



# Positive Impact

# Sustainability Report

2022



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# ARTIEM

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# I Introduction

At ARTIEM we believe that the only way to grow is to do so hand in hand with our environment. For this reason, we are working to ensure that all our stakeholders progress with us through sustainable development.

Since 1974 we have assessed our sustainability in each one of our actions to ensure that society, the economy and the natural environment harmoniously move forward together in the same direction.

This Positive Impact Report sets out all our new and ongoing initiatives and activities to ensure that our socio-economic and environmental impact is not neutral, but **positive**.



# Letter from the CEO



This time last year we were worried about how the Omicron variant would progress and whether it would force a return to a situation similar to that of the beginning of the pandemic. With this threat hanging over us, we started 2022 on a cautious note in terms of planning and investment. Shortly after starting to see the impact of Omicron, in late February Russia's invasion of Ukraine added even more uncertainty. All the analysts predicted that it was going to be a "complicated" year. Fortunately, their forecasts were not accurate and the year's fortunes were reversed, exceeding everyone's expectations.

This situation forced us to improvise, accelerate the implementation of processes and offer the same quality and service with fewer resources. We had to work very hard to maintain the standards we demand of ourselves.

Under these circumstances we were able to continue making progress towards achieving the priorities we set for 2022. On this path and thanks to our collaboration with the Impulsa Balears Foundation, we seized an opportunity for ARTIEM to form part of a pilot project to certify our hotel circularity strategy, resulting in AENOR certification in September 2022.

This led us to reconsider our sustainability model, devising what we call the **ARTIEM Positive Impact System**, whose aim is to set out how our purpose is strongly related to care for our social and natural environments. **And to reflect this, our Sustainability Report has shed its traditional name to become the Positive Impact Report.**

# Letter from the CEO

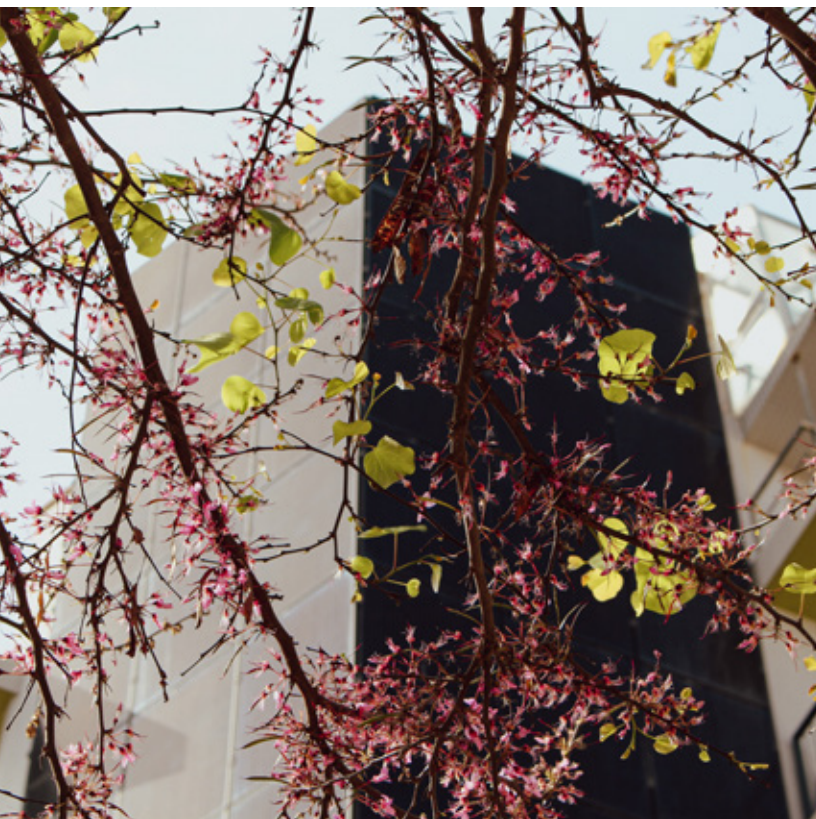
The Positive Impact System is a living system that addresses the actual needs of the company's situation in order to meet them as efficiently as possible. We measure these needs in ARTIEM's environment according to Kate Raworth's Doughnut Economic Model, with which we are able to identify the social and environmental aspects that are subject to most pressure and also those significantly affected by our operations. This allows us to pursue the goal of having a truly positive impact.

Within this process we have unified our plan by setting **six goals** to be accomplished by implementing our Positive Impact System and strengthening our business model.

With this, at ARTIEM we want to show that a new type of company is possible: the type of company that the B Corp movement to which we belong promotes, the type of company that is both competitive and has a positive impact on society and the environment.

**These goals are:**

- 1** BE CARBON NEUTRAL IN SCOPES 1 AND 2 BY 2030
- 2** OFFER A CULINARY SELECTION THAT IS 100% HEALTHY AND IN ACCORDANCE WITH SUSTAINABILITY CRITERIA BY 2026.  
MINDFUL EATING
- 3** REDUCE WATER WASTE BY 70% BY 2030
- 4** ENSURE THAT ALL GENERATED WASTE CAN BE REUSED BY 2028
- 5** BE IN THE TOP 10% FOR B CORP OVERALL SCORE IN THE WORKERS SECTION IN THE 2026 REVIEW
- 6** 8% OF OUR STAFF ARE PEOPLE FROM GROUPS AT RISK OF SOCIAL EXCLUSION OR WITH FUNCTIONAL DIVERSITY BY 2028







2



**ARTIEM**

FRESHPEOPLE MAKE THE DIFFERENCE



# Origins

ARTIEM's origins lie in a family business. Down the generations this family has cultivated and developed values like trust, passion, leadership, innovation, self-improvement and inclusion. These values are our foundations and mark out the path forward. We are currently transitioning from the third to the fourth generation. Since its establishment in 1974 the company's sole purpose has been: inspiring happiness in people.

## Family business

Family business transitioning from the 3rd to the 4th generation.



## Four generations

Each generation cultivates VALUES.



## Family business

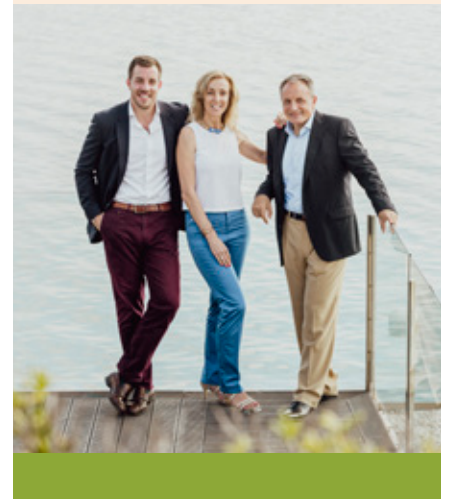
2022 DATA

**Total turnover:** €17,058,149

**Yearly average workforce:**

193 people

The company was founded on 1974 and Gabriela Aliaga and Pepe Díaz embarked on the ARTIEM project on 1993.



# Where we are



## Headquarters

ARTIEM was founded on the island of Menorca, which is still home to its headquarters. The island's natural, accessible and pleasant Mediterranean character is the essence of our brand identity.

Our model is based on the premise that hotels should spend their time meeting customers' needs. Consequently, we have centralised all our support functions in our corporate headquarters in order to help the hotels provide the best possible service to our customers.

ARTIEM's head office is home to the senior management staff and the People & Well-Being, Finance and Accounting, Systems, Purchasing, Sales, Communication and Marketing, and Quality and Environment departments.

## MANAGEMENT SYSTEMS

Aware that every project has its own peculiarities, ARTIEM has always had a single common driver: repositioning and increasing the value of the hotels we acquire. To do so, we have established three basic forms of collaboration, all of which focus on long-term relationships and management:

- 1 **Lease contract:** ARTIEM leases the establishment for an extendable period of at least 15 years.
- 2 **Management contract:** ARTIEM manages the operation, earning compensation in accordance with the resulting turnover and profitability.
- 3 **Property management.**

## CORPORATE HEADQUARTERS

Red Turística Menorquina, S.L.  
(trading as ARTIEM)

Tax identification number (NIF):  
B07041825

Calle Capifort, 6 - bajos, 07714  
Mahón, Balearic Islands, Spain

**Telephone:** +34 971 35 69 35

**Email:** [artiem@artiemhotels.com](mailto:artiem@artiemhotels.com)

**Website:** [www.artiemhotels.com](http://www.artiemhotels.com)

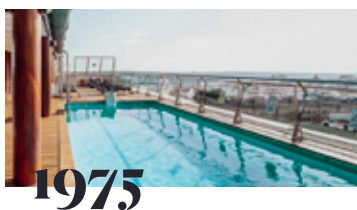
# Where we are

## Hotels

 **NUMBER OF HOTELS**  
5

 **NUMBER OF ROOMS**  
535

 **2022 TURNOVER**  
€17,058,149



**1975**

### ARTIEM CAPRI

\*\*\*\*

**MAHÓN (MENORCA)**

75 ROOMS

#### Features

Restaurant and Grab&Go The Green, Le Petit Spa, small gym and ECD.



**1994**

### ARTIEM AUDAX

\*\*\*\*S

**CALA GALDANA (MENORCA)**

240 ROOMS

#### Features

2 restaurants (Galdana and Oliva), ECD, Blue Café, The View Pool bar, swimming pool, Blue Spa, gym, ARTIEM Sports: sporting and wellness activities.



**2010**

### ARTIEM CARLOS

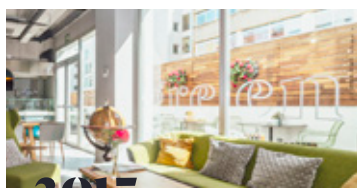
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**ES CASTELL (MENORCA)**

85 ROOMS

#### Features

Medi restaurant, El Dock Lounge snack bar, Sea Spa, ECD, outdoor seawater swimming pool and small gym with views.



**2015**

### ARTIEM MADRID

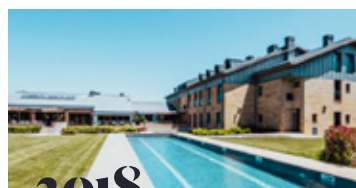
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**MADRID (ARTURO SORIA AREA)**

83 ROOMS

#### Features

Restaurant and Grab&Go The Green, equipped gym and ECD.



**2018**

### ARTIEM ASTURIAS

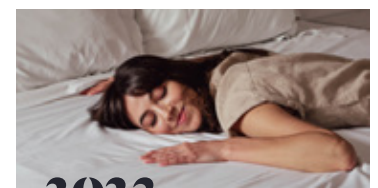
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**QUINTUELES-VILLAVICIOSA (ASTURIAS)**

45 ROOMS

#### Features

The Green Restaurant Lounge, ECD, spa, gym, outdoor swimming pool, Prana space and exclusive ARTIEM Club.



**2023**

### ARTIEM URBAN APARTMENTS

**MAHÓN (MENORCA)**

7 APARTMENTS

#### Features

Fully equipped apartments.



# Where we are

## Organisational chart

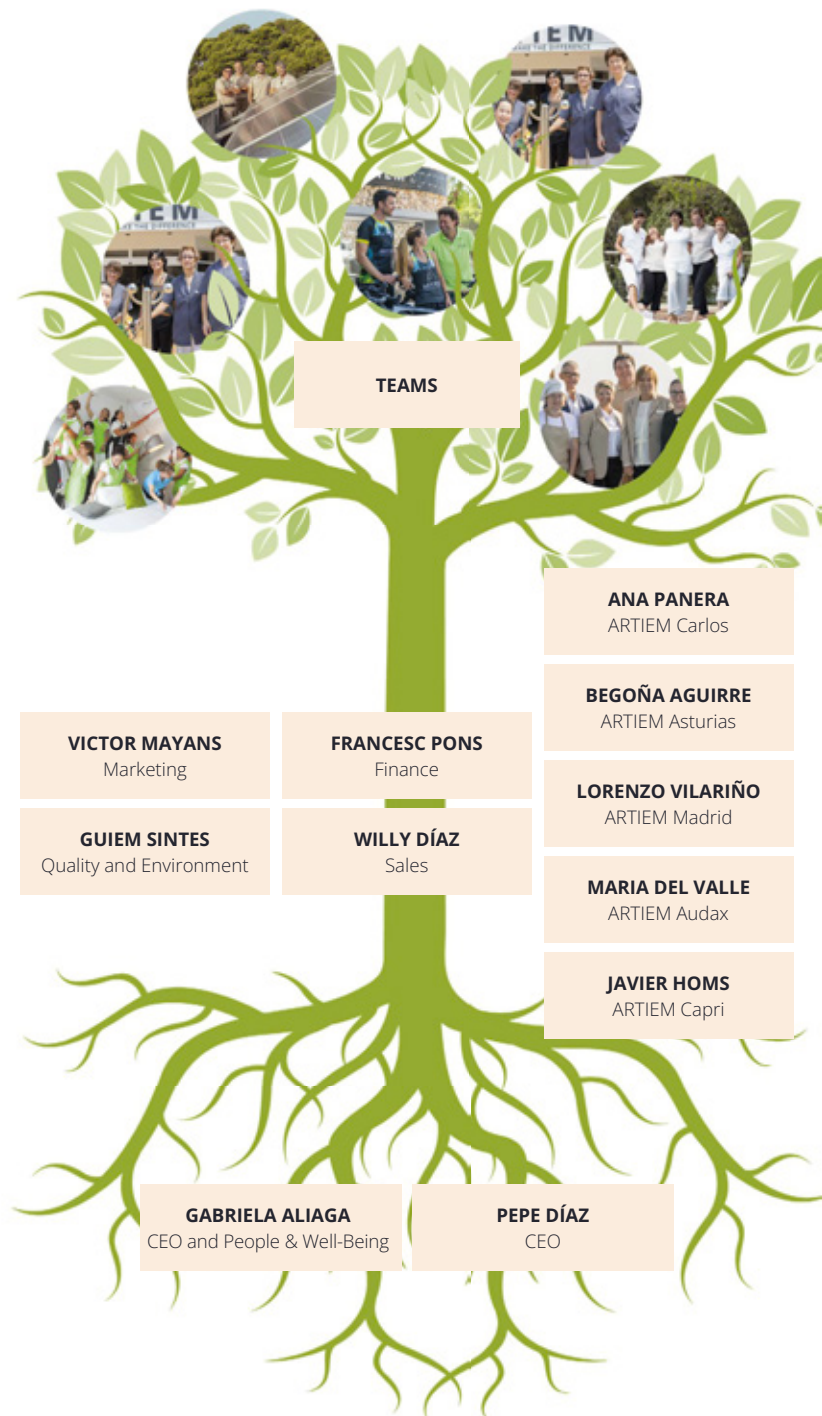
At ARTIEM we want to motivate our team to give their very best.

Accordingly, we represent our organisation chart in the form of a tree in which we firmly plant roots to see it blossom.

Our CEOs, represented at the base as the seed that generated ARTIEM, provide solid roots that transmit our values.

The managers of the hotels and the directors of the various corporate departments offer the strength of the trunk and guide the team managers in the growth of their branches. This is how we help our team blossom and give their very best, from the base of the tree through to the very top, thanks to the firmness of our purpose.

