

RESPONSIBILITY AT ARP-HANSEN HOTEL GROUP



ESG - ENVIRONMENT, SOCIAL CONDITIONS AND GOOD CORPORATE GOVERNANCE

Here you can read about our sustainability initiatives. The term ESG covers: E for Environmental, S for Social and G for Governance. You can also read about our Safe Stay initiative, which is the name of the measures we take for cleaning, hygiene and food safety.

We at the Arp-Hansen Hotel Group are convinced that our success is based, more than anything, on our values. At their core, they are about something as simple as behaving properly.

Everyone should be treated right. It is as simple as that. This applies to both guests and cooperation partners as well as employees.

At a slightly more general level, we also have a responsibility for the planet we all live on. We should also naturally treat our Earth right.

This is not a novel concept for us. This is the reason why we were the first major hotel chain to join Green Key (the international eco-label of the tourist industry)

more than 10 years ago and have similarly used a number of other eco-labels and certifications as a benchmark for a number of years.

What is new is that we are currently pooling together our ideas and efforts into a more focused strategy for work with sustainability at the Arp-Hansen Hotel Group.

Long story short, we want to be even more aspiring in both our own actions and in choosing cooperation partners. As when you have a business and a size like ours, you have the opportunity to really make a difference that counts. This is a responsibility that binds.

However, we do not think that we have all the answers. In other words, good ideas and input are more than welcome.

I am looking forward to taking the next important step together with you.

Dorte Krak
CEO



ENVIRONMENT

At Arp-Hansen Hotel Group, we work to promote sustainable tourism with the least possible environmental impact.

We show our commitment through strategic focus areas and the use of a wide range of environmental certifications. In addition, our suppliers and partners must also commit to fulfilling our sustainability principles – just as our employees do, as it promotes the right mindset.

UN Sustainable Development Goals 8 & 12 as benchmarks

In particular, we work according to two of the UN's Sustainable Development Goals, as it is through these that we can create the greatest possible impact. These are Goal 8 (Decent Jobs and Economic Growth) and 12 (Responsible Consumption and Production).

Goal number 8 concerns decent jobs and economic growth. Quite simply, it is an integral part of our DNA that we treat our employees properly and that we always strive for development. Target 12 concerns responsible consumption and production. This is the very core of sustainability, and an area where we can positively influence all parts of the value chain – from production, transport and warehousing to packaging and disposal.

Strategic focus areas

More specifically, we have five strategic focus areas where we have a good data base that enables us to see the major impact we have. For example, by changing containers for soap, shampoo and lotions, we can eliminate the use of 1,350,000 million containers annually.

The five focus areas are:

- Waste sorting
- From small plastic containers to larger containers
- 'Do not clean' signs on rooms
- Increased focus on organic procurement
- Further reduction of food waste

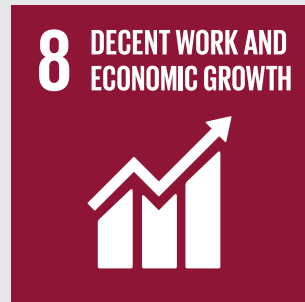
Environmental certifications as concrete tools

As a supplement to the Sustainable Development Goals – and as a natural part of our procurement strategy – we work with a number of eco-labels and certifications. On a concrete level, they commit us to implementing measurable actions, so we can see whether the things we do create the desired effect.

We work with certifications in three areas. One defines the things we do ourselves – and the certificates we have received through our own actions. The second defines our procurement strategy. The third is about our suppliers and their certifications.



THE GLOBAL GOALS
For Sustainable Development



Leaders from the UN's 192 member countries agreed in 2015 on 17 ambitious global goals - and 169 sub-goals - for sustainable, global development. The global goals set a framework and a direction for the solution of the planet's biggest problems before 2030

ENVIRONMENTAL CERTIFICATIONS



Green Key

International tourism's most widely used eco-label. In order to use the label, you must comply with a number of strict environmental requirements across 13 areas, such as energy and water consumption.



Green Power

The label defines what proportion of the company's electricity comes from green and climate-friendly sources.



The Organic Cuisine Label

The label shows what proportion of the food and beverages in the restaurant is organic.



