other differences.

Inclusion and psychological safety

Trust, honesty, respect, cohesion and empathy - these are some of the values we hold most dear in our everyday lives and in our interactions with each other. These values help create psychological safety, which is a prerequisite for thriving and daring to be ambitious. Therefore, psychological safety is a key concept for us. It is essential that our employees feel included, respected and valued, and feel that they can

express themselves without fear of negative consequences. To follow up and take action where needed, we measure employees' sense of inclusion and psychological safety in our annual well-being survey. And although we score high, we want to go even higher.

Work-life balance

Employees in different stages of life have different needs and responsibilities outside of work. With an age range from 15 to 78 years, this places demands on us as an employer. The average age in the group is 35 (2024) and in 2023 we had a total of 41 employees on maternity and paternity leave, 15 men and 26 women.

To help create the right work-life balance, we offer flexible working hours and conditions for individuals where possible. We offer good parental leave conditions for expecting and new parents, child's first day of sick leave, hybrid working options and much more. For example, 16% of our employees are part-time in 2024, allowing them to balance a good work life with their commitments outside of work.

Table 15
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
Psychological safety (score 0-4)	3.3	3.4	3.5
Sense of inclusion (score 0-4)	3.4	3.4	3.5
Gender distribution among employees, F/M (% of FTE)	48/52	50/50	50/50
Seniors (55+) (% of permanent employees)	13.3 %	Maintain level	Maintain level
Number of citizenships (among permanent employees)	48	Maintain level	Maintain level

Note 1: Definitions of KPIs can be found in Appendix A

Wakeup Aarhus M.P. Bruuns Gade



Facts

- Year of construction: 1871
- Arp-Hansen Hotel Group since: 2017
- Number of rooms: 315



Did you know that...

- Wakeup Aarhus M. P. Bruuns Gade with its 315 rooms is the third largest hotel in Denmark outside Copenhagen?

3,3
out of 4

Psychological
safety
2024

3,4
out of 4

Sense of
inclusion
2024

Upcoming initiatives

Diversity committees and strengthened HR

We want to become even clearer on how our HR processes best support equal opportunities for all. As part of this process, we are setting up a Diversity Committee of employees and leaders, each representing a wide range of perspectives based on their backgrounds, experiences and identities.

Sunflower programme

We want to equip our employees to create a safe and inclusive environment for guests and colleagues with invisible disabilities. Therefore, from 2025, we will join and offer courses in the Hidden Disabilities Sunflower programme.

Recruitment strategy

In 2024, we want to sharpen our recruitment processes to further strengthen, structure and standardise the process. We want to provide our hiring managers with even more concrete tools to help ensure a fair recruitment process that reflects our core values of diversity, equality and inclusion.

Job descriptions

We aim for all positions in the group to be described in a job description. The job descriptions and our expectation agreements will support employees in their development and contribute to a fair recruitment and promotion process, negotiation of terms, development plan etc. The job descriptions will take into account the new EU requirements for salary transparency.

Better conditions for parents

We are a family-owned company with family values as a guiding principle. So it is natural that we want to be attractive to employees at all stages of life, including those of our employees who are starting a family.

Cultural understanding in everyone

In 2024, we started offering cultural awareness courses in Danish and English to help us become even better at understanding different cultures and communicating with our guests and each other in a considerate way. And to help our foreign colleagues on their way, we also offer Danish lessons for those employees who are not eligible for public education. This was welcomed by 28 colleagues in 2023.

Love for Copenhagen and Aarhus

12. We engage in our community and make a positive difference to our neighbours

We want to help create exciting, welcoming and sustainable communities for people to live in. As a hotel chain, we attract guests to the city. These guests help create an economic basis for a wide range of restaurants, attractions, cultural offerings, etc. that local residents can also enjoy.

Planet Copenhagen

Arp-Hansen Hotel Group is a co-signatory of the Planet Copenhagen Manifesto. Through the manifesto, we commit to working together with other companies and stakeholders towards a common goal: To make Copenhagen the world's most sustainable destination.

This will be achieved through a number of sub-goals,

including:

- The capital should be number 1 in international tourists' assessment of the destination as environmentally friendly.
- Tourism development must have strong citizen support.
- Tourism contributes to Denmark and it's capital reaching its climate and environmental goals.

In the city together

For Arp-Hansen Hotel Group, it is important to contribute positively to the cities we are part of, and we strive to be good neighbours who are seen as an asset to the city. We also organise a host of events that everyone can participate in.