Our Freshpeople® are ARTIEM's visible face, our reason for being, the true ambassadors that transmit our purpose of: **"Inspiring happiness in people."**



# Management philosophy

**"It is not a question of dividing the cake, but of making it grow"**

**SOURCE:** José Guillermo Díaz Montañés. ARTIEM CEO.

ARTIEM's culture is governed by two REFLECTIONS:

The first is "**Capitalism is dead; LONG LIVE CAPITALISM.**" In the 1970s, Milton Friedman, a winner of the Nobel Prize in Economics, argued that "*The social responsibility of a business is to increase its profits.*" This is what we call the inward vision of capitalism and we think that its consequences include some of the ecological, social and economic disasters we have witnessed in recent decades.

Alternatively, there is another vision of CAPITALISM in capital letters that was put forward by R. Edward Freeman, who argued that "*The maintenance over time of good economic results depends on the quality of the enterprise's relationships with many sectors: without doubt, with the owners-shareholders, but also with the customers, the suppliers, the employees, the regulators and the opinion leaders, and the social environment in which it is located and the set of companies in which it operates.*" This is what we call CAPITALISM as OPPORTUNITY. It is a growing movement in the world that is being adopted by companies both large and small grouped around movements like Conscious Capitalism and B Corp.

The second reflection is what Simon Sinek conceptualised as the Golden Circle: "*People don't buy what you do; they buy why you do it.*"

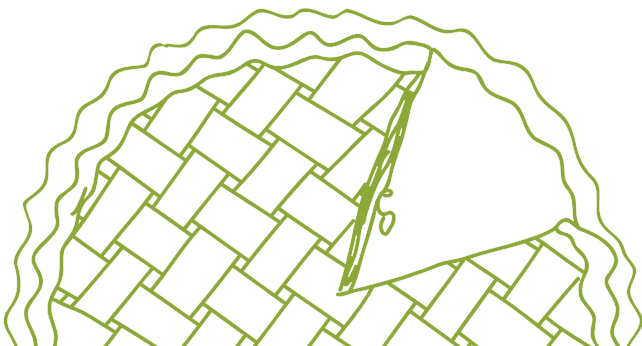
These two reflections along with our family business outlook form the foundations for the **TWO PRINCIPLES** that define our current CULTURE:

## WIN-WIN

The strategy of creating value for all the stakeholders is not just our responsibility as a company, but it helps us create sustainable competitive advantages.

## VIRTUOUS CIRCLE

We work to ensure that ARTIEM's Freshpeople® are a team of people committed to their environment and happy in their work. And that they provide our guests with well-being, satisfaction and excellent service in such a way that these customers help us grow as a company. The strategy of creating value for all the stakeholders is not just profitable, but it helps us create sustainable competitive advantages.



# Our PURPOSE

These two PRINCIPLES are the foundation upon which **Our PURPOSE** pivots. It was in 2007 when we wrote it in an effort to express in black and white our MISSION, our VALUES and our VISION.

It was ten years later, in 2017, having witnessed the deep transformation that we had experienced as a society when we reflected on whether we should adapt to it. We saw that our society had increasingly more rights, more freedoms, and more technology to make our lives easier and easier. Yet there was increasingly more tension, anxiety, depression... In short, people were not HAPPY. This led us to the conclusion that we had to elevate our PURPOSE, that it should not only be *"Provide our customers with well-being by taking care of their body and mind,"* but that it should be **"Inspiring happiness in people."**



## Inspiring happiness in people

At this point we fully understood that to achieve this MISSION, our Freshpeople® also had to be happy. This is when we decided to specify our values to define what it means to be one of the Freshpeople®. We are people for whom **TRUST** forms the base of our relationships and allows us to feel valued and respected, and also people who show **PASSION** for work that satisfies us and makes us transmit and spread **JOY** in everything we do. We are only able to reach this point because we decide how our lives should be, **WE LEAD** our future. This personal leadership makes us set new challenges, make progress, grow personally and professionally, expand our limits, and leave our comfort zone, in short it makes us **OUTDO OURSELVES**. Accordingly, we are committed to exploring new ways of doing things, to training and to **INNOVATION**. All of these things that undoubtedly make us grow as people cannot on their own make us fully happy. For this we also need to make a positive impact on our environment, creating prosperity and having an **INCLUSIVE** purpose.



The other aspect to be considered is how to achieve our MISSION in the everyday running of our business with our customers. We were undoubtedly intuitively doing a lot of things that helped us to achieve this happiness. We found a conceptualisation put forward by Professor Tal Ben-Shahar about what helps make people happy, which we have called the six levers of happiness and has helped us build our own value proposition:

- **Build deep relationships**
- **Simplify our lives**
- **Lead a healthy lifestyle and meditate**
- **Let our emotions flow**
- **Show gratitude**
- **Take meaningful actions that are pleasurable**



The question that follows is: what do we do to make these levers work? We work in three areas.

- 1** The development of our Freshpeople®, imbuing them with a sense of purpose, autonomy in their work and decision-making while developing both personally and professionally.
- 2** Work to ensure that our services, facilities, spaces, products and processes are elements that strengthen these six levers.
- 3** The development of the eight areas of opportunity that will help us achieve the "attractive future image" that we all visualised at our 2019 summit. That is, ARTIEM should set the standard as a company committed to the circular economy, create a community with the customer at the centre, focus on added value, develop people, engage with society and grow in a sustainable manner.

All of this serves to achieve our VISION of "**being a leading company thanks to an inspiring, innovative model that focuses on the happiness of people by committing to the prosperity of our environment.**"

## Mission

Inspiring happiness in people.



## Vision

Being a leading company thanks to an inspiring, innovative model that focuses on the happiness of people by committing to the prosperity of our environment.



## Values



### TRUST

We base everything we do exclusively on relationships of trust.



### PASSION

We are passionate about what we do and we transmit it with joy.



### LEADERSHIP

We are all leaders inspiring others to do their best.



### SELF-IMPROVEMENT

We are motivated to outdo ourselves every day as people.



### INNOVATION

We innovate by doing things differently to become a better company.



### INCLUSION

We create sustainable prosperity for all through our integration in the environment.

# The Summit

## DEFINING ARTIEM'S FUTURE

2018, as our 2015-2018 strategic plan was nearing completion, was when rather than consider the next one, we reflected on whether the traditional way of preparing it would allow us to involve the whole organisation. This concern led us to discover the Appreciative Inquiry methodology.

It was in January 2019 when we held our first SUMMIT, which included the participation of 89 people representing all levels of the organisation and from all the centres to collectively decide with equal voice on how to move forward in the coming years, following the principles of **appreciative inquiry**.

Appreciative inquiry is an exchange methodology and philosophy based on strengths that was created by David Cooperrider. It is a question of appreciating the best of what is: strengths, resources, opportunities. It focuses on exploring and discovering the moments of greatest excellence through inquiry and visualising new potential and opportunities based on the combination of collective knowledge.

## IT CONSISTS OF 5 PHASES

1

Define **what you DO want**: the process starts with selecting a positive focus as a source of investigation and movement. The Affirmative Topic defines the focus of the inquiry. All living systems move with greater energy, speed and sustainability towards what they DO want.

3

**Dream**: organisations are a manifestation of human imagination. Every organisation is created from a vision, from a dream: an image of the future that is attractive for the dreamers. Once created and shared, the final stage of this phase is started: the "Opportunities Map", the identification and prioritisation of the most important opportunities where the group of people want to apply their energy and enthusiasm.

2

Discover **the best of what is**: when we analyse the best moments we simultaneously bring positive energy from the past to the present. This provides the ambition for the next phase.

4

**Design**: create the social architecture using the "positive core" (what we DO have) to realise the area of improvement (what we DO want).

5

**Destination**: the entire process is designed to create collective action towards the same success story. As it is a wanted future and is built in an unconditionally positive manner, **the action plan changes from being composed of MUSTS to WANTS, what we DO want to do.**



# Vision: Our Dream

Having completed the process of appreciating our collective intelligence, we concluded with an Attractive Future Image (Our Dream).

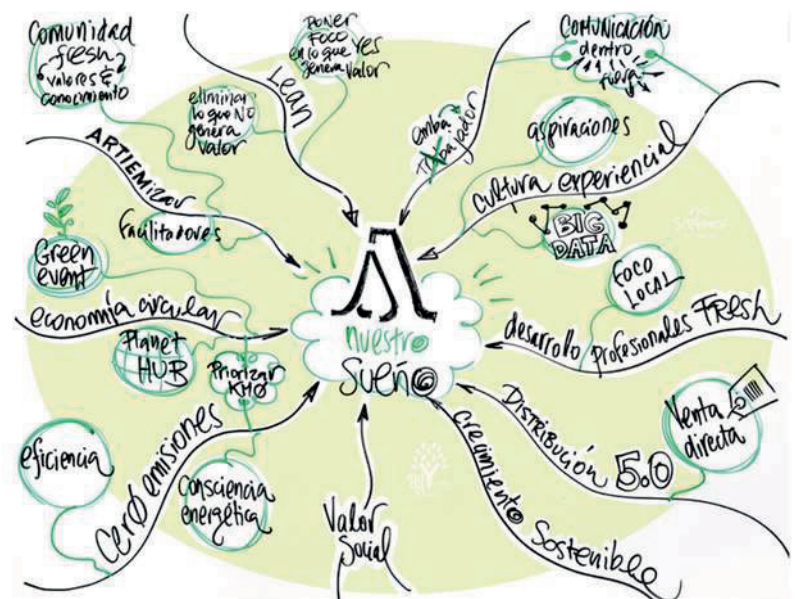
## OUR DREAM

An **attractive future image**. What we want to achieve. All living systems move with more energy, speed and sustainability **towards where we all want to be**.



## MAP OF AREAS OF OPPORTUNITY

The most powerful **opportunities** that make the **dream** come true. The group of **initiatives** that take us from the present to our dream. And as it is a question of "wants", each person chooses where to place their **energy** and **talent**, in accordance with the principle of freedom of choice.



# Vision: Our Dream

## Strategic goals

"If you can't measure it, you can't manage it." – Peter Drucker This is why we have objectivised Our Dream into **four major strategic GOALS for 2028**, which is when we want to have made Our Dream come true.

### 1

#### THE FRESHPEOPLE® ARE HAPPY LIVING ALL THE ARTIEM VALUES

The aim of this goal is to create an organisation in which people have a sense of purpose, work autonomously and can develop personally and professionally.

The KPIs are as follows:

- KPI 1: cumulative eNps (employee Net Promoter Score)
- KPI 2: FPVA (Freshpeople Value Added)
- KPI 3: Number of positive responses in periodic surveys



### 2

#### WE WANT TO BE A LOVE BRAND. WE WANT CUSTOMERS WHO ARE IN LOVE WITH ARTIEM

Our goal is to create a community around ARTIEM, in such a way that our customers are not just our customers because of our excellent service, but because they share our purpose and values.

The KPIs are as follows:

- KPI 1: Cumulative Global Review Index
- KPI 2: Cumulative % GAINS
- KPI 3: Cumulative Extra Sales/Room
- KPI 4: Experiences – cumulative mentions
- KPI 5: Sustainability – cumulative mentions
- KPI 5: Sport – cumulative mentions
- KPI 6: Health – cumulative mentions



# Vision: Our Dream

## Strategic Goals



### BETTER EVERY DAY, WHILST ALSO SATISFYING OUR ENVIRONMENT, PEOPLE AND RESULTS

Our aim with this goal is to validate our belief that we can be both competitive and satisfy all of our stakeholders.

The KPIs are as follows:



- KPI 1: Sustainability – cumulative mentions
- KPI 2: Litres/occupied room
- KPI 3: Tonnes of CO<sub>2</sub>
- KPI 4: Grams/person (service)/day of organic waste
- KPI 5: B Corp points
- KPI 6: Number of people at risk of exclusion



### SET THE STANDARD FOR SUSTAINABLE RESULTS BASED ON VALUE GENERATION

With this goal we aim to achieve growth in our capacity to create value and for it to exceed the market average.

The KPIs are as follows:

- KPI 1: ↑ Revenue / ↑ Costs
- KPI 2: PBT (profit before tax)
- KPI 3: Efficiency of Central Services. Central EBITDAR





# Areas of Opportunity

To make our dream come true, we have defined eight areas of opportunity that we should work on and that should guide our plan.

## Circular economy

Aware that our resources are limited, at ARTIEM we contribute to our industry's transformation to a competitive business model that internalises the 7 Rs (redesign, reduce, reuse, renew, repair, recycle and retrieve) of the circular economy.

## Ambassadors

At ARTIEM we focus on the development and dissemination of our culture as a key element for our competitiveness.

## Distribution 5.0

We are developing a two-way relationship platform with customers that shows our values. At ARTIEM we strive every day to ensure that distribution grows directly.

## Experiential culture

We believe that our industry can be a high added value industry transitioning from the service economy to the experience economy. ARTIEM's cultural experience aims to produce a wow effect in our customers, who do not visit us just for a bed and service, but for the complete experience they enjoy in our establishments.

## Zero emissions

ARTIEM aims to minimise the emissions to air caused by its operations.

## Social value

Our aim is to include social impact in our business processes and strategy. At every ARTIEM location we want to collaborate with a local social project and help the people in our environment. We also create a social experience so that our customers can be in contact with our corporate philosophy.

## Lean culture

At ARTIEM we want the Freshpeople® to develop their potential, centred on what adds value while achieving their personal and professional goals. This is why we are creating a lean culture that consists of a change in philosophy that aims to create procedures and parameterise work. This philosophy is being developed by involving everyone and giving them a voice in the proposal and implementation of improvements in the operating processes.

## Sustainable growth

We want to base our growth on adding value to the intangibles we create.

# Corporate Annual Objectives

To achieve the strategic goals that lead to the realisation of our dream, we set annual milestones, which we call our Corporate Annual Objectives. Achieving our annual objectives enables us to meet our Strategic Goals.

The Corporate Annual Objectives are aspirational and a call to action. Each one has an associated Key Result (KR) that indicates its level of achievement.

Once the Corporate Annual Objectives are set, they are passed down to each department and centre, so they can set their own objectives and together meet the corporate objectives.

## 2023 objectives

- 1 EVERYONE WHO WORKS FOR ARTIEM CAN FULLY DEVELOP THEIR POTENTIAL
- 2 MAKE ALL OUR CUSTOMERS ARTIEM LOVERS
- 3 POSITIVE IMPACT AS A DRIVER
- 4 IMPLEMENT LEAN CULTURE TO STRENGTHEN OUR POSITIONING AS A SOCIALLY COMMITTED BRAND

To achieve these objectives, this year we will invest €1.7 million to help us:

- Reduce our carbon footprint: energy cost.
- Improve the customer's experience: Satisfaction & Profitability.
- Improve team operability/satisfaction.
- Improve positioning/ADR.
- Maintenance and upgrading of facilities.