REFOOD

The brand focuses on reducing food waste and promoting recycling.

Environmental certifications as part of the procurement strategy

Our work with environmental certifications is part of our overall procurement strategy to ensure and support a constant focus on sustainable procurement. The certifications are subject to ongoing evaluation so that we can ensure the best possible effect, including the use of as simple and usable a system as possible.



Rainforest Alliance

The brand focuses on preserving wildlife in the rainforests, improving conditions for local workers and ensuring sustainable development in the rainforest.



The Danish Organic Label

The government-controlled Danish ecolabel. We use the brand in relation to foodstuffs, including dairy products.



The Nordic Swan Ecolabel and the EU Ecolabel

The labels set strict environmental requirements in all phases of a product's life cycle, including tough requirements for chemicals. Wherever possible, we use products that have at least one of these labels.

Environmentally certified suppliers



Elis

Our supplier of linen, workwear, etc. is Nordic Swan Ecolabelled and thus limits the consumption of water and energy. Elis also uses environmentally-friendly detergents.



The 5 Stars

One of our cleaning companies is both Green Key and Nordic Swan Ecolabel certified.



SOCIAL - SOCIAL CONDITIONS

For us at Arp-Hansen Hotel Group, the area of Social Conditions is close to our heart. Since we started, we have been owned by the same family, and it is to a large extent the Arp-Hansen family's values that have today become the company's values.

Quite simply, it is an integral part of our DNA that we treat our employees properly and that we always strive for development.

The fact that all employees refer to the company as a family in everyday speech is a natural extension of our ownership and our consistent focus on decency.

The area is in alignment with the UN's Sustainable Development Goal no. 8, which concerns decent jobs and economic growth, which is why we quickly adopted this goal as one of our most important benchmarks for our operations and management

Three named values

Our daily management is based around three named values.

The first is **trust**, which we view as being both a family-related and a Danish core

value. We believe that people grow, take more responsibility and have greater job satisfaction when they are shown trust – and get help when they need help.

The other is **presence**, which in our view is a direct extension of trust. Presence is about being present and showing genuine interest in the people around you. This applies whether it is your colleagues or the company's guests.

The third is **ambitious**, and for us it is both a natural part of doing business and part of life in general. It's simply just a lot more fun and rewarding to constantly try to make things a little better. Setting a goal and succeeding in it provides equal parts job satisfaction and quality of life.

A good working environment is good business

Of course it has to be safe and secure to go to work at Arp-Hansen Hotel Group. But we want a little more than that. We want our employees to be happier when they leave work than when they come to work.

And you can only do this if you are surrounded by colleagues who you can feel comfortable with and who you enjoy spending time with. The same applies even more to your manager.

Management training and team building

We put a lot of effort into leadership training and supporting collegial community through team building and other activities. If an employee has a good idea, we listen with open ears.

Whistleblower scheme

It is very important for us as a company that everyone who has an affiliation with Arp-Hansen Hotel Group feels confident that they can comment on censurable conditions without it having any negative consequences.

For this purpose, we have our Whistleblower system, which makes it possible for employees, guests, business partners, etc. to report censurable matters – anonymously or with name at their own discretion.

Education, health insurance, technology utilisation and health check

It is no secret that working in the hotel industry can be physically challenging. There are many things to lift, move and clean. There is full speed ahead in the kitchens.

It is only natural to feel that you have used your body, but you should not feel worn out. The best way to avoid this is primarily through good education and optimal interior design.

At Arp-Hansen Hotel Group, we therefore place extra importance on training in e.g. lifting techniques, appropriate working positions, optimal workstations, etc. We ensure that everyone goes through a training programme tailored to their particular function. As a supplement, we also have our own fitness centre, where employees are free to train, as well as a permanent physiotherapist.

In addition, we are constantly working with technology in relation to reducing the physical hard work.

As part of our initiatives, all permanent employees either have a health plan or health insurance, and we offer health checks to selected employee groups.

As a company, we are certainly defined on the outside by our hotel buildings, but it is the employees within them who make up Arp-Hansen Hotel Group. If our employees are not thriving, our company is not thriving. So for us, a good working environment is simply good business.