The restaurants at our F&B hotels, Tivoli Brasserie at Tivoli Hotel & Congress Center and The Harbour at Copenhagen Island, are open to all for lunch and dinner, and Murdoch's Books & Ale at Phoenix Copenhagen is open for dinner. City dwellers are also always welcome to visit the hotel bars and kiosks for a hot, organic coffee or a chilled glass of wine.

At Next House Copenhagen, you can join a Friday night skate followed by roller disco, Latin nights, Greek

nights, karaoke evenings or joint viewing of football matches. In this way, Next House helps create a gathering point for the city, where locals and tourists meet in a festive atmosphere. To give locals access to our beautiful roof terrace, we have installed a lift directly to the rooftop from street level - feel free to drop by.

At Steel House Copenhagen, we offer city walks, free live music, game nights, speed dating events, quiz nights and much more. Locals and visitors alike can choose between cultural experiences, cosy get-togethers or festive gatherings, so there are events for every taste. In addition, Steel House Copenhagen regularly helps the local community by making rooms available to less fortunate organisations.

Tivoli Hotel & Congress Center is known as one of the city's landmarks, hosting a number of major events. It is a hotel characterised by the spirit and design history of Tivoli Gardens and helps to establish Copenhagen as an attractive congress city and holiday destination.

Another example is The Square on Rådhuspladsen, which regularly hosts wine and vinyl events with organic wines and crisp tones from vinyl records. At the end of 2023, the hotel opened its doors to a fascinating pop-up exhibition where visual artist Lise Vestergaard portrayed visionary climate heroes in a beautiful mix of recycling and living art.

We strive to host all events with consideration for our neighbours. We look forward to continuing to open our doors to tourists and locals alike in the years to come, and to actively contribute to Copenhagen and Aarhus' offerings as a meeting point for everyone in the city.

Table 16
Goals baseline¹

	2024	Goals for 2026	Goals for 2030
In the City Together events (pcs/year)	Not calculated	1 per hotel	Min. 1 per hotel

Note 1: Definitions of KPIs can be found in Appendix A



Friday Night Skate - rollerblading through Copenhagen

Friday Night Skate is a roller skating tour where, on selected Fridays, you skate in a large group in the middle of the road through the streets of Copenhagen. It is not a competition, but a fun and unconventional way to experience the city with other people. The group of participants is shielded from cars and buses by motorbike officers - so you can safely skate undisturbed in the middle of traffic. The event is free to attend and has between 500 and 1,500 participants for each run - depending on the weather. The ride takes approximately 90 minutes and Next House Copenhagen often hosts both the start and finish.

Upcoming initiatives

In the City Together

From 2025, we will implement a 'In the City Together' programme that aims to support citizen-centric events. An In the City Together event must have a sustainable focus and must be organised in collaboration with representatives from and/or for the benefit of the local community. Each hotel and hostel in Arp-Hansen Hotel Group will host at least one event per year. We hope you will join us.

Good Governance

Our commitments

13. We actively work to make our value chain more sustainable by setting clear requirements for good behaviour and setting a good example ourselves
14. We perform ongoing due diligence, address identified risks as soon as possible and follow up on our progress.
15. We invest in data systems and incorporate ESG data in our collaborations to make the most sustainable choices possible.
16. We communicate honestly and credibly to employees and the outside world about our ESG efforts

A key element of our ESG efforts towards 2030 stems from our double materiality assessment (see chapter 2). In this, we concluded that it will require a concentrated effort and close collaboration with our suppliers to increase our knowledge of our value chain, especially in the third and fourth tiers, and to make Arp-Hansen Hotel Group's ESG expectations visible over the coming years.

We recognise that it is not least a difficult task for our partners who are faced with establishing processes for obtaining, extracting and delivering ESG-related data. This applies, for example, to manufacturers' geographical location, production and employee conditions, their due diligence, etc. We are ready to help in the process so that we can reach the goal together.

Doing the right thing

13. We actively work to make our value chain more sustainable by setting clear requirements for good behaviour and setting a good example ourselves.

Responsible behaviour starts with one self, and at Arp-Hansen Hotel Group, we want to be a good role model by virtue of our own behaviour. That is why we live by

a set of guidelines for decency, responsibility and good practice. We have described these rules in our Code of Conduct for managers and employees.