2 ARTIEM CORPORATE ANNUAL OBJECTIVES

STRATEGIC GOALS	2023 OBJECTIVES	KR	KPI	2023
The Freshpeople®, living ALL ARTIEM's Values, are happy	Everyone who works for ARTIEM can fully develop their potential	Exceed the eNPS score of 55% achieved in 2020	Cumulative eNPS	55
		Improve on 2022's FPVA (Freshpeople® Value Added) score by 5 points	FPVA	64,304
		70% of the responses to the question in HF (Happyforce) are positive	Number of yeses	70%
		10 people ask for and complete training to grow professionally	Number of people	10
We want to be a Love Brand. We want customers who are in love with ARTIEM.	Make all our customers ARTIEM Lovers	Place the GRI (Global Review Index) of all the hotels higher than 92.75	Cumulative GRI	6 out of 6
		GAINS higher than 81% (with respect to 2019)	Cumulative % GAINS	81%
		Increase the sale of extra services per room by 15% (with respect to 2022)	Cumulative Extra Sales/Room	€25.70
		Move from 2,080 positive mentions of the EXPERIENCE to 3,000	Cumulative mentions	3,000
		Move from 116 (2022) positive SUSTAINABILITY mentions to 970	Cumulative mentions	970
		Move from 44 (2022) positive Sport mentions to 750	Cumulative mentions	750
		Move from 0 (2022) Health mentions to 300	Cumulative mentions	300
Better every day, whilst also satisfying our environment, people and results	Positive impact as a driver	Move from 116 (2022) positive SUSTAINABILITY mentions to 970	Cumulative mentions	970
		Reduce the volume of water consumed	l/occupied room	364
		Reduce our carbon footprint according to the 8/80 plan in 2023 by 50% (with respect to 2018)	Tonnes of CO <sub>2</sub>	1,258
		Reduce organic waste by 10%	g/person (service)/day of organic waste	231
		Achieve 40 points (32.8 in 2020) in the people area of B Corp certification	B Corp points	40
		Hire 2 more people at risk of exclusion	Number of people	2
		Certify B Corp	Points	93
Set the standard for sustainable results based on value generation	Implement the LEAN Culture	Grow revenue three times more quickly than operating costs	↑ Revenue / ↑ Costs	3
		Improve the EBITDAR (I) of "headquarters" by 30% over 2021	Decrease in euros	-766,545
		Have HB create economic value in 2023	Hotel PBT > 0	0
		Consolidate PBT before 2022 extraordinary costs	PBT + 2022 extraordinary costs	2,300,000



# Business model



CIRCULAR ECONOMY  
ZERO EMISSIONS

LEAN CULTURE  
EXPERIENTIAL CULTURE

DISTRIBUTION 5.0  
SOCIAL VALUE

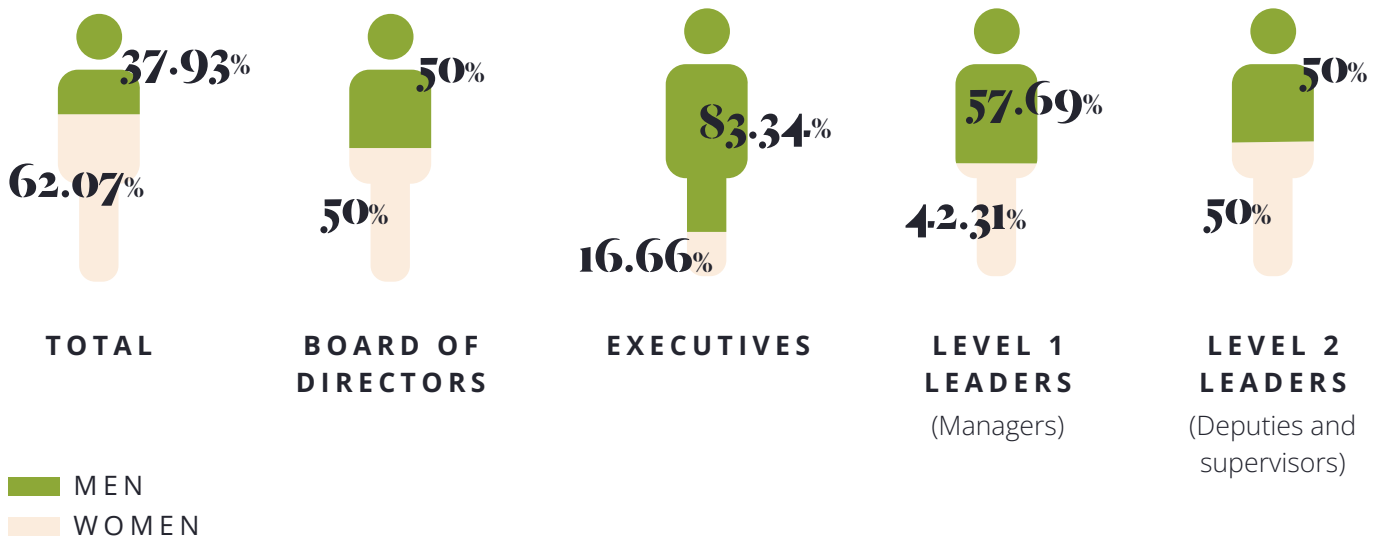
WE CREATE AMBASSADORS  
SUSTAINABLE GROWTH

# People

## Statistics on men and women

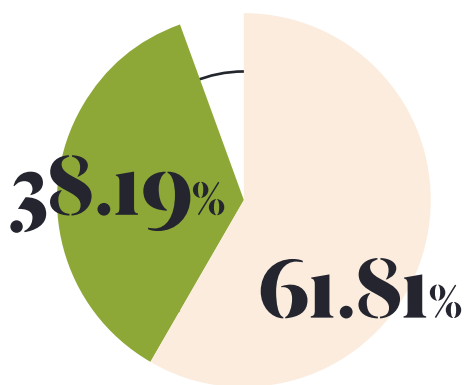
2022 ANNUAL AVERAGE

178.57 people



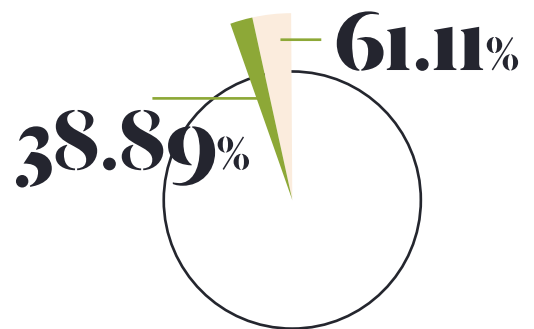
### Full-time

94.5%



### Part-time

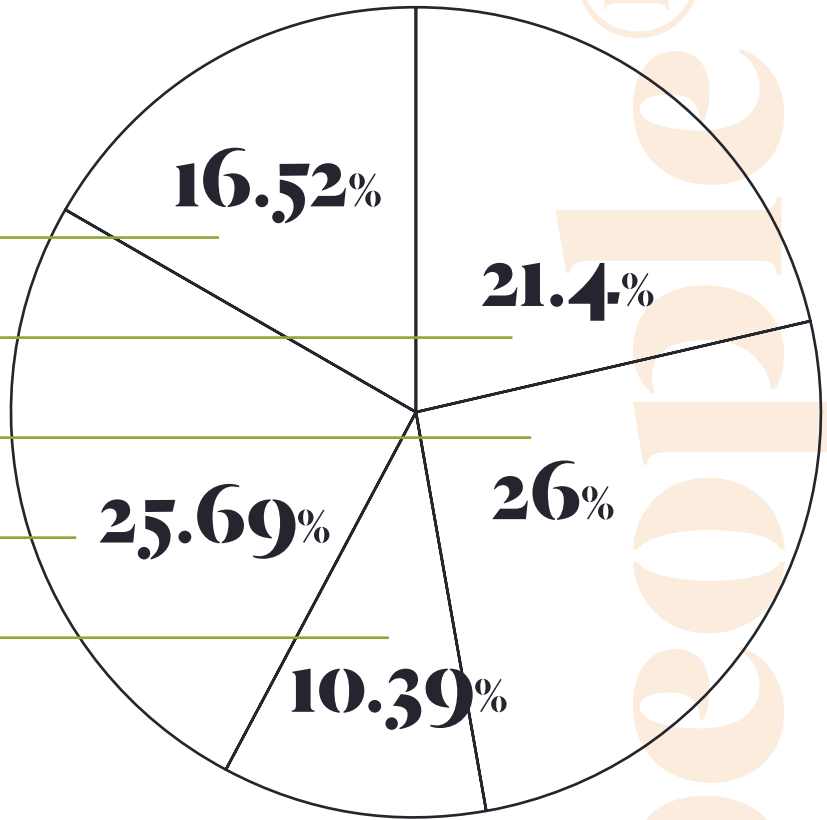
5.5%



# People

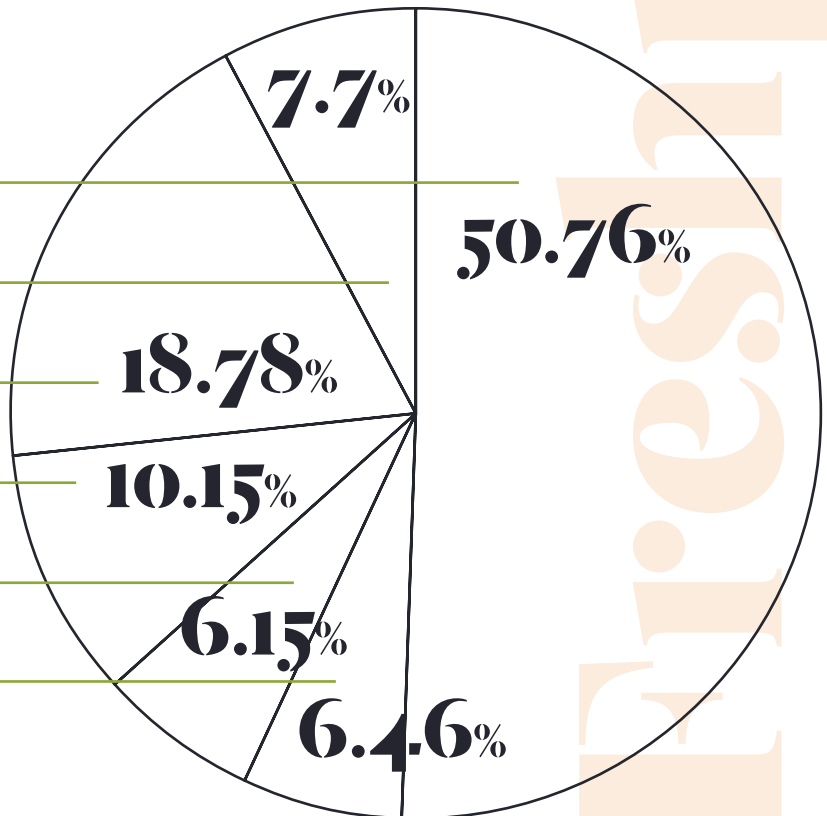
## By age

- UNDER 25
- 26 TO 34
- 35 TO 44
- 45 TO 54
- OVER 55



## By seniority

- LESS THAN 2 YEARS
- 2 TO 5 YEARS
- 6 TO 10 YEARS
- 11 TO 15 YEARS
- 16 TO 20 YEARS
- MORE THAN 20 YEARS





# People

As we say in our **tagline "Freshpeople® make the difference"**, we have a series of policies and procedures in place to ensure this.

## SELECTION AND RECRUITMENT

Selecting people for positions with ARTIEM is vitally important, not only to ensure that the candidate has the necessary skills, but is also a good fit with ARTIEM's culture and values.

This process consists of the following steps:

- **Definition of the desired profile.**
- **Search for candidates using our website, online platforms and in some cases offline resources.**
- **Assessment of applications and initial selection.**

Interviews held with two to four people, depending on the position, for a better assessment, with the participation of staff from the People & Well-Being department and from the departments involved.

- **Assessment and second selection.**
- **Psychological testing to better understand the candidates.**
- **Final selection and hiring proposal.**



## FRESHPEOPLE® JOURNEY

From the moment a new person joins ARTIEM (onboarding), our aim is to provide them with support through to the end of their relationship with us (offboarding).

**Onboarding** plays a fundamental role to make new hires feel comfortable and appreciate our values.

**First day:** The new employee is welcomed to the hotel and is shown the facilities and introduced to their colleagues.

**Execution of the welcome plan** by People & Well-Being and the heads of department:

- The employment relationship is formalised and the contract is signed.
- The necessary materials are issued.
- The training plan for the employee's position is drawn up.

**2 weeks after** the new person starts, internal app assimilation training is provided, an initial assessment is given and the 'We are listening' session is held with People & Well-Being.

**A month later:** Welcome session with the CEO, who shares ARTIEM's mission, vision, values and goals. Each year all permanent and permanent seasonal members of staff and new hires who have passed their trial period are given a Fresh Voucher to enjoy ARTIEM experiences (spa, ARTIEM sporting activity and restaurants).

### Support and Communication:

- We have a monthly communication protocol.
- We carry out periodical assessments in which the manager provides the team with information.
- Focus group with members of the People & Well-Being department.
- Open door policy – there are no physical offices.
- We use a constant cross-cutting communication channel in Happyforce.

In general, new hires can consult their colleagues and the management team to solve any problems they may encounter.

The **offboarding** process is essential to appreciate people's work at ARTIEM and detect possible areas for improvement.

Procedure:

**1 day after leaving:** The final documentation is digitally signed and People & Well-Being holds a brief exit interview with the former employee to collect their opinion about their termination.

**3 days after leaving:** We send an online exit survey with the aim of improving our everyday operations.

In the case of **permanent seasonal Freshpeople®**, contact is maintained throughout the period of inactivity by means of the Happyforce app.

## OCCUPATIONAL HEALTH AND SAFETY

At ARTIEM we ensure the occupational safety of our Freshpeople®. We strive for continuous improvement and to create a safer environment not only for the Freshpeople®, but for our guests. And this is resulting in year-on-year reductions in leave due to accidents.

The goal of ARTIEM's occupational health and safety policy is to minimise the number of workplace accidents and improve the health of the Freshpeople®.

**Safety in the workplace is everyone's responsibility, so every employee must pay attention not only to their own safety, but that of everyone else.**

Our external occupational health and safety service helps us stay up to date in terms of workplace safety, industrial hygiene, ergonomics, psychosocial issues in the workplace and workplace health.

ARTIEM also carries out actions to help analyse and improve working conditions in relation to health and safety.

For example, the Occupational Health and Safety Committee meets every four months to analyse any accidents that might have taken place since the last meeting. All accidents at ARTIEM are subjected to an investigation to detect any corrective measures to be applied and to prevent their recurrence. This information is shared in Occupational Health and Safety Committee's meetings and then disseminated to the centres so that we can all apply any new preventive measures that may be necessary.

The People & Well-Being department also performs two annual internal audits on occupational health and safety in conjunction with each hotel's department heads. The audit is composed of four parts:

- **Facility safety checks:** corridors and common areas, workspaces, staircases, exits and signage, storage and working conditions.
- **Work equipment safety checks:** hand tools, work equipment and chemical substances. Emergency personal protective equipment.
- **Personal protective equipment.**
- **Emergencies.**

These audits review all the points that affect occupational health and safety, adopting their findings in everyday operations to ensure that all risks are covered.



## ADVANTAGES FOR FRESHPEOPLE®

**Special discount** for all the Freshpeople® and their direct family members of 20% on all ARTIEM services at all hotels.

We have an **agreement with our regular suppliers** (builders, plumbers, construction materials, food, domestic appliances, mattresses, book shops, hairdressers, etc.) to apply the same discount that ARTIEM enjoys to the Freshpeople®.

**"Freshpeople Club":** an online shopping platform offering discounts on a variety of products and services in a range of categories (trips, technology, free time, home...) to make life easier for Freshpeople® and reduce their expenses. In addition to exclusive discounts, this tool also offers financial advice.

**Variables compensation** for all Freshpeople® in accordance with customer satisfaction and achievement of objectives. Bonuses are paid monthly in arrears.

**Salaries are paid** on the 25th of the month to facilitate personal financial management.

**Advances:** ARTIEM grants advances of up to two months' salary to any Freshpeople® in their second season and permanent and seasonal permanent who may need them. The total amount must be returned before their employment contract is resolved. In the case of employees with indefinite contracts, the return period will be a maximum of one year.

