

# ARTIEM

FRESHPEOPLE MAKE THE DIFFERENCE

2020

# SUSTAINABILITY REPORT





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# INDEX

## SUSTAINABILITY REPORT



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## ABOUT THIS REPORT

At ARTIEM we believe that the only way to grow is to do it with our environment. That's why we work to move all our stakeholders forward with us through sustainable development.

During these 45 years we have assessed the balance of our sustainability in each of our actions in order to bring society, the economy and the environment into harmony in the same direction. At ARTIEM we call these three pillars **FreshPeople, FreshPlanet y FreshProfit.**

In this report, we make known our activity in this very unusual year where we have put our own FreshPeople© ahead of everything else.

We believe that "the best way to predict the future is to create it," and so we have set ourselves the goal of focusing on what we COULD do.

This report compiles the main actions taken during 2020 and the objectives we will continue to work on during 2021.

The methodology we have applied is the proposal by "Global Reporting Initiative" (GRI) in its G4 version. The preparation of the report following these standards is our commitment to transparency and to provide all the information that may be relevant to our stakeholders.

This report follows the principles of materiality, which guarantees the collection of the most significant and important issues of the organization, and has been prepared in accordance with the essential indicators of the GRI standards.

We hope that it will be of interest to you and for any queries do not hesitate to contact us.

### ARTIEM

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## LETTER FROM THE PRESIDENT

This phrase attributed to Peter Drucker, probably the most relevant business thinker of the twentieth century, I read it a few years ago and I have since internalized it. In the current situation qualified not only as VUCA (Volatile, Uncertain, Complex and Ambiguous) but as Professor Marcos Urarte defines it as VIRCAS (where he also adds the I of immediacy, R for noise, A for acceleration and S for simultaneity) what we all crave are certainties and confidence in our life and our work.

In this sense, at ARTIEM, what we have learned and applied during this supervening crisis and after a certain state of shock, is to focus on what we can do instead of waiting for things to happen or hiding in excuses and guilt.

**THE BEST WAY TO PREDICT THE FUTURE,  
IS TO CREATE IT.**

As people and as an organization, it is a change of attitude, proactive and, if not, courageous, but at the same time this attitude stimulates us, helps us to have a focus, encourages us to experience and overcome, it gives us confidence in our possibilities and therefore encourages us to move forward.

Ten months after the start of confinement, immersed in the third wave, we see and thus note many reports published during this period, that trends that were initiated have accelerated in a precipitous way.

Among numerous changes, are the digital transformation or awareness of sustainability, leading to social changes such as increased local consumption and production, teleworking or greater social commitment. All this with an economy that has entered a recession of never-before seen dimensions.





Given this situation, at ARTIEM we made Peter Drucker's phrase a reality by putting a focus and sense of urgency into making an 'Attractive Image of the Future' a vision that we co-created with the 87 individuals from our FreshPeople, who participated in the Summit we held, hosted by Fernando Iglesias and the team From Madavi in mid-January 2019.

An 'Attractive Image of the Future', is the fruit of putting our strengths into value. It would be possible to make it a reality if together we worked on the development of seven areas of opportunity such as: Circular Economy, Lean Culture, Experiential Culture, Distribution 5.0, Social Value, Sustainable Growth and We Create Ambassadors, all of which I will briefly describe:

- **Circular Economy.** Aware that the resources available to us are finite and therefore a linear economy, "to use and throw away" is not sustainable. At ARTIEM we want to reaffirm our commitment to our environment by contributing to the transformation of our industry into a competitive business model that internalizes the 7R (redesign, reduce, reuse, repair, renew, recover, recycle) of the circular economy.
- **Experiential Culture.** As in our industry, and in particular the hotel industry, it can be a 'high added value' industry moving from the economy of services to the economy of experience.
- **Lean culture.** A way of working that wants our FreshPeople to realize their full potential, focusing on what brings value while achieving their personal and professional fulfillment.
- **Distribution 5.0.** The development of a two-way relationship platform with our customers who share our values.
- **Social Value.** To include social impact in our strategy and business processes and that it makes us gain competitiveness.
- **We Create Ambassadors.** "Culture eats the strategy for breakfast," Peter Drucker's other very successful phrase that makes sense of this Area of Opportunity. So we want to focus on further developing and disseminating our culture as a key element in our competitiveness.
- **Sustainable Growth.** It is a reality that value today is more intangible than tangible. We therefore want to base our growth on the creation and valorization of our intangibles.





Making these Opportunity Areas a reality is moving as an organization toward a digital organisation. This will allow us to introduce into our processes not as new technologies as artificial intelligence (AI), the Internet of Things (IoT), virtual reality (VR), augmented reality (AR) or process robotisation.

While keeping an eye on the short term, we are convinced that realising this compelling image of the future helps to realise our vision of “being a leader in its inspiring and innovative model focused on people’s happiness and our commitment to the prosperity of our environment.”

**In this report we try to reflect all the activities developed in Artiem by FreshPeople© during 2020 that help us to shape our attractive image of the future and where sustainability with capital letters is the cornerstone.**

After all, all the illusion and work that seeks to reflect in this report is our small contribution to making our society more prosperous, inclusive and sustainable.



**Letter from Pepe Díaz.  
CEO ARTIEM.**





# 1. ARTIEM

**ARTIEM**  
**ORGANIZATION CHART**  
**HEAD OFFICE**  
**HOTELS**  
**PURPOSE IN ACTION**  
**OBJECTIVES 2020**  
**OBJECTIVES 2021**



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## INSPIRING HAPPINESS SINCE 1974

ARTIEM is **a family business founded in 1974** and is in transit from the third to the fourth generation.

We create an environment that favors the autonomy of the person, we seek excellence and be faithful to our purpose.

