

ARCHER HOTEL CAPITAL

LONG-TERM INVESTORS IN HOTEL REAL ESTATE

ENVIRONMENTAL SOCIAL AND GOVERNANCE COMMITMENT



INTRODUCTION AND PURPOSE

Archer Hotel Capital B.V. aspires to build one of the highest quality, most environmentally and socially responsible hotel portfolios in Europe, while creating long-term value and delivering commensurate risk-adjusted returns for our Shareholders. Operating with socially responsible business practices, we make these commitments to our employees, customers, business partners & operators and the communities in which we operate and invest.

BUILDING A RESPONSIBLE ORGANISATION

Our commitments

We encourage our employees to proactively engage and participate with:

- regular internal ESG training on best practices
- individual responsibility and commitment to ethical behaviour in everything we do
- support to build personal career development plans
- promoting effective communication through our employee engagement surveys and follow up initiatives

Targets

- 100% of employees receive training on compliance and governance annually
- Improve upon, or at least retain, a net promoter score among AHC employees of at least 71 by year end 2024 versus 2020
- Achieve a net promoter score among AHM managed hotel employees of at least 50 by 2025
- Annual assessment of training and development needs for AHC and from 2023 onwards AHM employees
- Mental health first aiders in all hotels by 2024
- Invite all employees to contribute to local community initiatives (e.g. charity and sponsorships) on an annual basis.
- Monitor carbon footprint of AHC head offices and use an internal carbon price to incentivise reduction
- Establish a Diversity & Inclusion Committee and provide Diversity & Inclusion training

DELIVER SUSTAINABLE ASSET VALUE

Our commitments

- to strive to improve the sustainability of our hotels by committing to a memorandum of understanding with our hotel operators
- to encourage our hotel operators to participate in our engagement surveys
- to collaborate with our hotel operators to improve and communicate environmental performance
- to strive to adopt best environmental standards and practices within all of our renovation and development programmes through application of our ESG framework and green building certifications

Targets

- Incorporate ESG clauses in all new contracts with third-party operators commencing in 2020 and going forwards
- Organise operator engagement survey every two years and improve upon, or at least retain, a net promoter score of at least 80 by year end 2024 versus 2020
- 10% reduction in energy intensity by 2025 from a 2019 baseline

- 70% reduction in Scope 1&2 market based greenhouse gas intensity by 2025 from a 2019 baseline
- Net zero operational greenhouse gas emissions by 2030
- 10% reduction in water per guest night from 2019 baseline
- Minimum recycling and anaerobic digestion/composting rate of 50% by 2025
- 15% reduction in waste per guest night from 2022 baseline
- All hotels certified minimum BREEAM In-Use Very Good by 2025 or pending major renovation

CARING FOR OUR CUSTOMERS AND COMMUNITY

Our commitments

- to collaborate closely with our hotel operators in order to:
 - measure and optimise customer satisfaction
 - share best practices across the portfolio
- to introduce a responsible supplier code of conduct as part of our general rules of engagement
- to collaborate closely with our local communities and create positive social impact

Objectives:

- All hotels achieve a Competitor Indexscore >1 on our customer satisfaction platform TrustYou by 2025
- Include responsible supplier code of conduct in all new supplier contracts and monitor compliance with the code by year end 2025 for all suppliers
- Stimulate all hotel operators to contribute to their local communities and establish long term community investment programs at all hotels



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