**Buying products at the same price as for ARTIEM:** when ARTIEM needs to replace a large number of products in its hotels, the People & Well-Being department sends out an email to the employees to ask if anyone is interested in buying these products at a reduced price. In recent years these products have included mattresses and smart TVs.

**Rest areas:** annual improvements are made to the staff facilities: dining room, changing rooms, etc.



**Access to the gym:** timetables can be arranged with management to use the gym.

**B Corp special discounts.**

## BONUSES

The aim of the Management by Objectives (MBO) system and its associated variable compensation is to channel the entire organisation's efforts in a single direction.

We have implemented a system in which everyone assesses and is assessed, receiving feedback from their immediate superior to help improve their performance and be recognised with variable compensation. In short, we all share in ARTIEM's successes and good results.

All the Freshpeople® are included in this objectives system, whose bonuses are paid according to level:

— **Basic staff, monthly.**

— **Heads of department and directors, at year end.**

Accordingly, we align our objectives with the aim of making them common to everyone at ARTIEM.

The objectives reflect ARTIEM's values and are developed by the corresponding areas and departments to achieve a common goal. Assessments are performed at the midpoint and end of the year by the owner of the objectives and their immediate superior. Bonuses may amount to as much as 20% of gross annual salary.

## HEALTH AND WELL-BEING

**"Mens sana in corpore sano"**

This is why we implement and support physical care for the Freshpeople®.

— **We organise stretching classes to ensure the correct posture for physical work.**

— **We promote sport and support sports associations, events like the ARTIEM EPIC Camí de Cavalls 360° and Elitechip races, and the triathlete Dani Molina.**

## TRAINING

Our belief in continuous improvement has led us to design a training system that is implemented from day one of a new employee's contract with ARTIEM. Our average training time per person is 16.40 hours per year, encompassing both in-person and online courses.

Our training covers two major areas:

**1 Skills and techniques.**

**2 Social skills and leadership.**

We collaborate with various national and international schools and host students on internships. Our work with educational institutions includes our sponsorship of the Chair of Tourism at San Telmo Business School and the provision of training sessions at the IE, Forst and San Telmo business schools.



## ANALYSIS OF THE ORGANISATIONAL CLIMATE

To measure the satisfaction of our teams we use Happyforce, an app that allows us to monitor people's happiness and share opinions, ideas and appreciation, among other functions.

Use of this app is on a strictly voluntary basis and all comments and communications are anonymous, although users are also free to identify themselves.

## DESEASONALISATION

Seasonality is one of our industry's greatest problems, strongly affecting not only the attraction and retention of talent, but also families' ability to earn a decent living. For this reason, since the late 1990s ARTIEM has been committed to increasing the months of employment for the Freshpeople®. In 2022 we managed to keep the ARTIEM Carlos and ARTIEM Audax hotels open for eight months. **This means that in Menorca we are the first hotels to open and the last to close.**

## COMMITMENT TO OUR SOCIAL ENVIRONMENT

From the start we have collaborated with various organisations that help people with functional diversity enter the working world, with 1.24% of our staff belonging to this group in 2022. These organisations include AECC, Caritas Spain, Raitana, Fundació per a persones amb discapacitat de Menorca, Down Madrid and Amaqtedu.



## MEMBERSHIPS AND SPONSORSHIPS

Aware of the importance of collaborating with organisations that work for the good of society or our industry, our active support includes the following initiatives:

- **Honorary chair and member of the board of directors of the Instituto Tecnológico Hotelero (ITH)**
- **Sponsor of the Chair of Tourism at San Telmo Business School**
- **Sponsor of the Impulsa Balears Foundation**
- **Chair of the Thinktur tourism technology platform**
- **Member of the Spanish Tourism Board (CONESTUR)**
- **Member of the Empresa y Clima Foundation**

Our involvement takes the following forms:

- **Participation in the meetings of the organisations, contributing our knowledge and experience.**
- **Contribution of financial support for running costs.**
- **Participation in pilot projects for the dissemination of good practices.**



# Customers

To achieve our purpose of *"Inspiring happiness in people"*:

- We strive to ensure that our Freshpeople® are happy.
- We ensure the excellent implementation of our operational processes.
- Our operational processes activate the levers that Professor Tal Ben Shahar identifies for happy people:

**Build deep relationships**

**Simplify our lives, meditate**

**Lead a healthy lifestyle**

**Let our emotions flow**

**Show gratitude**

**Take actions that are meaningful and if possible pleasurable**



— Continually invest in updating our facilities.

— Continually measure the satisfaction of our customers by means of:

- In-person surveys carried out by Geshotel.
- Analysis of the customers' comments on our social media with the ReviewPro tool.

# Environment

## Social

We firmly believe that we are what we are thanks to where we are, which is why we want to give back to society as much as we get from it. This conviction has led to the following actions:



**We try to create sustainable prosperity for all through our integration with the social and economic environment.**

**We collaborate with non-profit organisations on projects, contributing both financial resources and the time of our Freshpeople®.**

**We take a leading role in local and national associations and foundations such as Impulsa Balears.**

**We participate as speakers at numerous forums, congresses and business schools.**

**We collaborate with local suppliers, proposing joint projects, such as Sa Cooperativa del Camp and Panadería Pedro.**

**We contribute to the local economy by ensuring that as far as possible all our supplies and services are provided by local companies.**

**We promote sport as a means of leading a healthy lifestyle by sponsoring events like ARTIEM EPIC Camí de Cavalls 360°, ARTIEM Half Menorca and paratriathletes like Dani Molina and Nil Riudavets.**

## Social

# Solidarity Room

Our Solidarity Room arose as response that we at ARTIEM wanted to give to the social and personal drama situation that was being generated by the COVID-19 pandemic. Our commitment today is that every day of the year in each ARTIEM hotel there is a room that can be booked for social purposes: the Solidarity Room.



Once the harshest months of the pandemic were behind us, we decided to make a one-off measure we had taken as a company to aid society into a permanent commitment.

The entire amount paid for the stay in the Solidarity Room of an ARTIEM hotel is transferred to the charity organisation Caritas Spain for social aid, food, integration and equality. The money raised since we started the project in 2020 through to the end of 2022 amounts to €140,339.41.

With the aim of guaranteeing continuity over time for this action and ensuring that is not an act of philanthropy that disappears in times of crisis, we have identified a series of intangible returns that make it profitable:

- Foster a sense of belonging among the Freshpeople®.
- Improve our brand awareness.
- Connect with a growing social demand that drives companies' commitment to the prosperity of the community and is reaffirmed in our Purpose.



## Social

# Collaboration with cultural foundations and associations

**We consider that associations that disinterestedly work for the social good or to recover social heritage are of vital importance to the prosperity of where we live and to the commitments in our Purpose.**

Our contributions include:

— **Logistic support for events or financial sponsorship with organisations like the Illa del Rei Foundation and Amics de l'Òpera.**

— **Support for local shopping centres.**

— **We share leftover goods with vulnerable groups when the hotels close for the season.**

— **We implement work integration programmes with foundations for people with functional diversity.**

— **We donate in the form of registrations for charity fun runs and the sale of promotional material. We help associations that fight cancer and rare diseases.**



## Social

# Participation in congresses, forums, interviews

### PEPE DÍAZ

ARTIEM CEO

Report on Insularity and the Peripheral Situation of the Cities of Ceuta and Melilla Senate Committee on Depopulation and Demographic Challenge

Participation in the round table of the Sabadell webinar on Tourism Sustainability and Energy Efficiency

Online symposium to Foster Societal Advances in Culture, Tourism and Health

Symposium on Technological Innovation in Packaging for the Tourism Industry

Participation in the Hostelco congress round table High Tech & Human Touch

2nd National Tourism and Journalism Congress, in Benidorm

Presentation of the Certification of the Pilot Circularity Strategy at the Impulsa Balears Foundation

Mahón Scientific, Literary and Artistic Association (Ateneo de Mahón): presentation of the Good Environmental Practices Guide in collaboration with the non-profit organisation Fons Menorquí de Cooperació



IE Business School class: The ARTIEM Model, as part of the advanced programme in Real Estate & Hospitality

The ARTIEM Case class: Chair of Tourism, San Telmo Business School

Seminar of the Peñarroya Costa del Sol Tourism Chair, San Telmo Business School

Global Leadership Program - GLP (San Telmo Business School)

The ARTIEM Case class: master's degree in Hotel Management, Forst Business School

IE Business School class: The 7 Deadly Sins of Reputation Measurement

Ilunion seminar: Excellent People Management



## Social

# Participation in congresses, forums, interviews

### WILLY DÍAZ

DIRECTOR OF SALES AND OPERATIONS

- 25th Universitat Jaume I University-Business Tourism Congress: Success Stories in the Tourism Sector



### GUIEM SINTES

DIRECTOR OF QUALITY AND ENVIRONMENT

- Participation in the Economy Forum of the Balearic Islands
- Interview on the Corresponsables website
- Interview on the Schôolers website as an ethical professional
- Presentation of the Certification of the Pilot Circularity Strategy at the Impulsa Balears Foundation

### VICTOR MAYANS

DIRECTOR OF COMMUNICATION AND MARKETING

- Class in the master's degree in Hotel Management at Forst Tourism Business School
- Masterclass at Campus Hotelero
- Tecnohotel Forum - Barcelona
- Congress of Spanish Hoteliers
- Business Breakfast for the Tourism Sector





## Environmental

We were born on a Biosphere Reserve island, so caring for and protecting the environment form part of our DNA.

In 1998, we obtained ISO 14001 and Eco-Management and Audit Scheme (EMAS) certification for our environmental management system. Since then, we have constantly striven to reduce our environmental impact:

— Freshpeople® training and awareness raising.

— Ongoing investment in more efficient equipment and installations that minimise our impact on the environment.

— Innovation and implementation of more efficient processes.

— Continuous measurement and monitoring of our impact.

— System of company-wide annual objectives adopted by the teams of the various centres and tied to their bonuses.

— Forming of partnerships with suppliers and manufacturers for the development of pilot projects to disseminate good practices.

— Collaboration with the various public administrations for the development of environmental programmes.

— We have signed the **Global Code of Ethics for Tourism** as proof of our commitment to responsible, sustainable tourism.

— We involve our guests in activities to conserve and improve our natural environment.

— We consume and disseminate local food, drink and other products.

— We strive to integrate our local suppliers in our value chain.

— Commitment to local associations that support the environment: **0 Plastic Menorca, Plastic Free Menorca.**



— We share and disseminate our activities and projects at schools, forums and congresses and in the media.

— In 2019 we started our transition to the Circular Economy, achieving **AENOR** certification for our strategy in 2022. We obtained this certification as a consequence of being a pilot in its design in the Spanish hotel sector.

— In 2022, the certification process led us to define what we have termed the **ARTIEM Positive Impact System.**

## Environmental

### Data / Utility supplies per hotel / 2022

#### ARTIEM Audax supplies in units

Water consumption (m <sup>3</sup> )	20,407
Electricity consumption (kWh)	1,360,142
Diesel consumption (L)	771
Propane consumption (L)	9,650
Photovoltaic generation (kWh)	107,188

#### ARTIEM Capri supplies in units

Water consumption (m <sup>3</sup> )	6,694
Electricity consumption (kWh)	408,801
Propane consumption (L)	34,790
Photovoltaic generation (kWh)	17,570

#### ARTIEM Carlos supplies in units

Water consumption (m <sup>3</sup> )	5,343
Electricity consumption (kWh)	256,469
Diesel consumption (L)	9,892
Propane consumption (L)	1890
Photovoltaic generation (kWh)	45,026

#### ARTIEM Madrid supplies in units

Water consumption (m <sup>3</sup> )	3,616
Electricity consumption (kWh)	263,892
Natural gas consumption (L)	31,088
Photovoltaic generation (kWh)	

#### ARTIEM Asturias supplies in units

Water consumption (m <sup>3</sup> )	4,351
Electricity consumption (kWh)	382,763
Natural gas consumption (L)	31,903
Photovoltaic generation (kWh)	

#### ARTIEM HOTELS TOTAL

Water consumption (m <sup>3</sup> )	40,411
Electricity consumption (kWh)	2,672,067
Diesel consumption (L)	10,663
Propane consumption (L)	109,321
Photovoltaic generation (kWh)	169,784
Stays	184,285
Rooms	105,121

#### RATIOS

Water consumption/room (L)	384.421
Electricity consumption/room (kWh)	25.42
Diesel consumption/room (L)	0.10
Propane consumption/room (L)	1.04
Photovoltaic generation/room (kWh)	1.62

## Environmental

### Data / Utility supplies per stay / 2022

#### ARTIEM Audax supplies in units

Water consumption/stay (L)	228.754
Electricity consumption/stay (kWh)	15.537
Diesel consumption/stay (L)	0.000
Natural gas consumption/stay (L)	0.107

#### ARTIEM Capri supplies in units

Water consumption/stay (L)	191.800
Electricity consumption/stay (kWh)	12.217
Natural gas consumption/stay (L)	0.997

#### ARTIEM Carlos supplies in units

Water consumption/stay (L)	177.305
Electricity consumption/stay (kWh)	9.273
Diesel consumption/stay (L)	0.310
Natural gas consumption/stay (L)	0.064

#### ARTIEM Madrid supplies in units

Water consumption/stay (L)	142.205
Electricity consumption/stay (kWh)	10.378
Natural gas consumption/stay (L)	1.223

#### ARTIEM Asturias supplies in units

Water consumption/stay (L)	422.813
Electricity consumption/stay (kWh)	37.194
Natural gas consumption/stay (L)	3.100

#### ARTIEM SUPPLIES IN UNITS

Water consumption/stay (L)	219.284
Electricity consumption/stay (kWh)	14.500
Diesel consumption/stay (L)	0.058
Natural gas consumption/stay (L)	0.593
Photovoltaic generation (kWh)	169,784
Stays	184,285
Rooms	105,121



# Environmental

## Waste

In Menorca, paper, packages, glass and municipal solid waste are collected from hotels by a municipal company. The management system in place was changed in 2022 and as such we do not have data broken by type for the ARTIEM Capri and Carlos hotels and can only certify that selective waste collection was employed.

This is also the case for our Asturias and Madrid hotels. In 2023, a waste compactor will be used at the three hotels in Menorca, thanks to a subsidy.

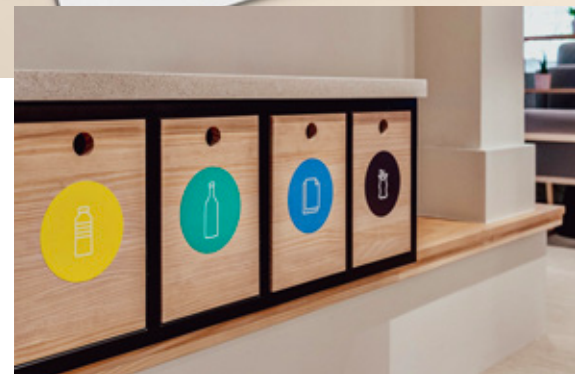
At ARTIEM Audax, in spite of the change in management, it was possible to register the weight of packages, glass and paper/cardboard:

SELECTIVE COLLECTION ARTIEM AUDAX			
	PAPER (kg)	PACKAGES (kg)	GLASS (kg)
TOTAL	5,884	5,962	10,890

## Organic waste

In 2022, the separation of organic waste was implemented at all the hotels, although it was only collected and converted into compost at ARTIEM Capri, thanks to an agreement with Mahón City Council and the Waste Consortium (since 2019). In early 2022 the public administrations announced that they would start a door-to-door collection service, but it has not yet materialised.