GOVERNANCE – GOOD CORPORATE GOVERNANCE

Arp-Hansen Hotel Group's key activity is building, developing and running hotels in Copenhagen and Aarhus. The company thus has approx. 21% of the room share in Copenhagen and approx. 14% in Aarhus. The company aims to be one of the leading hotel companies in these markets.

At Arp-Hansen Hotel Group, good corporate governance is an umbrella for, among other things, our efforts in the area of the environment and health and safety at work. The other two sides of the ESG triangle.

But there's a lot more to it than that. Above all, is running a healthy and profitable business, so there is room to invest in the right solutions.

This applies, for example, to sustainable construction, which has played a crucial role in the establishment of the group's luxury hostel Next House Copenhagen.

Throughout the construction process, creating minimal climate impact in both the establishment phase and the subsequent operation has been a focal point.

The goal is a top-class DNGB certification. In the DNGB system, a building is evaluated based on six main areas: Environmental quality, Economic quality, Social quality, Technical quality, Process quality and Area quality.

The right solutions also apply to the purchase of less energy-intensive machinery, which is often more expensive to buy than the more energy-consuming variants. This is only possible if the business is sound and financially well-run.

Another very important area is the Group's ongoing investment in education and training. This is directly linked to efforts to recruit and retain the best employees in the industry.

Delivering the best hospitality customer experiences requires employees who are just as motivated as they are well trained. Creating motivation and job satisfaction requires very good management, which requires ongoing investments in educating and training the Group's managers.

On a more general ethical level, the company operates in accordance with the UN Guiding Principles on Business and Human Rights. This is specified in various policies and follow-up measures.

In the area of health and safety, work is ongoing and controlled with workplace assessments and safety groups, which is done with the direct involvement of the employees. This is to ensure that we can get right up close to any challenges and can solve them together.

The company works actively to create and ensure a broad employee composition across gender, age, ethnicity and faith. For the same reason, we have joined the Danish Chamber of Commerce's Diversity Pact. The Pact presents a number of concrete recommendations for initiatives that can promote diversity. Furthermore, it provides a forum for sharing and receiving knowledge and experience from other companies.





SAFE STAY

With us, you can always feel safe

SAFE STAY is the name of our response to pandemics such as Covid-19 and other events that may require extra effort. Below is a brief overview covering special initiatives in the cleaning and hygiene area.

Parallel to our efforts in the area of hygiene, we have highly prioritised our food safety initiatives. Both guests and employees and business partners must naturally be able to feel confident that food and beverages in our care are handled correctly. This monitoring is managed through fixed Hazard Analysis and Critical Control Points (HACCP) audits.

At Arp-Hansen Hotel Group, we have chosen to conduct three times as many audits as we are obliged to. This is because nothing is more important to us than the safety of our guests, employees and others in contact with the company.

Cleaned hotel rooms

All hotel rooms are cleaned thoroughly between guests' arrivals with eco-friendly products that are certified with the Nordic Swan Ecolabel. Door handles, remote controls, hair dryers, light switches and other surfaces are all thoroughly cleaned. Just as towels and bed linen are also changed.

Communal areas

Exposed surfaces such as door handles, payment terminals and elevator buttons are regularly cleaned. Stands and bottles of hand sanitiser are freely available to guests and staff in all common areas and facilities in our hotels.

Conferences

The Arp-Hansen Hotel Group has access to over 100 meeting and conference rooms, as well as a congress hall. All meeting venues have Green Key environmental certification. Door handles, chairs, tables, office supplies, coffee machines, AV equipment and other surfaces are cleaned before and after all conferences and meetings. Stands and bottles with hand sanitiser are always available in all meeting rooms.



The Arp-Hansen Hotel Group consists of privately-owned and centrally-located hotels, including: *Phoenix Copenhagen, 71 Nyhavn Hotel, Imperial Hotel, The Square, Tivoli Hotel & Congress Center, Copenhagen Island, Copenhagen Strand, Gentofte Hotel og Wakeup Copenhagen Hotels as well as our luxury hostels, Steel House Copenhagen and Next House Copenhagen*