The Code sets a common ethical foundation and translates our values and beliefs into guidelines for the behaviour we expect from our employees within the three ESG areas; environment, climate & biodiversity; social conditions & governance.

All employees and managers are covered by the Code regardless of function and contractual relationship, including external staff who are present in our hotels and hotels on a daily basis (e.g. housekeeping, dishwashing, security and temporary staff).

Our Code of Conduct has been adopted by Arp-Hansen Hotel Group's owner, Board of Directors and Executive Management. The code reflects our set of values, which reads: You are at home with us when you show trust, presence and ambition.

Steel House Copenhagen



Facts

- Year built: 1972
- Arp-Hansen Hotel Group since: 2017
- Number of rooms: 253



Did you know that...

- The floor in Steel House Copenhagen's game room is a recycled wooden floor from an old gym, complete with original sidelines and worn goal lines?

Table 17
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
Suppliers that have joined the CoC (%)	0	75 %	100 %
Managers with ESG as a performance goal (%)	0	To be determined	To be determined
Gender distribution in management, M/F (%)	48/522	50/50	50/50

Note 1: Definitions of KPIs can be found in Appendix A

Note 2: Data from 2024

Clear requirements for the value chain

At Arp-Hansen Hotel Group, we have many different types of partners in our value chain. From large food wholesalers, breweries and textile services to small startups and sole traders. There are big differences in how far each of them are in integrating sustainability into their daily practices.

To address the risk that our ESG expectations are not necessarily manifested down our value chain, we have initiated a proactive effort to make the ESG requirements in our Code of Conduct visible to suppliers and business partners, while increasing our knowledge about our suppliers' ESG profiles, strengths and challenges.

Specifically, we ask all our formalised partnerships to sign up to our Code of Conduct and create an ESG inventory of our partners' ESG profiles.

This aims to make it easier to make sustainable purchasing choices and ensure documentation and transparency around our ESG expectations.

Due diligence

14. We perform ongoing due diligence and we prevent and mitigate risks

Our work with due diligence and risk identification is based on the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the UN Global Compact's 10 principles for responsible business behaviour.

Common to the three sets of guidelines and principles is that they setup a number of requirements for what companies should do to avoid negative impacts on people and the environment and the processes that should be in place to mitigate negative impacts if they do occur.

At Arp-Hansen Hotel Group, we have implemented due diligence processes to identify, prevent and mitigate any negative impacts. For example, read the strategy's section about our double materiality assessment, where we have assessed how our business impacts a wide range of environmental, climate and social issues.

To make sure we are constantly improving, this ESG strategy sets a number of targets for the key actions we address. Simply because metrics create transparency about progress AND strengthen governance.

Whistleblower programme

Our whistleblower programme allows employees and other stakeholders to anonymously report any concerns about serious violations of our Code of Conduct and principles. The scheme ensures that we can handle any irregularities proactively, in a timely manner and with respect for the individual.