The data for each hotel are presented below:



	TOTAL (kg)	STAY (kg)
ARTIEM AUDAX	23,274	0.28
ARTIEM CAPRI	4,282	0.12
ARTIEM CARLOS	14,174	0.48
ARTIEM MADRID	3,585	0.14
ARTIEM ASTURIAS	1,790	0.27

# Environmental

## Hazardous waste

At each ARTIEM hotel hazardous waste is collected by certified companies that guarantee its correct processing.

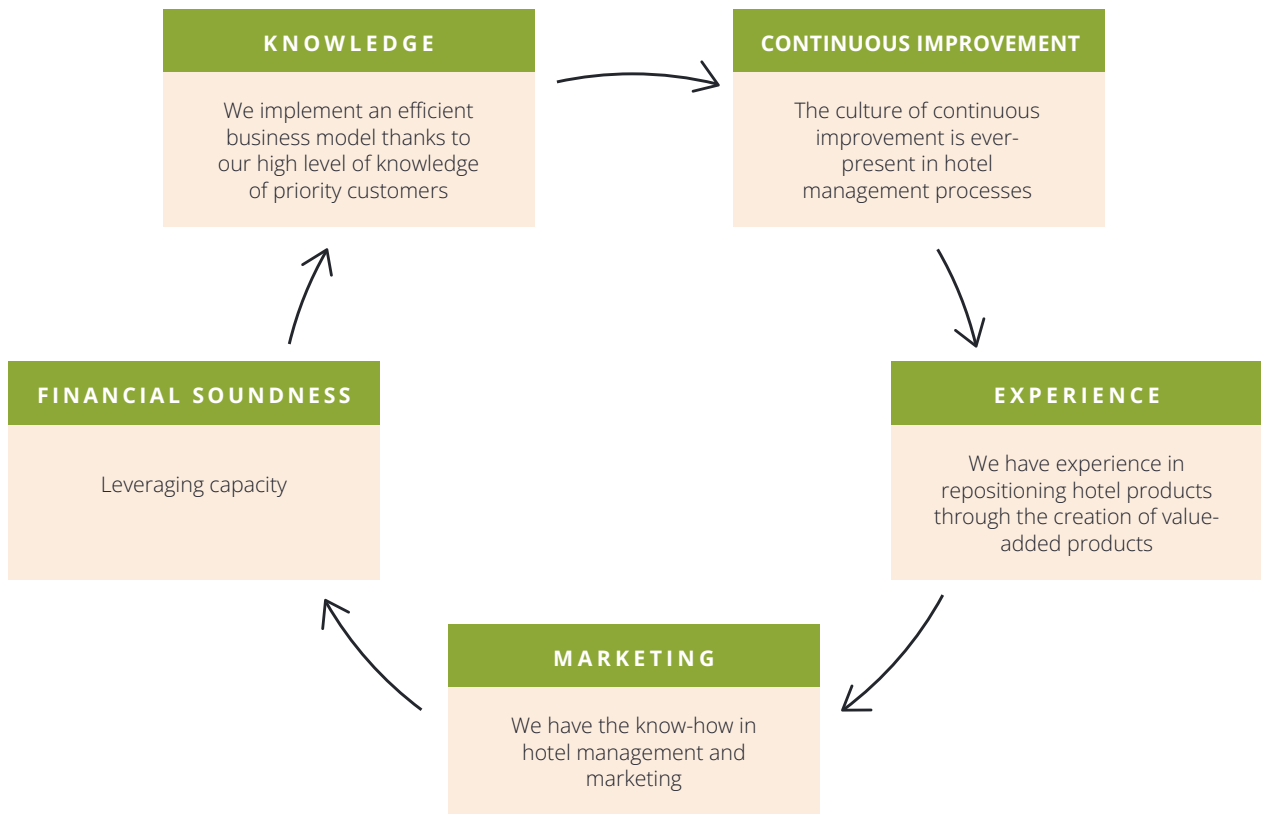
SOURCE CENTRE DATA	WASTE AND TREATMENT DATA			DATE	QUANTITIES		
	ORIGIN	LoW DESCRIPTION	HAZARDOUSNESS 1	HAZARDOUSNESS 2	TRANSFER DATE	NUMBER OF BINS	WEIGHT (t) BINS
ARTIEM MADRID	Waste printing toner containing dangerous substances	HP5		23/11/2022	1		12.3
ARTIEM AUDAX	Waste printing toner containing dangerous substances	HP5		20/10/2022	2	0.023	23.00
ARTIEM AUDAX	Fluorescent tubes and other gas discharge lamps containing mercury (professional)	HP6	HP14	20/10/2022 20/10/20/10/2022	2	0.020	20.00
ARTIEM AUDAX	Fluorescent tubes and other gas discharge lamps containing mercury (professional)	HP6	HP14	20/10/2022 20/10/20/10/2022	1	0.023	23.00
ARTIEM AUDAX	Alkaline batteries (except 16 06 03)	HP6	HP14	20/10/2022 20/10/20/10/2022	1	0.050	50.00
ARTIEM AUDAX	Waste paint and varnish containing organic solvents or other dangerous substances	HP6		20/10/2022 20/10/20/10/2022	1	0.006	6.00
ARTIEM AUDAX	Gases in pressure containers (including halons) containing dangerous substances	HP3		20/10/2022 20/10/20/10/2022	1	0.005	50.00
ARTIEM AUDAX	Alkaline batteries (except 16 06 03)	HP6	HP14	20/10/2022 20/10/20/10/2022	1	0.030	30.00
ARTIEM CAPRI	Mixed metals	0		24/11/2022 20/10/20/10/2022	1	0.012	12.00
ARTIEM CAPRI	Packaging containing residues of or contaminated by hazardous substances	HP5		24/11/2022 20/10/20/10/2022	1	0.028	28.00

# Environmental

## Hazardous waste

SOURCE CENTRE DATA	WASTE AND TREATMENT DATA			DATE	QUANTITIES		
ORIGIN	LoW DESCRIPTION	HAZARDOUSNESS 1	HAZARDOUSNESS 2	TRANSFER DATE	NUMBER OF BINS	WEIGHT (t) BINS	GROSS WEIGHT (kg)
ARTIEM CAPRI	Alkaline batteries (except 16 06 03)	HP6	HP14	24/11/2022 20/10/20/10/2022	1	0.014	14.00
ARTIEM CAPRI	Fluorescent tubes and other gas discharge lamps containing mercury (professional)	HP6	HP14	24/11/2022 20/10/20/10/2022	1	0.021	21.00
ARTIEM CAPRI	Small equipment with hazardous components and built-in batteries (professional)	HP5	HP14	24/11/2022 20/10/20/10/2022	1	0.053	53.00
ARTIEM CARLOS	Mixed metals	0		24/11/2022	1	0.010	10.00
ARTIEM CARLOS	Fluorescent tubes and other gas discharge lamps containing mercury (professional)	HP6	HP14	24/11/2022	1	0.059	59.00
ARTIEM CARLOS	Gases in pressure containers (including halons) containing dangerous substances	HP3		24/11/2022	1	0.002	2.00
ARTIEM CARLOS	Bulky waste	0	0	24/11/2022	1	0.165	165.00
ARTIEM CARLOS	Alkaline batteries (except 16 06 03)	HP6	HP14	24/11/2022 20/10/20/10/2022	1	0.002	20.00
ARTIEM CARLOS	Small equipment with hazardous components and built-in batteries (professional)	HP5	HP14	24/11/2022 20/10/20/10/2022	1	0.034	34.00
ARTIEM CARLOS	Packaging containing residues of or contaminated by hazardous substances	HP5		24/11/2022 20/10/20/10/2022	1	0.048	48.00
ARTIEM CARLOS	Waste printing toner containing dangerous substances	HP5		24/11/2022 20/10/20/10/2022	1	0.018	18.00

# Key success factors



Our development strategy is based on finding low-performing hotels with a latent potential to increase their value, taking over their management by buying them or signing a long-term lease, investing in them and implementing our business model.

We are able to implement this strategy because it combines the key success factors of our model: the satisfaction of our collaborators and of our customers, and the creation of sustainable value along with our proven capabilities in:

- **High degree of customer knowledge, allowing us to develop an extremely efficient hotel business model.**
- **Continuous improvement of hotel management processes.**
- **Our experience in repositioning in the hotel product market.**
- **Know-how in hotel management and marketing**
- **Financial leveraging capacity.**



# Key success factors

ARTIEM's growth is based on the following principles:

It has to enable the development of our mission and values as a company.



Debt cannot be more than 2.5 times the EBITDAR generated by the company.

It has to provide an internal rate of return of at least our capital cost.

It has to enable the professional development and growth of the Freshpeople®.

It has to represent an opportunity to strengthen or develop our operating capabilities:

- People.
- Excellence in management.
- Efficiency and innovation.

It has to allow us to create value as a company, capitalising on the existing tangible and intangible assets and making them profitable.



# We are B Corp certified

B Corp certification measures the overall management performance of a company and covers five key impact areas: **Governance, Workers, Community, Environment and Customers.**

The certification process is rigorous: to achieve it, the company must legally include its commitment to the social purpose in its articles of association.

Since we became certified, on 12 August 2020, we have striven to improve every day in each one of the five impact areas.



B Corp companies form a global community of companies and people who think, like we do, that companies have to grow by enriching their environment, that profits are not the objective but the consequence of doing things well and that every one of our actions should generate a positive impact on everyone and everything that surround us.

We work for and on behalf of people, and our hotels are the means we have to inspire people to be happy, to raise their awareness and work with them to build a better world. We want to become a company that society wants to exist.



# B Corp Partnerships

B Corp companies share our values. We are very excited to be part of this group of companies that aspire to be the best in the world. At ARTIEM we foster collaborations with organisations and people who aim to generate a positive impact. For this reason, we seek out companies that, like us, belong to B Corp.



We created packaging with a positive impact made with recycled denim and seed paper.



We reached an agreement for collaboration with our Solidarity Room project through its foundation. We placed 550 rooms at the disposal of its crowdfunding and matchfunding platform.



It became our yoghurt supplier.



A special accommodation agreement was made.



A special accommodation agreement was made.



We reached an agreement in which WeArePhoenix users who bought its products were entered into a prize draw for two nights in the Solidarity Room.



NoPlastic Water as our supplier of water given to customers returning home.



ROSAPARKS has become our "corporate" agency to help ARTIEM make its purpose profitable, be consistent with it and improve as a B Corp company.



ARTIEM as its accommodation and signed contract.



Merchandising and gifts for customers.

# Awards

2019	2020	2021	2022
Travellers' Choice -Tripadvisor	Travellers' Choice -Tripadvisor	Travellers' Choice -Tripadvisor	Travellers' Choice -Tripadvisor
Best Work Places	Best Work Places	Best Work Places	AENOR Circular Economy Certification
2018 Cehat-InterMundial RSC Hotelera Award	B Corp	3rd CaixaBank H&T Awards – 2020 Best Balearic Islands Initiatives	
Hotel Feliz [Happy Hotel] Award: ARTIEM Madrid		3rd CaixaBank H&T Awards – 2020 Best Spain Initiatives	
2019 Balearic Islands Tourism Award – Government of the Balearic Islands		Menorca Biosphere Reserve	
2019 BBVA 101 Sustainable Initiatives Award		Biosphere Certification for Hotels	
Stela Awards – Down Madrid		Ecostars	





# People

PEOPLE	2019	2020	2021	2022
<b>GPTW TI</b>	77	78	76	N/A
<b>HI (Happyforce)</b>	64	66	71	66
<b>eNPS</b>	38	55	32	19

# Customers

The average rating given by customers on our hotels on social media and sites such as Tripadvisor, Expedia, Booking.com and Google is 92.9%.

CUSTOMERS	2019	2020	2021	2022
<b>Followers</b>	16,242	19,823	21,156	23,651
<b>GRI</b>	92.70%	92.00%	92.70%	92.90%



# Environment

ENVIRONMENTAL	2019	2020	2021	2022
<b>CO<sub>2</sub> (t)</b>	2,342	1,248	1,740	1,486
<b>Water (m<sup>3</sup>)</b>	40,681	15,714	30,186	40,411
<b>Organic waste/ stay (g)</b>		286	147	254

## Key

**TI\_GPTW**: Trust Index Great Place to Work

**FPVADDED**: Freshpeople Value Added

**ROCE**: Return on Capital Employed

**GRI**: Global Review Index

# Finance

ECONOMIC	2019	2020	2021	2022
<b>FPVADDED</b>	53,252	21,084	53,934	61,242
<b>PBT</b>	656,210	-3,601,381	1,106,165	2,022,566
<b>ROCE</b>	5.74%	-31.18%	8.04%	18.54%
<b>EBITDA/Sales</b>	16.29%	7.32%	23.07%	27.91%



# Positive Impact Model



WORKING FOR THE WORLD  
AND PEOPLE

Everything we do helps us, as borne out by our results, to be a competitive company, **but it doesn't guarantee the realisation of our purpose of** *"Inspiring happiness in people."*

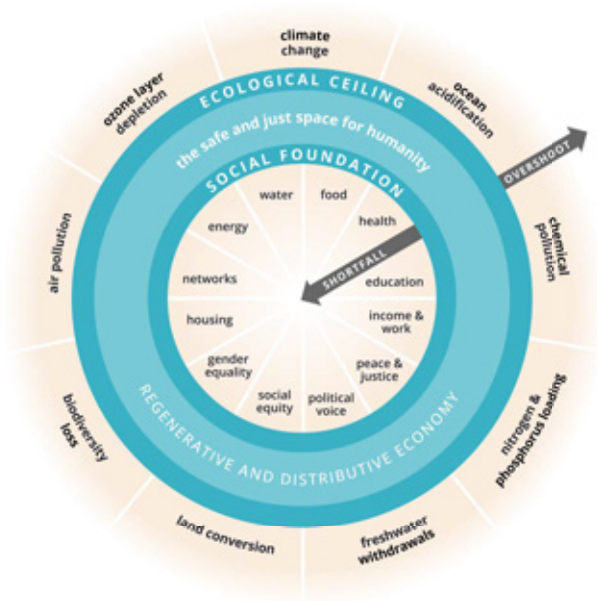
**"The secret of happiness is:  
Find something more important  
than you are and dedicate your  
life to it."**

DANIEL DENNETT

Our environment and society have essential priorities that we all need to urgently address. These needs have been identified by the **Sustainable Development Goals (SDGs)** and the **Doughnut Economic Model**. We have also identified the needs that ARTIEM as an organisation can contribute to mitigating or meeting on its own and in collaboration with private organisations and public administrations. These are our **priorities**.

# Something better

## DOUGHNUT DIAGRAM



## PLANETARY SYSTEMS SITUATION

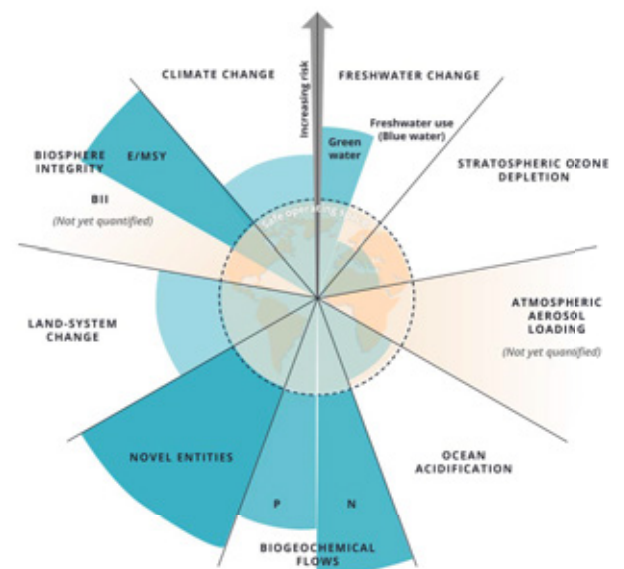


### Situation in Spain

Data published in 2021 by the University of Leeds

**"Meet everyone's needs within the means of the planet."**

**DOUGHNUT** Economic Model



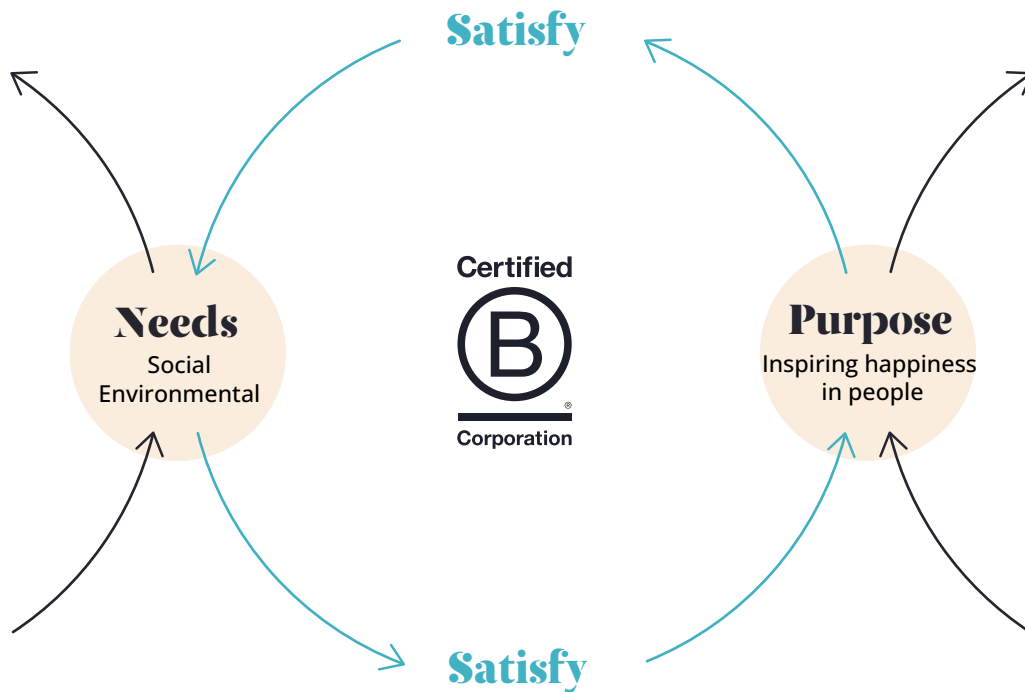
### Planetary boundaries

Data published in 2022 by the Stockholm Resilience Centre



# Something better

What if we were capable of meeting everyone's needs and at the same time we achieved our own purpose?



**SO OUR ULTIMATE GOAL IS TO:**

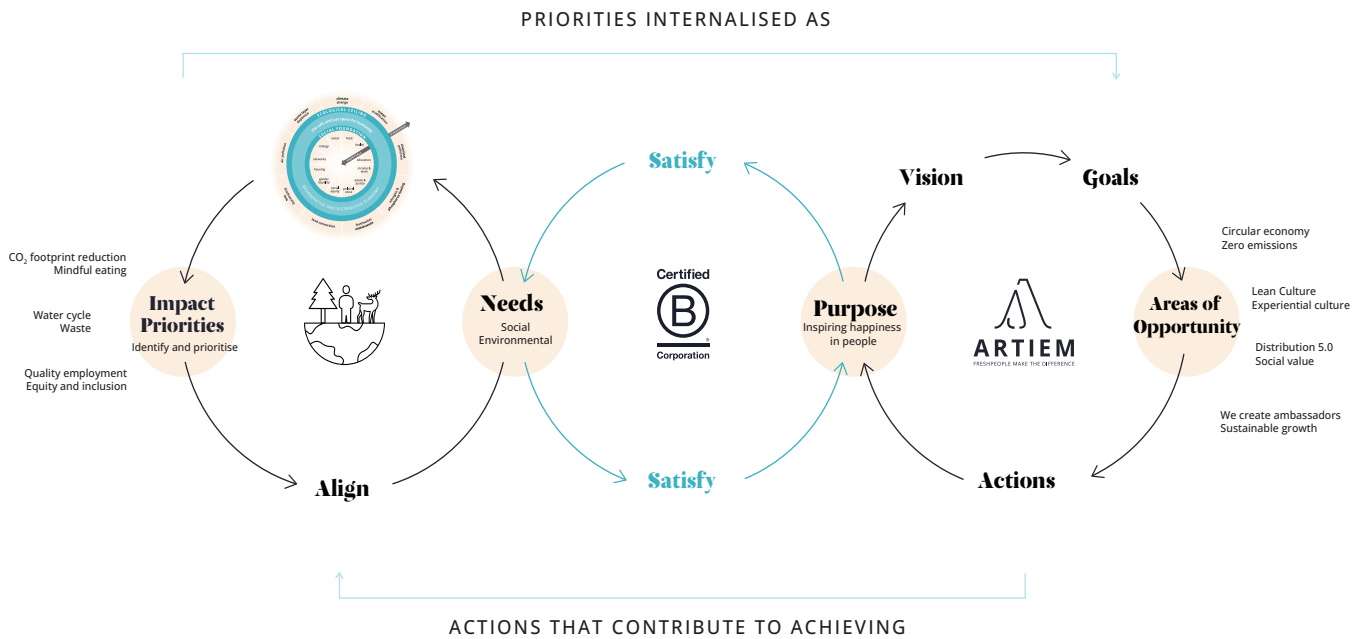
Construct a virtuous circle that allows us to realise Our Dream while contributing to meeting the NEEDS of our planet and society. This means that the more we contribute, the closer we will be to Our Dream. This is what we call the **ARTIEM Positive Impact System**.

# Impact System

The ARTIEM Hotels Positive Impact model arose firstly from our purpose of *Inspiring happiness in people* and secondly because it is essential to be able to achieve our VISION of **"being a leading organisation thanks to an inspiring, innovative model that focuses on the happiness of people, and its commitment to sustainable prosperity and a positive IMPACT on our environment."**

To realise this, at ARTIEM we have prepared the Positive Impact System, whose aim is to set out how our purpose is strongly related to care for our social and natural environments.

## ARTIEM POSITIVE IMPACT SYSTEM



This system is a **living system** that addresses the actual needs of the company's situation in order to meet them as efficiently as possible.

These needs in ARTIEM's environment are measured in accordance with Kate Raworth's Doughnut Economic Model, which allows us to identify the social and environmental aspects that are subject to most pressure and also those significantly affected by our operations. This allows us to set our sights on true positive impact.

# Positive Impact Goals

As a result of this analysis of processes and materiality, we have set the **6 ARTIEM Hotels Positive Impact Goals**, which contemplate the needs of the Doughnut and ARTIEM's priorities.

By meeting these objectives, which are in line with the SDGs established by the United Nations, taking as our base the principles of the circular economy (reduce, redesign, recycle...) and the B Corp movement as our guide and means of measuring our impact, we are capable of achieving the necessary balance to ensure that fulfilling our purpose means meeting our Positive Impact Goals, and vice versa.

**This system allows us to achieve our corporate objective while meeting the needs of our customers and those of our environment.**

## ARTIEM POSITIVE IMPACT SYSTEM

DOUGHNUT THEORY PLANETARY EMERGENCIES	ARTIEM IMPACT PRIORITIES	ARTIEM IMPACT GOAL	PROJECTS
CLIMATE CHANGE	CO <sub>2</sub> FOOTPRINT REDUCTION	Carbon footprint neutrality in scopes 1 and 2 by 2030	8/80 Project Stakeholder commitment
LAND USE	MINDFUL EATING	100% of the culinary selection is healthy and sustainable by 2026	APOINTAM Mindful eating 0 waste
WATER USE	EFFICIENT WATER CYCLE MANAGEMENT	70% reduction in water waste by 2030	Partnerships 0 waste Water cycle
CHEMICAL POLLUTION	EFFICIENT WASTE MANAGEMENT	100% waste reused by 2028	0 waste Partnerships Stakeholder commitment
EMPLOYMENT	QUALITY EMPLOYMENT	10% global increase in B Corp Workers score by 2026	Destination deseasonalisation Digitalisation and innovation Stakeholder commitment Diversity potential Autonomy, Purpose and Development
EQUITY AND INCLUSION	EQUITY AND INCLUSION	8% of staff at risk of social exclusion / with functional diversity by 2028	Partnerships Stakeholder commitment Diversity potential

# Positive Impact Goals

	POSITIVE IMPACT GOAL	DOUGHNUT NEEDS	ARTIEM PRIORITIES
1	Be carbon neutral in scopes 1 and 2 by 2030	CLIMATE CHANGE	REDUCE CO <sub>2</sub> FOOTPRINT
2	Offer a culinary selection that is 100% healthy and in accordance with sustainability criteria by 2026. Mindful Eating	LAND USE	MINDFUL EATING (SUSTAINABLE AND HEALTHY)
3	Reduce water waste by 70% by 2030	WATER USE	EFFICIENT WATER CYCLE MANAGEMENT
4	Ensure that all generated waste can be reused by 2028	CHEMICAL POLLUTION	EFFICIENT WASTE MANAGEMENT
5	Be in the top 10% for B Corp overall score in the WORKERS section in the 2026 review	EMPLOYMENT	CREATION OF QUALITY JOBS
6	8% of our staff are people from groups at risk of social exclusion or with functional diversity by 2028	EQUITY AND INCLUSION	FOSTER EQUITY AND INCLUSION





A woman with long brown hair, wearing a white bathrobe, stands on a balcony. Her hair is blowing in the wind. In the background, there is a coastal town built on a hillside, with a blue body of water visible. The scene is brightly lit, suggesting a sunny day.

**How do  
we achieve  
our positive  
impact goals?**




We aim to achieve our goals with projects that are realised through our business model and have the aim of generating POSITIVE IMPACT on the various stakeholders, simultaneously but to varying degrees.

We are aware that they are launched to solve one of the established needs/emergencies, such as the **8/80 Project**, which aims to contribute to the fight against CLIMATE CHANGE. The challenge lies in adopting an approach that in addition to contributing to the primary need also contributes to a greater or lesser extent to the rest of the needs.

# How do we achieve our Positive Impact Goals?

The thing that really makes the projects and actions we have been developing in recent years stand out as having POSITIVE IMPACT is the impact they all, each in their own different ways, have on our stakeholders. We have placed them in the six major groups described below.

The stakeholders could be grouped into the three major families People, Planet and Profit, which can also be broken down into subcategories:

		
<p><b>PEOPLE</b></p>	<p><b>PLANET</b></p>	<p><b>PROFIT</b></p>
<ul style="list-style-type: none"> <li>— Social environment</li> <li>— Workers</li> <li>— Customers</li> <li>— Organisations/ Associations</li> </ul>	<ul style="list-style-type: none"> <li>— Climate</li> <li>— Terrestrial ecosystem</li> <li>— Marine and aquatic ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>— Organisation</li> <li>— Suppliers</li> <li>— Shareholders</li> <li>— Public administration</li> <li>— Partners/collaborators</li> </ul>

The sections below describe the main projects aligned with the Positive Impact Goals.

# Goal 1

## Be carbon neutral in scopes 1 and 2 by 2030

### PRIORITY 1 CARBON FOOTPRINT REDUCTION



We started out on our path to sustainability in 1998 with ISO 14001 and EMAS certification. In 2018, we considered our progress and found that every year it was harder to move further forward. In order to leave our comfort zone and think differently, we set an "impossible" goal: *Reduce our CO<sub>2</sub> footprint by 80% in 8 years*. We call this project **8/80**.

Since then, we have launched a plan to **commit to renewable energy**, stop using the most polluting fuels such as diesel, opt for clean energy, reduce our use of utilities and raise the awareness of the Freshpeople®.

All these actions have no doubt had a direct impact on the reduction of ARTIEM's carbon footprint. However, there are many interconnections with the social and economic environments that surround them, showing that each action has an effect, to a varying degree, on every scope.

## The project in figures



Freshpeople® awareness raising: 49.4% of the staff trained in the project since 2021



17% return on investment



Achievement of 40% of the goal set for 2026



59,000 litres of diesel no longer used



Photovoltaic panels with an installed power of 129 kWp



Generation of 169,784 kWp of clean energy



Fostering local tourism: 328 bookings, 554 room nights, a revenue of €72,610,27 using the code ARTIEM KMO



SDG



# Impacts

PEOPLE	PLANET	PROFIT
<p>Training of the teams on all levels of the actions and consequences related to the project.</p>	<p>Use clean, sustainable solar energy, minimising the negative impact that a non-sustainable consumption model based on fossil/non-renewable fuels can cause.</p>	<p>By incentivising local tourism, we have also benefitted in economic and reputational terms.</p>
<p>Creation of a network of people and companies that allows us to share good practices.</p>	<p>Foster sustainable mobility to eliminate/reduce the CO<sub>2</sub> emitted by conventional cars (fossil fuels).</p>	<p>Improved positioning with respect to the competition as a benchmark in good practices. By reducing our consumption, we improve our profit margin.</p>
<p>Customer awareness raising in relation to energy initiatives, explaining good practices to them and getting them involved.</p>		
<p>Alignment with customers that share our feelings. Create a community.</p>		
<p>Build a sense of belonging within the organisation.</p>		
<p>Foster the culture of innovation and the development of our VALUE.</p>		

## Related actions

### IMPROVEMENT OF THE ENERGY EFFICIENCY OF THE ROOMS

- 1 LED lighting
- 2 Minibars with energy efficiency class A
- 3 Climate sensors in windows
- 4 Thermally insulated rooms
- 5 Control of supplies with various tools (Power BI, Circutor meters)



### RENEWABLE ENERGY

Installation of photovoltaic solar panels on the roofs of the hotels, in addition to an app to view daily production and its integration in the battery management system to register production.

### HEAT RECOVERY

Remove diesel boilers by installing two heat pumps to heat the water necessary to generate domestic hot water and heat the water in the spa pools. Heat is recovered from one of the pumps to pre-heat domestic hot water.

Since 2020, with the latest upgrade in 2022, we have been working with this new system. As a result, we have moved from consuming 60,000 litres of diesel in 2019 to 0.75 litres in 2022.





## IoT (INTERNET OF THINGS)

Installation of smart thermostats in the rooms so their temperature can be controlled by the guest and even remotely by the maintenance team. It also makes it possible to control the air conditioning consumption in the rooms. With this system we will make a 20% saving on the energy necessary for air conditioning.

## SUSTAINABLE MOBILITY

Installation of charging stations and promotion of sustainable mobility – collaboration with Seat Mô: based on an initiative that declared Menorca a pilot zone for the implementation of electric car use by the EU, we decided to facilitate the recharging of electric cars by installing rapid charging stations, with each post having a capacity of 22 kW. We also use our charging stations to foster electrical mobility in our hotels and among our internal and external customers.