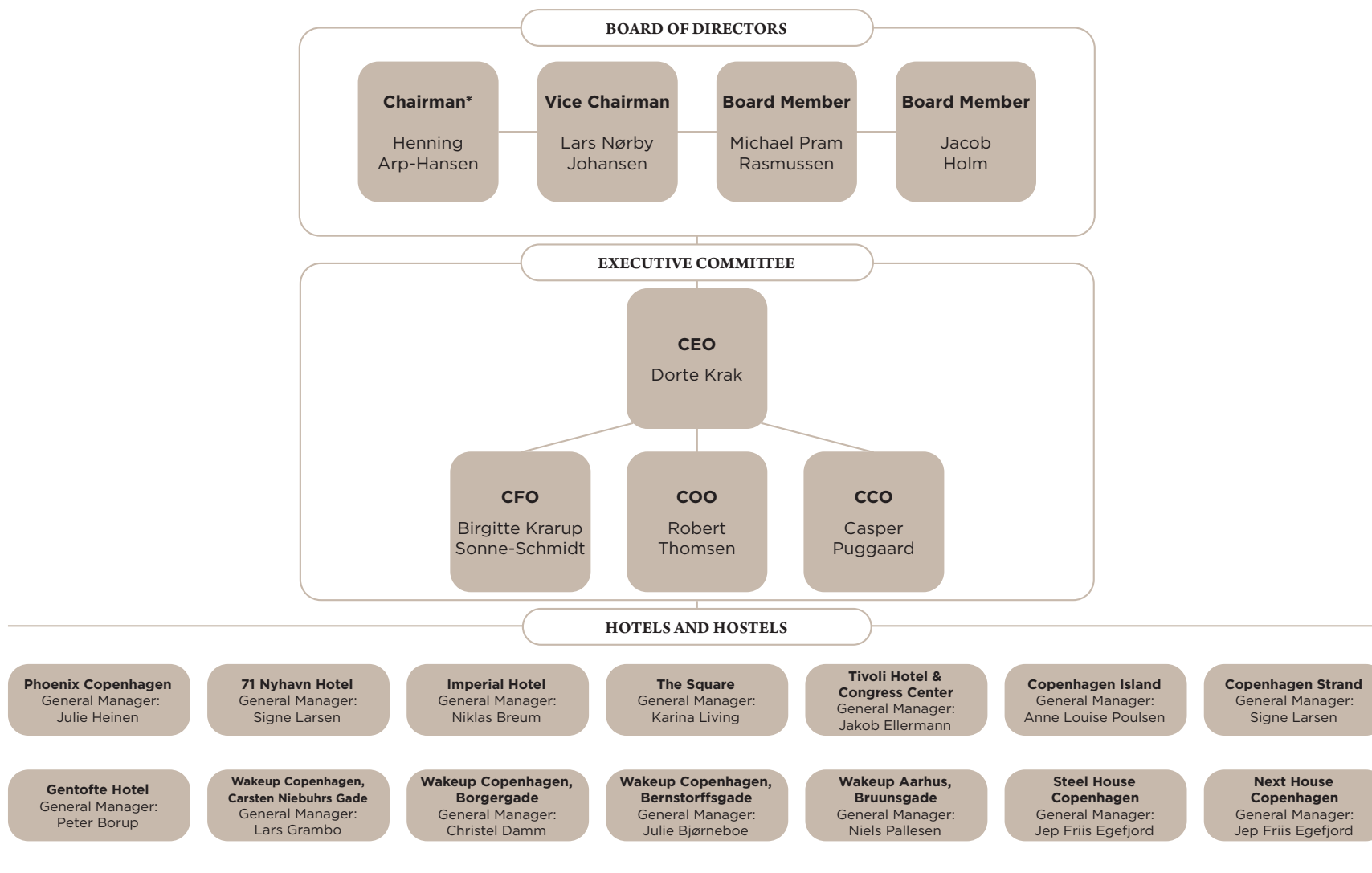
" With this strategy, we've created a series of metrics for the key initiatives we address. Simply because they create transparency about progress and strengthen governance "

Table 18
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
Risk-assessed business partners (% of purchase volume)	Not calculated	50 %	80 %
Upskilled employees (ESG e-learning)	0	100 %	100 %
Upskilled employees (ESG presentations and training)	Not calculated	60 %	100 %

Note 1: Definitions of KPIs can be found in Appendix A

Organizational chart Arp-Hansen Hotel Group A/S – as per March 1st 2025



*) Henning Arp-Hansen is as Chairman of the Board responsible for project development and financing.

Due Diligence in the value chain

It is our ambition that Arp-Hansen Hotel Group's due diligence requirements spread throughout the value chain and positively impact the communities where we operate. This can be done if our business partners ask the next tier in the supply chain to also identify, prevent and mitigate its negative impacts, and to make the same demands on their suppliers.

In this way, we can contribute to an increased focus on impact and work towards increased transparency and traceability in the value chain.

As part of this, we conduct risk assessments of our business partners in connection with the renegotiation of contracts and co-operation agreements.

Employee engagement

Good behavior and doing the right thing is also about knowledge. Our employees are experts in good guest service, but not experts in the latest ESG developments. Which is why our Sustainability and HR departments have a strong focus on visiting our hotels and hostels and teaching sustainability, behaviour, specific topics or new ESG initiatives.

We have also created a network of local champions across the units, who have mandate and resources to implement smaller initiatives in their own organisations. The network is facilitated internally by Sustainability.

Upcoming initiatives

Structured risk assessments of business partners

We want to take a more ambitious and structured approach to risk assessing our business partners by, among other things, screening whether the information they provide about their ESG profile through our ESG register is correct. We have therefore set a target of risk assessing partners corresponding to 80% of our purchasing volume every five years. The first suppliers will be risk assessed according to the new procedures in early 2025.

Supplementary ESG standards

By mid-2025, we will investigate whether an additional ESG standard or certification can further strengthen our ESG governance structures, taking into account resource needs versus expected value creation, e.g. ISO standards, B-Corp, UN Global Compact or similar.

Development of ESG e-learning module

By the end of 2026, we will develop and implement an e-learning module on ESG in Arp-Hansen Hotel Group for all new and existing employees. The module aims to inform employees about how we work internally with ESG and to provide knowledge about the value of initiatives in areas such as waste sorting, energy and water saving behaviour, certifications, etc.

Anti-corruption and gift policy training

We will increase focus on upskilling employees in anti-corruption and handling challenges in connection with receiving gifts, facilitation payments or similar.

Wakeup Copenhagen Bernstorffsgade



Facts

- Year built: 2018
- Arp-Hansen Hotel Group since: 2018
- Number of rooms: 585



Did you know that...

- Wakeup Copenhagen Bernstorffsgade is cooled with cold water from Copenhagen Harbour? The solution uses significantly less power than traditional cooling and therefore emits less CO₂e.

Knowledge and data-based value creation
15. We make data-driven decisions and continuously expand our knowledge and database

Data is essential for us to make the best possible decisions, implement value-creating initiatives and measure progress. As the sustainability agenda evolves and we ourselves become smarter, our need for new data grows accordingly.

We have detailed, complete and fully traceable data in the financial sector. But those data systems are not designed to generate, process and report on the new ESG data that is currently being developed. Thus, we do not have access to all the data or knowledge that we want to act and measure on in the future.

A data elephant
Building the ESG data foundation is a long journey that includes making ESG data 1) available and accessible, and 2) operational. This requires co-operation and investment from both ourselves and our value chain.

We are continuously in dialogue with our business partners about how we can jointly establish processes

for obtaining data down the value chain, where information about, eg. subcontractors' production and employee conditions, etc. can be difficult to gain insight into.

Existing and new data must also be made operational. ESG data on products and manufacturers must be visible on purchasing centres and websites, and the data points must be searchable. This can be through search filters on product material, recyclability, certifications or country of production.

Last but not least, our systems must be able to receive, handle and report the new data automatically. Our systems and internal processes must be geared for this. As one step in this process, we are developing a data warehouse that will be able to collate data across the business, and we have initiated a process with our suppliers to eventually incorporate UNSPSC codes for product identification and classification.

Upcoming initiatives

Activity data on employee commuting
We want better data on employee commuting, which is currently based on municipal commuting statistics. We want to shed light on how our employees transport themselves and how far they commute. Therefore, during 2025, we will conduct a representative employee survey that includes at least 30 per cent of our employees.

Business Intelligence support for ESG reporting
We want to expand our data warehouse with a ESG section that continuously collects ESG-related input data for both ESG reporting and ongoing ESG management reporting. The data warehouse will be a one point entry that collects data on all ESG activities and will be a starting point for all ESG analyses. The development work has already started and will continue in 2025 so that we have a system and data-driven internal and external reporting for the annual report 2026.

ESG software
We will identify ESG software to handle emission factors and ESG reporting, including ensuring traceability in all calculations. If we find the right match, the ambition is to use the new ESG system from the preparation of the 2024 climate accounts.

Tabel 19
Goals and baseline¹

	2024	Goals for 2026	Goals for 2030
Supplier-specific emission factor (% of emitted CO ₂ e)	5.0 %	11 %	50 %
Activity data (% of CO ₂ e emitted)	8.9 %	34 %	80 %
Sourcing from known production country (% of purchasing volume, key suppliers)	Cannot be calculated	25 %	75 %

Note 1: Definitions of KPIs can be found in Appendix A

Climate accounting that add value

We also have an ambition to continuously improve the accuracy of our climate accounting. This will happen through two tracks:

- **From spend data to activity data, where relevant.** We have succeeded in doing this in scope 1 and 2 in areas such as cooling, heating and energy, and in other areas such as water consumption and waste. In the coming years, we will work to move from consumption data (DKK) to activity data (kg or units) for our primary product purchases. This will make the data more robust to inflation, price changes, etc.
- **From generic emission factors to supplier emission factors.** As our business partners prepare LCAs for their products and services, and our data systems prepare to take them in, we will continuously move from generic to supplier-specific emissions. This will make our specific product choices visible in the climate accounting.

Industry standards for the benefit of consumers

Finally, ESG data should also create value for consumers and guests to promote sustainable travel choices. This requires that key figures, such as CO₂e per room nights, are calculated in the same way and that they are understandable. This is why we at Arp-Hansen Hotel Group are working to establish industry standards for ESG metrics for the benefit of consumers.