## FOSTERING LOCAL TOURISM

The "ARTIEM KM0" programme in the Balearic Islands and in Asturias to promote local tourism in these regions.





# Goal 2

## Offer a culinary selection that is 100% healthy and in accordance with sustainability criteria by 2026

PRIORITY 2 MINDFUL EATING



*"When you realise that doing things well is possible, there is no turning back."*

On our path towards becoming an environmentally responsible company in 2010 we launched the **APORTAM Project**, whose local and social focus aimed to include local and seasonal products in the cuisine offered at all the hotels, indirectly contributing to maintaining rural activity, traditions and culture. This has resulted in a range of gastronomic delights that are sustainable, locally produced, packed with flavour and good for the environment.

### The project in figures



Amount of organic material collected: an average of 0.26 kg per stay



A total of 47,105 kg of organic waste separated at the 5 hotels.



Currently, 18% of our culinary supplies are from local suppliers.



SDG



# Impacts

PEOPLE	PLANET	PROFIT
Collaborating with suppliers in the community supports local trade and the development of small and medium-sized enterprises.	Local, seasonal cuisine has beneficial effects in terms of land use and crop rotation.	Transport costs are drastically reduced.
Healthy, seasonal cuisine contributes to health and happiness.	Using local products reduces the CO <sub>2</sub> emissions of goods transport.	Adapting the culinary selection to the season and location reduces food waste and the associated economic losses.
High-quality seasonal products generate customer satisfaction and repeat business.	Reducing food waste and separating organic waste decrease CO <sub>2</sub> emissions and pollution.	Synergies with local the local public administration and private sector are created for the collection and composting of the organic waste.
Maintenance and conservation of local culture and traditions.	The choice of products is also influenced by their packaging and the losses they produce.	Suppliers must comply with a sustainability policy.
	Maintenance of the local landscape.	

## Related actions

### HEALTHY, SEASONAL CULINARY SELECTION

Our restaurant service is a key element of our business. In addition to being important for a happy life, food also has a strong impact on people's health, land use, the generation of CO<sub>2</sub>, and the local economy and society.

After two seasons of trying to perfect our cuisine by including as many local, seasonal and healthy products as possible, in late 2022 we started to base it on the **PLANETARY HEALTH DIET**, which was created in 2019 in line with the ideas of the Harvard plate in terms of health, sustainability and socio-economic aspects.

Looking to the 2023 season, we have analysed the consumption patterns of our customers in relation to "ideal" consumption, identifying the main gaps in terms of families of products. As the ultimate goal is for the consumption pattern to be defined in accordance with this principle, we set an annual target and designed a strategy and action plans. We aim to meet the needs of our customers in an economically sustainable manner.



## FOOD WASTE REDUCTION

40% of the food that is prepared ends up being wasted. This generates a huge waste of resources, given that food production accounts for 30% of greenhouse gases and 70% of potable water consumption. Therefore, it is a priority to reduce and recycle food waste in our restaurant service.

Now (2022) we keep a daily record of the organic waste collected at each establishment's various outlets. The figures are analysed on a monthly basis to determine the weight collected per stay.

In 2019, we launched a pilot plan in Mahón to use organic waste for composting and the production of fertilizer for local farms. Although the compost that is produced can currently only be used at the recycling plant for sanitary reasons, we have continued with the project and implemented it all the hotels in Menorca and the rest of Spain in order to measure our waste and act to reduce it (making changes to the cuisine, product selection and suppliers), while we wait for public administrations to collaborate in the management of its collection. We are also working to foster collaboration with local associations and other companies to combine our efforts and close the circle.

## PERISHABLE GOODS PURCHASING POLICY

The choice of products is based on several criteria:



What's more, we work with suppliers with sustainability certificates. From the start of this project, we have been gradually changing our cuisine to meet the target of having at least 50% of the products used in our restaurants complying with sustainability criteria. When deciding which products to buy, we assess their location, seasonality and impact on the hotels' local environment.





# Goal 3

## Reduce water waste by 70% by 2030

### PRIORITY 3 EFFICIENT RESOURCE MANAGEMENT: WATER



Life on earth would be inconceivable without water. As Leonardo Da Vinci said *"Water is the vehicle of nature."*

Hotel operations directly and indirectly consume a great deal of water in the rooms, gardens, spas and swimming pools, the kitchens, restaurants and bars, and the laundry and cleaning operations.

Water is generally only used once, generating waste. Today, technology and the fact that the quality of water can vary according to how it is to be applied mean that it can be used in up to three cycles, significantly reducing its waste.

## The project in figures



100% of swimming pool maintenance water is from reverse osmosis.



Since the implementation of the microfiltered water system (2020): 60,000 fewer plastic bottles and a 78% reduction in glass bottle use



From 2017 to 2022: a water consumption reduction of 11.62% to 228 l/stay



SDG



# Impacts

PEOPLE	PLANET	PROFIT
Reduction in the workloads of the chambermaids.	Less consumption, protection of water reserves.	Reduction of water costs, improving profit margins.
Customer awareness of the impact of washing on the environment.	Supply of locally sourced water for minibars.	Reduced laundry costs.
Promotion of technological innovation to make better use of resources.	Reduced chemical product consumption.	Prevention of service outsourcing.
Internal development of technology for the reuse of the water cycle, fostering innovation.	Conservation of indigenous species.	Less time spent on purchasing and supply management.
Less time spent handling packages.		Storage space gains can be used more profitably.

## Related actions

### SWIMMING POOL TOWEL USE AWARENESS

With the aim of raising customers' awareness of the unnecessary impact of the "abusive" use of swimming pool towels, we have implemented a dissuasive system in which customers are charged €1 per towel if they want their towels washed before the third day of use. The goal is to minimise this revenue.

Within the framework for the creation of synergies with local associations that share our values, in 2021 we decided to donate to Menorca Preservation the equivalent of the swimming pool towel changes that we charge our customers when they want more than one towel change every three days (€1) in order to raise their awareness of the need to reduce washing (water and chemical products). In 2021, at ARTIEM Carlos this amounted to €200. In 2022, this system was applied to all ARTIEM hotels. We see the very small amount of money that was collected as a step forward in awareness.



### ELIMINATION OF WATER BOTTLES

We have implemented a water microfiltration system at all our hotels to reduce ARTIEM's CO<sub>2</sub> footprint by stopping using plastic and reusable glass bottles and avoiding the associated transport, storage and management costs. What's more, the glass bottles we use in our minibars are locally sourced and returnable.

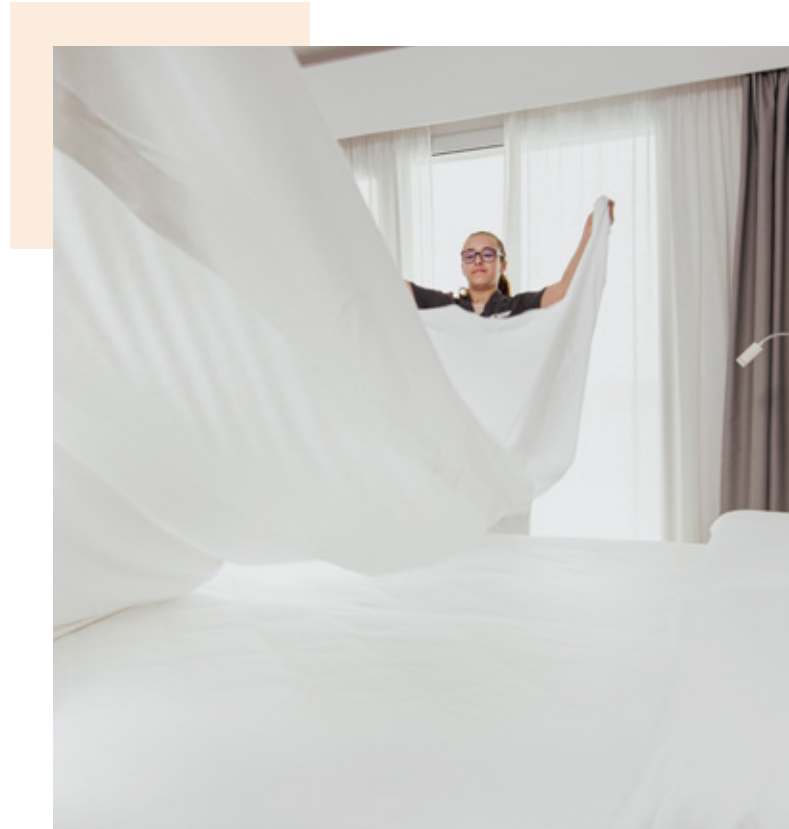


## INDIGENOUS PLANTS

Our gardens are an essential part of our facilities and a major consumer of water. For this reason, at the hotels in Menorca we have planted indigenous species that require much less water and implemented drip irrigation systems that are not used in hours of daylight. At ARTIEM Asturias we have created a kitchen garden, growing vegetables and aromatic plants the flourish in the Asturian rain.

## REDUCTION OF WATER CONSUMPTION IN BATHROOMS

All our toilet cisterns have a double flush system: 3/6 litres. 3 of our 5 hotels use eco-friendly mixer taps with cold water flow limiters, and the Carlos and Asturias hotels are finalising their installation. We have replaced the baths with showers and flow reduction filters are in place in both sinks and showers.



## BED LINEN CHANGING SYSTEM

"Towels and sheets changed on request."

Customers are informed that we only change their sheets and towels on request. We give them the freedom to choose and ask that they take the environment into account. If a customer needs their sheets to be replaced, they can place a card on the bed to notify us of their decision to have their bed linen changed more frequently. Similarly, towels to be changed are to be left on the floor. This form of collaboration helps identify customers who are more environmentally aware and in tune with our values.



## REUSE OF THE WATER CYCLE

We have identified in ARTIEM Audax processes that could reuse water in various services with only minimal treatment.

### 1st use

The ARTIEM Audax hotel has a reverse osmosis system that generates the water necessary to wash the hotel’s tableware. Such osmosis system generates a rejection that we decide to reuse.



### 3rd use

Accumulation tanks have been installed to collect water from the cleaning of swimming pool filters, which is used to water the green areas the following day.

This has made it possible to reuse the water cycle at the ARTIEM Audax, tripling its use: osmosis to clean the tableware, contribution to the swimming pools and finally irrigation.

### 2nd use

This rejection has been channelled directly to fill the hotel’s outdoor swimming pools and Spa, thus ensuring that 100% of the water needed to maintain the pools comes from this rejection, approximately 800 m3 for the outdoor swimming pool and 800 m3 for the Spa.





## Goal 4

# Ensure that all generated waste can be reused by 2028

### PRIORITY 4 EFFICIENT WASTE MANAGEMENT

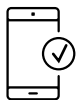


Chemical pollution is one of the planetary emergencies we want to mitigate in our everyday operations. Accordingly, we are committed to reducing our chemical pollution through efficient waste management such that by 2028, 100% of the waste we produce is reused.

The everyday running of a hotel generates a wide variety of waste in each one of its various areas. Packaging, organic waste, chemical waste, construction waste, old furniture and equipment...

In 2019 we started to take action to address this emergency and in 2022 our circular economy strategy was certified by AENOR. This strategy is helping us to work on this priority. And, in accordance with the 7 Rs of the **circular economy** (redesign, reduce, reuse, renew, repair, recycle and retrieve) **we reflect on our consumption.**

## The project in figures



30% of our customers have used the Stay app to consult our services.



220 kg of plastic and 3,700 pieces of microplastic collected in the 2022 0 Plastic Menorca Diving Expedition

SDG



# Impacts

PEOPLE	PLANET	PROFIT
Awareness of the importance of waste sorting.	Recovery avoids the generation of waste and gives a second life to objects.	The recovery of electronic or mechanical parts reduces costs related to the purchasing of new products.
Pride in belonging to a community that applies good practices.	Reduction of chemical pollution.	The implementation of an app to consult and book services has reduced printing costs for letters and brochures.
Collaboration with suppliers who share our values.	Using bulk or refillable products in cleaning and maintenance also reduces waste.	More efficient purchasing management, buying only what is strictly necessary.
Changing customers' habits: since extra amenities have only been offered on demand there has been a reduction in consumption and in the generation of useless waste.	Less printed paper = less waste = less production and transport pollution.	Freeing space for other more profitable uses.
<p>Digitalising processes and going paperless free time for people to grow and develop professionally.</p> <p>Collective action and support for associations that care for the environment.</p> <p>Less time spent handling packages and the corresponding physical effort.</p>		<p>Free non-productive time to apply to it actions that add value.</p> <p>Comply with legislation, avoiding reputational problems.</p>

# Related actions

## CHARITY BAG

In 2019, following the ARTIEM Summit, we implemented a collaboration between the circular economy and social value areas of opportunity: customers were invited to leave in a bag any objects they had bought or brought to use only once (goggles, books, slippers, caps, sun creams, etc.). As they were left intentionally in a bag it was easy to distinguish these donations from items that had been forgotten. At the end of the season, several boxes of items were donated to Caritas Spain rather than being thrown away. We had to abandon this project during the pandemic, but we are now reconsidering it for the 2023 season.

Similarly, beach umbrellas and inflatables that customers would buy and then discard at the end of their stay are now kept and lent out.



## REBUILD ACTIONS

We try to recover electronic and mechanical parts of broken items to repair or recover others. Examples include:



- Steam bath (ARTIEM Capri)
- Creation of control systems using electronic circuit boards from the Jacuzzi (ARTIEM Audax)
- Sauna (ARTIEM Carlos)
- ONITY lock spare parts (ARTIEM Madrid - Menorca)
- Cold room (ARTIEM Audax)
- KRIVAKU (ARTIEM Audax)
- Automatic chlorinator (ARTIEM Capri)
- Osmosis control (ARTIEM Audax)

## MINDFUL AMENITY MANAGEMENT

From 2019 to 2022 we replaced all our extra bathroom amenities such as shower caps, shoe shine sets, combs, toothbrushes and toothpaste with others made with more sustainable materials (mineral paper, coconut fibre, paper, package-free bars of soap, etc.). What's more, these are no longer in the room, but are placed at the customer's disposal in reception. This management change has not reduced the customers' perception of our quality, and has led to more responsible consumption on their part (only when necessary).



## COLLABORATION WITH 0 PLASTIC MENORCA

We are aware that we can not only contribute to removing the waste we generate, but also place our resources at the disposal of organisations that work in this area. All this has an impact on our local environment as well as generating ties with our guests and a sense of pride of belonging.

This has led to a collaboration with **0 Plastic Menorca** over the last three years.

### Initiative 1

**ARTIEM participates in plastic collection and cleaning initiatives in aquatic and terrestrial environments, offering financial aid (donations to foundations/ organisations), logistic help (accommodation, kaya rental) and provisioning.**

### Initiative 2

**Communication and raising awareness of the importance of the events (talks, lunches...) organised on our activity days on social media and blogs.**



## CONTROL AND MONITORING OF URBAN AND HAZARDOUS WASTE

We comply with legislation and such waste is managed by authorised companies when the hotel is open and in renovation periods.



## OCEAN52

At ARTIEM Asturias our customers come to us mainly by car, so when they leave we have always provided them with a bottle of water for the trip back. This generates an impact in terms of both the plastic used and the waste produced.