GDPR and guest data

We prioritise guest safety by protecting and securing our guests' data in accordance with GDPR regulations, and have clear guidelines and procedures in place to ensure we comply with all data storage and handling requirements.

Honest and trustworthy communication

16. We inspire through honest and trustworthy communication

At Arp-Hansen Hotel Group, the sustainability agenda is far from new. Although sustainability has been an integral part of the business since our first Green Key certification in 2008, we have not had a tradition of speaking up about our efforts. We want to get better at that.

So that our employees can share in the joy of making a difference, to promote responsible consumption, to inspire the industry and for new potential colleagues and guests to make informed choices.

The green transition can only succeed if we act together. To fulfil the goals of the Paris Agreement and the goal of halting biodiversity loss by 2030 requires hard work, openness and co-operation, both internally and externally. Arp-Hansen Hotel Group is dedicated to responsible corporate governance through a systematic approach, transparency and open dialogue with our stakeholders.

Moving Hospitality

For this reason, Arp-Hansen Hotel Group has entered into an industry partnership with Sinatur Hotel & Conference, Guldsmiden Hotels, Brøchner Hotels, Arthur Hotels and Dallund Castle. The initiative is called Moving Hospitality and its community aims to share knowledge, experience and best practice to create even more sustainable hotel operations together.

Good advice is welcome

As we start to talk more openly about our efforts, it is crucial for us to do so in an honest way that does not oversell the green messages or neglect to talk about key challenges.

Next House Copenhagen



Facts

- Year built: 1962
- Arp-Hansen Hotel Group since: 2021
- Number of rooms: 433



Did you know that...

- Next House Copenhagen is Europe's largest luxury hostel and the building is based on DGNB, the world's leading sustainability certification?

We endeavour to follow the Consumer Ombudsman's guidance on the use of environmental and ethical statements in marketing.

But new is never easy. We apologise in advance if we step out of line while we practice speaking our minds. If you find an error, if you have suggestions for improvement, or if you have any praise or criticism in general, you are more than welcome to contact us at sustainability@arp-hansen.dk.

Learning from the good stories

We want to promote responsible consumption through education and nudging - and of course by making the sustainable choice easy and accessible.

We hope that our guests - Danish as well as international - will gain knowledge about sustainable development, lifestyle and choices that can be stored and taken home to friends and acquaintances.

As part of this ambition, we have developed a cross-cutting storytelling concept that aims to nudge, inform and inspire guests and employees. In our hotels and luxury hostels, our guests will soon encounter short stories based on ESG themes, visualised by recognisable icons.

" We want to get better at talking about sustainability. Partly so that our employees can share in the joy of making a difference. And to promote responsible consumption to help our guests make informed choices "

Upcoming initiatives

Annual ESG and climate report

With this ESG strategy, we set an ambitious framework and present a number of goals and concrete actions for our ESG efforts towards 2030. We want to be transparent about our progress, successes and bumps in the road. Therefore, from 2026, when our strategy has been in place for 1.5 years, we will prepare and publish an annual ESG and climate report. It will contain our climate accounts and account for the progress towards our KPIs and the initiatives presented herein.

The Consumer Ombudsman guidelines

In connection with the launch of the ESG strategy, we will train relevant employees in the Consumer Ombudsman's guidelines on the use of environmental and ethical statements in marketing.

Table 20
Goals baseline¹

	2023	Goals for 2026	Goals for 2030
Guest experience of ESG in Arp-Hansen Hotel Group (score 1-5)	NA	4	4

Note 1: Definitions of KPIs can be found in Appendix A

Appendix

A. Definitions of KPIs

Arp-Hansen Hotel Group's (AHHG) applied or expected definition of the presented KPIs. We reserve the right that definitions may change as the initiatives are concretised and we become more aware of what data we can obtain. We will ensure full transparency if definitions are adjusted.

Accountable Procurement	
KPI	Definition
Formalised collaborations (%)	Proportion of creditors with whom a formalised collaboration/agreement has been signed, out of all creditors, measured in %.
Purchasing through formalised collaborations (%)	Share of total purchases in DKK made from suppliers with whom a formalised collaboration/agreement has been signed, measured as a share of all purchases.
Supported smaller (Danish) companies (pcs)	The number of small Danish companies that AHHG has enabled the units to trade with over the past year, either through our purchasing system or a wholesaler, and where there have also been purchases. A small business has a maximum of 50 employees and a turnover or total balance sheet of up to DKK 75 million.
Certified suppliers (% of key suppliers)	Percentage of key suppliers (purchases of at least DKK 1 million in the past year) that have a relevant ESG certification or commitment, see Appendix B.
Number of product categories where certifications are mandatory	Number of product categories within which AHHG has defined that it is mandatory for all new purchases to have a relevant ESG certification, if available, see Appendix B. We consider the KPI to be met if at least 95% of the purchasing volume measured in DKK fulfils the target.
Certified products at top 10 suppliers (%)	Proportion of certified products, cf. Appendix B, measured by purchase volume of the total purchase volume from current top 10 suppliers.
CO ₂ e in procurement (kg/room night)	Kilo CO ₂ e from procurement excluding hotel construction per room night.
TCO procurement	Percentage of investments in electronics and machinery over 32,000 where a TCO assessment has been carried out using a recognised TCO tool, such as the Danish Environmental Protection Agency's TCO tools The Responsible Buyer (denansvarligeindkober.dk) or similar.
Plant percentage	The plant percentage is defined as purchased kg of vegetables, fruit, bread, starch, legumes, nuts and seeds divided by the total purchase in kg excluding beverages.
CO ₂ e in F&B (kg CO ₂ e/kg F&B purchases)	The carbon footprint of one kilo of purchased Food & Beverage (F&B). Emission factors from e.g. Concito's Climate Database.
Better animal welfare (%)	The share of animal-based products, excluding fish, with either Animal Welfare or Organic labelling, measured as a % of the purchase volume of animal-based purchases.
Bronze Organic Cuisine Label (% of hotels)	Proportion of hotels in AHHG with the bronze Organic Cuisine Label (organic percentage of 30-60%).
Deliveries (units/revenue DKK million)	The number of deliveries per unit per million DKK in revenue.
Public transport or fossil-free employee commute (%)	The proportion of kilometres that AHHG employees commute to and from work is by train, bike, bus, electric car or other green mode of transport.

Hotel Operations and Buildings With a Stance

KPI	Definition
Energy intensity (kWh per room night)	The total amount of energy consumed per year measured in kWh per room night.
Water intensity (litres per room night)	The total amount of water consumed per year measured in litres per room night.
Electricity consumption, excluding solar energy (mWh)	The total amount of electricity consumed per year in AHHG excluding solar energy.
Water consumption (m ³)	The total amount of water consumed per year in AHHG.
Certified chemistry (% of daily cleaning products)	Percentage of chemical products used for daily cleaning, laundry and dishwashing that are ecolabelled.
Recycling rate (%)	The amount of recycled waste in tonnes in relation to the total amount of waste.
Waste per room night (kg)	The amount of waste generated in relation to the number of room nights.
Residual waste per room night (g)	The amount of residual waste generated in relation to the number of room nights.
Food waste per room night (g)	The amount of food waste collected in relation to the number of room nights.
CO2e per square metre. per year (kg)	The limit value for a new building's emissions, calculated as kilo CO2e per square metre. per year.

Good Governance

KPI	Definition
Suppliers that have joined the CoC (%)	Percentage of creditors that AHHG has purchased more than DKK 10,000 from in the past year that have signed AHHG's Code of Conduct.
Gender distribution in management F/M (%)	Gender distribution among all department managers, hotel managers and executive management, calculated as share per FTE.
Managers with ESG as a performance goal (%)	Percentage of AHHG leaders working with ESG as a competency and/or performance goal.
Risk-assessed business partners (% of purchase volume)	Proportion of creditors that AHHG has purchased more than DKK 10,000 from within the past year, whose ESG profile has been assessed by AHHG within 5 years, calculated as a proportion of purchase volume.
Upskilled employees (ESG e-learning) (%)	Percentage of permanent employees who have completed the ESG e-learning module
Upskilled employees (ESG presentations and training) (%)	Percentage of permanent employees trained in ESG-related topics within 2 years.
Purchases from known production country (% of purchase volume)	Share of purchase volume from key suppliers where the country of production is known.
Guest experience of ESG in AHHG (score 1-5)	Metrics on guests' experience of AHHG's ESG efforts and communication.