In 2021, we started to collaborate with the Ocean52 water company, which has two major characteristics: it uses recycled aluminium and allocates 52% of its profits to research and the conservation of the marine environment. What's more, when the bottle is given to the customer, we explain why we have chosen Ocean52 in order to raise their environmental awareness. At ARTIEM Audax Ocean52 cans have also been given out for picnics.

## LESS PRINTED MATERIAL

In 2007, we started our own "war on paper", working to digitalise all our processes that made use of it. We saw that the use of paper is a great consumer of valuable time and storage space, has high costs, a major environmental impact, and is susceptible to data entry errors, among other concerns. This has led us to internally develop our proprietary management system and software (EdocAssistant). We have also carried out process digitalisation projects in collaboration with our property management system (PMS) supplier and incorporated SAS tools, some of which are equipped with artificial intelligence.

Since then, our back-office processes at corporate headquarters, in the hotels, in apartment management and in maintenance are all digitalised.

In customer relations we have introduced online check-in, replaced physical menus with QR codes, and digitised all the information about our hotel activities and timetables. We have developed an app to book these activities and provide more detailed information. WhatsApp has also been introduced as means of communication (virtual concierge). Although there are still printed materials available for customers who request them, at ARTIEM's offices and receptions we have witnessed a significant reduction in the use of printed documents thanks to our process digitalisation.



## COLLECTION OF USED OIL AND HAZARDOUS WASTE

We comply with very strict legislation that guarantees the proper processing of such waste by a company authorised by the government.

## PURCHASING POLICY (NON-PERISHABLE GOODS)

Purchases of non-perishable goods generate significant waste in the form of packaging and chemicals. For this reason, we pay special attention to our purchasing policy in order to ensure its reduction and the issuance of the corresponding certificates in the case of chemicals, as well as the development of a relationship with the supplier to optimise the process. This contemplates the following measures:

- 1 Choice of chemical products from environmentally certified suppliers
- 2 Selection of local suppliers
- 3 Refillable cleaning products
- 4 Purchase of products with sustainability certificates (not just environmental)



# Goal 5

## Be in the top 10% for B Corp overall score in the WORKERS section in the 2026 review

### PRIORITY 5 QUALITY EMPLOYMENT



The tourism industry in which we work has a number of challenges to be faced. It is highly seasonal, which leads to talent attraction and retention problems. Its social and economic costs are also high, resulting in low productivity. ARTIEM has sought to convert these challenges into opportunities to generate competitive advantages.

## The project in figures



2020 B Corp Workers certification score: 32.8



Fully digitalised administration



All apartment management and maintenance processes have been digitalised



Fully digitalised purchasing management



Extend the 2019 season (Menorca) by two weeks



57% occupancy rate upon opening and rates upon closing of 28% at Audax and 24% at Carlos



44 people registered for the ARTIEM Half Menorca Triathlon as team ARTIEM (both individually and as a team). Of these 44, 15 are Freshpeople®



50% reduction in workplace accidents since the implementation of KRIVAKU

SDG



# Impacts

PEOPLE	PLANET	PROFIT
People's personal and professional development.	Elimination of paper, printer toner...	Talent attraction and retention. Reduce turnover.
Generate economic activity in the local area.	More purchasing information enables transport flow optimisation.	Improve our innovation capacity.
Promote a healthy lifestyle.	Support initiatives for the preservation of natural areas.	Improve the profitability of our assets.
Improve incomes for families.	Make the best use of natural areas.	Help attract and retain target customers.
Promote and uphold local culture and traditions.	Use rebuilt parts, with the consequent reduction in waste.	Prevention of information entry errors.
Reduce time spent on physical tasks, benefitting health.	Dilute the tourism pressure over a broader timescale.	Improvements in the capacity to negotiate with suppliers.
Enable an increase in job complexity, contributing to professional development.		Diversification of revenue.
People feel like they are making a contribution.		Comply with legislation, avoiding reputational problems.
Reduction of tasks related to ordering printed material (transport, inventory, storage).		



# Related actions

## EXTENSION OF THE SEASON

Since 1998 we have been committed to opening our hotels two and a half months before the start of the traditional season. To realise our VISION, it is essential to increase the number of working months in the year. In addition to generating local prosperity, this helps us innovate in products and services, attract new markets and consequently retain talent.



## ARTIEM HALF MENORCA TRIATHLON SPONSORSHIP

The sponsorship of this race in late September contributes to the generation of an additional tourist attraction.

This collaboration expands ARTIEM's experiences, with the voluntary involvement of the ARTIEM team on the day of the event.

We sponsor these major flagship sporting and achievement events in Menorca to:

- **Position the ARTIEM brand** as a leader in sport in Menorca.
- **Internally promote the use of sport as a lever for our purpose of** "Inspiring happiness in people."
- **Generate a community of people who live a healthy lifestyle.**
- **Promote our values as a brand.**



## EPIC CAMI DE CAVALLS

Our sponsorship of the *Epic Cami de Cavalls* ultra trail positions ARTIEM in the sports segment and contributes to lengthening the season until mid-November, benefitting local economic activity. This sponsorship, which named the "*ARTIEM Epic Cami de Cavalls*" race, placed the ARTIEM Audax hotel at the centre, accommodating participants and offering not only logistic support, but also food and entertainment.

## LEAN CULTURE

The Lean Culture allows us to involve people and make the most of their knowledge to implement continuous improvement to streamline our processes and, where possible, digitalise them.

## DIGITALISATION AND INNOVATION

The second challenge we try to seize as an opportunity is increasing productivity, which we call **Freshpeople® Value Added**. We approach this in two ways: cultural change in the organisation and the robotisation and digitalisation of processes.

The aim is to make people feel fulfilled in their jobs, and to do so we make time for them to carry out tasks of value that also enable their personal and professional growth. Digitalisation has also allowed us to add value to the information we generate in a way that is "instantaneous" and does not generate any handling errors, turning it into knowledge we can use to make decisions.





## DIGITAL HOUSEKEEPING (DHK)

Digitalisation of the apartment management and hotel installation maintenance process. DHK is a program developed to our specifications by our technology partner CEI Europe, which allows us to plan, execute and monitor cleaning and maintenance operations. It acts as a tool for communication and relations between the apartments, reception and maintenance departments. It is a SAS program hosted in the Azure cloud that interacts with our enterprise resource planning software (ERP) or property management system (PMS) to obtain two-way, real-time data about the state of the rooms.

The program is based on room bookings and planning, obtaining data from the PMS to produce the planning on the website.



## DIGITALISE THE PURCHASING PROCESS

The purchasing process of hotels has traditionally been very labour-intensive, sensitive due to the information being handled, subject to significant economic impacts if not managed well, and also replete with repetitive and automatable tasks.

The aim is therefore to dispense with tasks that do not add value, freeing up time for tasks of value: automating and robotising processes to assure the quality of the information. We have estimated it to account for 50% of the purchasing manager's time. This time could be better spent improving management and transforming information into knowledge to make better economic decisions.



## KRIVAKU

In June 2017, the ARTIEM Audax hotel welcomed the installation of a conveyor belt system to carry tableware from the restaurants to the kitchen (KRIVAKU). This system, named KRIVAKU in reference to the words for glassware, crockery and cutlery in Spanish, consists of a series of conveyor belts that carry dirty tableware to the kitchen's dishwasher. The dishwasher is on the 4th and 5th floors and its various areas are connected by ramps. The aim of this project was to address various problems we had at the Audax hotel, resulting in the following benefits:

**Not having to go up and down the ramps with heavy trolleys**, preventing the risk of accidents between the restaurants and the dishwasher

**Prevention of personal injury** while handing the tableware

**Minimisation of breakage** of the tableware items

**Improvement of work flows and times** for the wait staff when clearing tables and cleaning the restaurant

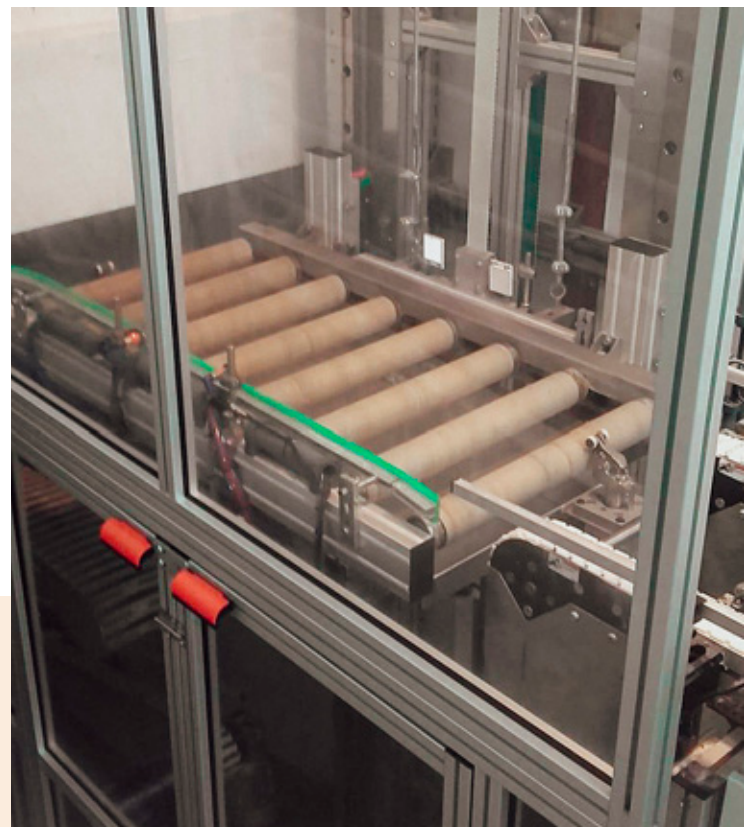
**Minimisation of the handling of material** when clearing tables and cleaning the restaurant

**Less noise for the spa** (the dishwasher is located directly above the spa treatment booths)

**Elimination of leaks into the spa**

Since its implementation, work accidents in this area have halved and other benefits have also been detected, including:

- Maximisation of the presence of wait staff in the dining room, making it possible to **increase sales of extras and improve communication and service.**
- Krivaku has become a success story thanks to the **implementation of "robotic" technology in restaurants.**
- We are continuing to investigate other applications that will help us **work better, more safely and less strenuously.**





## Goal 6

# 8% of our staff are people from groups at risk of social exclusion or with functional diversity by 2028

### PRIORITY 6 FOSTER EQUITY AND INCLUSION



At ARTIEM we are convinced that diversity is a value that helps us grow as people and as an organisation. This is why we actively work to welcome people from different backgrounds and different abilities or who are at risk of exclusion.

We foster equity and inclusion, with the aim of having **8% of our staff** made up of people at risk of **social exclusion** or with **functionally diversity by 2028**. Diversity means understanding that all the people who form part of ARTIEM add value. The Freshpeople® are made up of people with different knowledge, abilities, concerns, needs and motivations. ARTIEM's challenge is to foster and manage this diversity, paying attention to the development of the various groups and profiles.

## The project in figures



Solidarity room. It has collected €140,339.41 since its implementation in 2020, and €85,626.00 in 2022.



€3,931 collected and donated to associations thanks to workshops, sales of items in solidarity display cases, sales of second-hand goods, etc.



3% of ARTIEM belong to social exclusion groups

SDG



# Impacts

PEOPLE	PLANET	PROFIT
<p>We give opportunities to people at risk.</p> <p>Pride of belonging.</p> <p>Appreciate the value of local talent.</p> <p>Assimilation into working life.</p> <p>Appreciate the value of diversity.</p>	<p>Support for associations that foster social inclusion through volunteering with animals.</p>	<p>Diversity generates innovation.</p> <p>Reputational value.</p> <p>Connection with target customers.</p>

## Related actions

### ASSIMILATION INTO WORKING LIFE

For 10 years we have been collaborating with organisations like Fundació per a persones amb discapacitat de Menorca, Down Madrid, and the Incorpora Foundation, and participating in various forums to share our experience. We collaborate directly by assimilating people into our teams, and indirectly by selling objects made by them or buying their creations.



### SOLIDARITY ROOM

The pandemic made us see that the social gap of those in need of social and food support was growing. It is a problem that is getting worse and a social drama to which we are trying to contribute by creating employment and extending the season. We collaborate with Caritas Spain to help these families, creating a "SOLIDARITY ROOM." 100% of the revenue from this room is allocated to this social aid and transferred to the charity, which issues a donation certificate to the customer who books the room.

### COLLABORATION WITH ASSOCIATIONS/ FOUNDATIONS FOR PEOPLE AT RISK OF SOCIAL EXCLUSION

We form strategic partnerships to foster the prosperity of our environment with the aim of creating value. Throughout our activity we collaborate with companies and organisations that have a social and environmental impact. In 2022, we cooperated with the following social organisations: AECC, Caritas Spain, Raitana, Fundació per a persones amb discapacitat de Menorca, Down Madrid and Amaqtedu. We cover the cost of registration for solidarity races and social events for any Freshpeople® who want to take part, in order to foster support and local value.

We also support associations like the Trebaluger Equine Rescue Centre, which not only stables and looks after sick and abandoned horses, ponies, donkeys and mules, but also collaborates with various NGOs and organisations like Menorca prison to reintegrate people with difficulties thanks to volunteering and the maintenance of the shelter. What's more, it offers training on respect for animals and the environment for younger generations through schools and family events.

## L'ILLA DEL REI PROJECT

Since 2007 we have been participating in a project to recover the hospital on L'Illa del Rei (a military hospital built by the British in the 18th century, the largest outside of the United Kingdom).

Our contribution focuses on the recovery of the botanical garden used by the hospital's pharmacy, with the following aims:

— **Support a voluntary initiative to recover historical heritage** that has been abandoned by the authorities for Menorca. This hospital on "King's Island", which was built by the British and is of great historical and architectural value, was still in use until the 1960s.

— **Support for what in its day represented a social movement in favour of certain values and a legacy.** It is an example of leadership, achievement and innovation that reflects our values.

— Its rehabilitation will **support and give work to people at risk of social exclusion.**

— Develop a **differentiating tourism offer** that has reached its zenith with the opening of the Hauser & Wirth art gallery, **placing Menorca on the world art map.**

— **Support for the recovery of the botanical garden** which grew medicinal plants for the hospital's pharmacy.

— **Convert the camomile grown** in the garden into added value for our customers.



## TRIODOS BANK DONATIONS

Since its implementation in 2020, we have collaborated with this crowdfunding platform to encourage people to donate to projects aligned with our philosophy. The donors are rewarded with an ARTIEM stay in the Solidarity Room. We have managed to raise a total of €6,270 for nine projects.

- **Olivos Lucio** - testigos de nuestra historia.
- **Recuperando suelos, recuperando vida**
- **Mi regalo solidario**
- **Proyecto Fénix**, fase 2
- **SOMART!** Jornada creARTiva sin barreras físicas ni sociales
- **Tejiendo vínculos** - acompañando a jóvenes extutelados
- **Una sonrisa electrizante**
- **Ruedas #porlaInclusión**
- **MUJEREANDO** - teatro para sanar a las mujeres sin hogar
- **Estar Bien**



We are in an industry, tourism, which is a social conquest that grows every year and will continue to do so in the coming decades. The global middle class in the next twenty years is expected to grow by 2 billion people, who will travel and see the world as tourists.

As the leader we want to be, we want to show that this social industry can grow and the more it grows the more **POSITIVE IMPACT** it can generate. This requires a deep transformation, starting with our business culture.



**ARTIEM**

FRESHPEOPLE MAKE THE DIFFERENCE