Human Hospitality	
KPI	Definition
Employee turnover (%)	Percentage of permanent employees who have voluntarily or involuntarily left AHHG calculated as FTE.
Seniority (years among permanent employees)	Average seniority of permanent employees, excluding reserves.
Wellbeing score (scale from 0-4)	The wellbeing score is the average score on all wellbeing survey questions.
Wellbeing survey response rate (% of permanent employees)	Percentage of all permanent employees who have completed the wellbeing survey.
Employee NPS (eNPS)	Measures of employee satisfaction and loyalty towards AHHG. Average score of responses to the question "To what extent would you recommend working at Arp-Hansen Hotel Group to others?" on a scale from 0-10.
Sick leave (days/FTE/year)	Number of sick leave days per FTE, including short-term, long-term, pregnancy-related and §56 sick leave.
Number of training days (pcs)	The number of course days with physical participation offered centrally in Arp Academy. Calculated as standard days of 8 hours.
Course participants (% of permanent employees)	Percentage of permanent employees who have completed at least one course per year.
Course evaluation (score 1-5)	Mandatory evaluation of courses and programmes in Arp Academy, including e.g. outcome, teacher, material, etc.
Psychological safety (score 0-4)	Annual survey among permanent employees. Average score of answers to 4 questions.
Sense of inclusion (score 0-4)	Annual survey of sense of inclusion among all permanent employees. Average score of answers to 5 questions
Gender distribution among employees, M/F (%)	Gender distribution among all permanent employees including managers and directors, calculated as share per FTE. The target is considered met at +/- 5% to ensure equal treatment and the possibility to select the most suitable candidate.
Seniors (55+) (% of permanent employees)	Number of permanent employees aged 55 or older.
Citizenships (number of permanent employees)	Number of permanent employees with a non-Danish citizenship (excluding reserves).
In the City Together events	Number of events organised under the "In the City Together" framework.

Appendix

B. Relevant ESG certifications, labels and memberships

Recognised ESG certifications, labels and memberships that are part of AHHG's goal achievement at product and company level respectively. The product certifications cover different initiatives, some with a special focus on the environment, others on health and/or social conditions or other. The lists are continuously updated with similar certifications, labelling and memberships of the same quality.

Product certifications and labelling

- The Nordic Swan Ecolabel
- EU Ecolabel (care, soap and cleaning products)
- TCO Certified (IT and electronic equipment)
- Other type 1 certifications (Type 1 certifications are based on a life cycle assessment and are audited by a third party. Examples include The Blue Angel Ecolabel, the Green Product Mark, Milieukeur, Good Environmental Choice, etc.)
- Organic (the red Danish organic Ø-logo or EU's organic green leaf logo)
- Demeter (biodynamic cultivation and food processing)
- Fairtrade (cocoa, coffee, bananas and clothing etc.)
- Rainforest Alliance/UTZ (food, particularly coffee)
- Recommended by Animal Protection Denmark (meat and dairy)
- Animal welfare label (meat and dairy)
- The Keyhole Label (foods)
- The wholegrain logo (particularly flour, bread, pasta and cereal)
- ASC (farmed fish)
- MSC (wild caught fish)
- NaturSkånsom (a Danish low-environmental-impact fishery scheme, fish caught in the wild)

- Asthma Allergy Nordic and Asthma Allergy Denmark - The Blue Label (cosmetics, hygiene products, cleaning products etc.)
- Allergy Certified (particularly personal care and cleaning products)
- Ecocert (personal care products)
- FSC - Forest Stewardship Council (paper, wood, packaging, furniture etc.)
- PEFC - Programme for the Endorsement of Forest Certification (paper, wood, packaging, furniture etc.)
- Cradle2cradle (paper, packaging, cleaning agents, personal care products etc.)
- GOTS - Global Organic Textile Standard (textiles)
- OEKO-TEX made in Green (textiles)
- BCI (Better Cotton Initiative) (textiles)
- GRS (Global Recycled Standard) (textiles)
- NOMITE (down and feathers)

Company certifications and memberships

- SBTi - Science Based Target initiative
- The Nordic Swan Ecolabel
- B Corp
- UN Global Compact
- ISO standard 9001, 14001, 26000 or similar.
- Green Globe
- EMAS Eco-Management and Audit Scheme (EMAS)
- Global Gap
- EcoVadis
- Green Key, Green attraction, Green Restaurant
- SA8000
- SMETA (Sedex Members Ethical Trade Audit)
- RSV (Registered Social Economy Enterprise)