**We help customers be happy and are an active part of our ecosystem.**

At ARTIEM we work every day to achieve our personal and business challenge.

If we are happy and make others happy, it is thanks to our perseverance in our six values.

We see the reward of our constant work in the high satisfaction rates of those who trust ARTIEM and the unanimous recognition that ARTIEM **is more than just a place to sleep.**

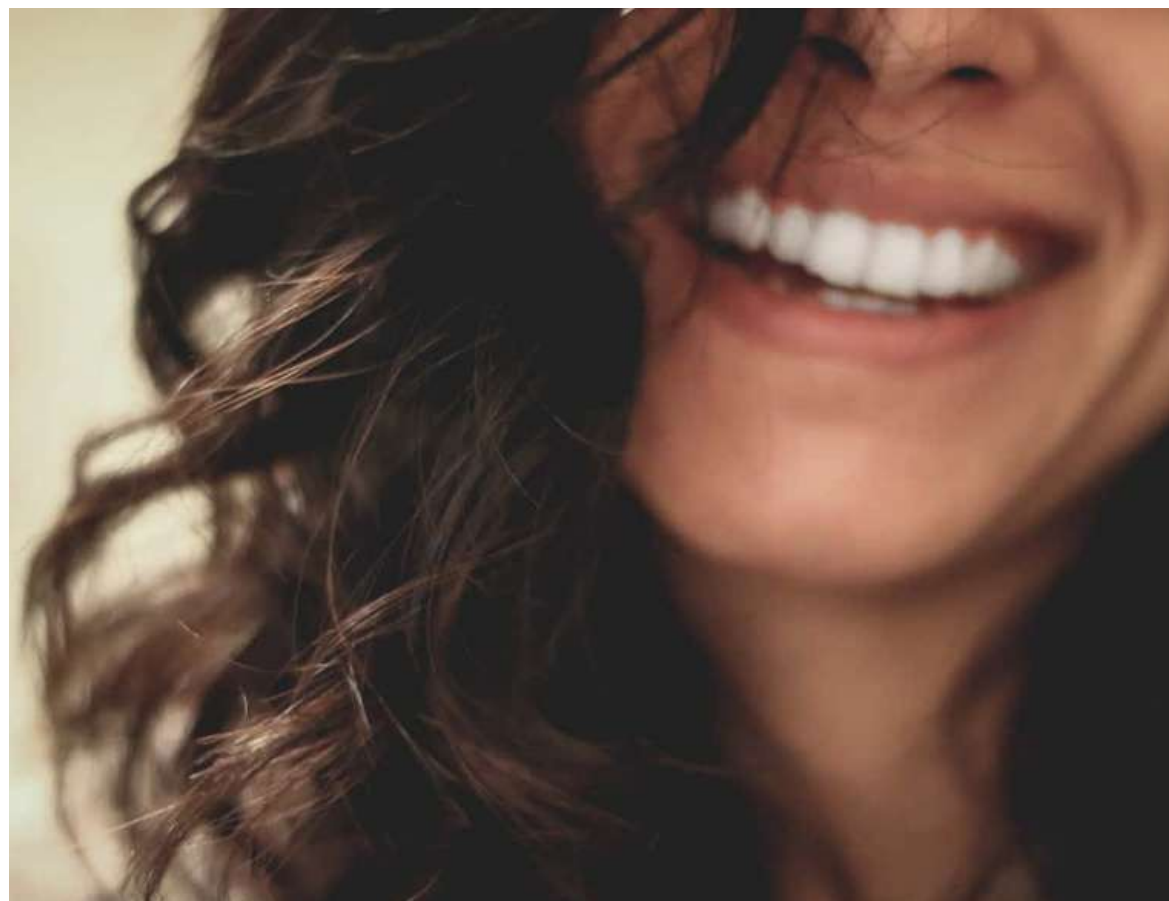




## VISION & MISSION

### MISSION

Inspire people to be happy.



### VISION

To be a leader with its innovative and inspiring model, focused on people's happiness, and in its commitment to sustainable prosperity and positive impact on our environment.



## VALUES



### TRUST

We are based exclusively on relationships of trust

### PASSION AND HAPPINESS

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

### LEADERSHIP

We are all leaders inspiring others to give their best.

### INNOVATION

We innovate by doing different things to transform ourselves into a better company.



### SUPERATION

We are motivated to get better each day as individuals.

### INCLUSIVITY

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





# CERTIFICATION BCORP

The B Corp Certification measures management performance through the company as a whole and covers five key impact areas: Governance, Workers, Community, Environment and Customers.

The certification process is rigorous, should earn more than 80 points and provide evidence of socially and environmentally responsible practices, including energy supply, water and waste use, workers' compensation, diversity and corporate transparency. In order to complete the certification, the company must legally incorporate its commitment to social purpose into its company statutes.

ARTIEM is part of a community of more than 3000 companies worldwide, and has become the first hotel chain in Europe to join the BCORP community. The B Corp community reflects the global economy with companies from multiple industries and sizes.

From obtaining this certificate, ARTIEM will work to improve day by day in each of the five impact areas mentioned with the aim of becoming one of the best companies for the world.

## WHY WE ARE A B CORP COMPANY

ARTIEM focuses all of its effort and enthusiasm on being the best company for the world. B or B Corp companies are a community of companies and people worldwide who think, like us, that companies have to grow by enriching the environment in which they are located. That the benefits are not the objective but the consequence of doing things right and that any action we take must have a positive impact on what and those we have around us.



*We work by and for people, and our hotels are the means at our disposal to inspire people to be happy, raise awareness and work together with our customers for a better world. We want to become a company that society wants to exist*

**Willy Díaz Aliaga**  
CEO 2028 ARTIEM





# ORGANISATION CHART

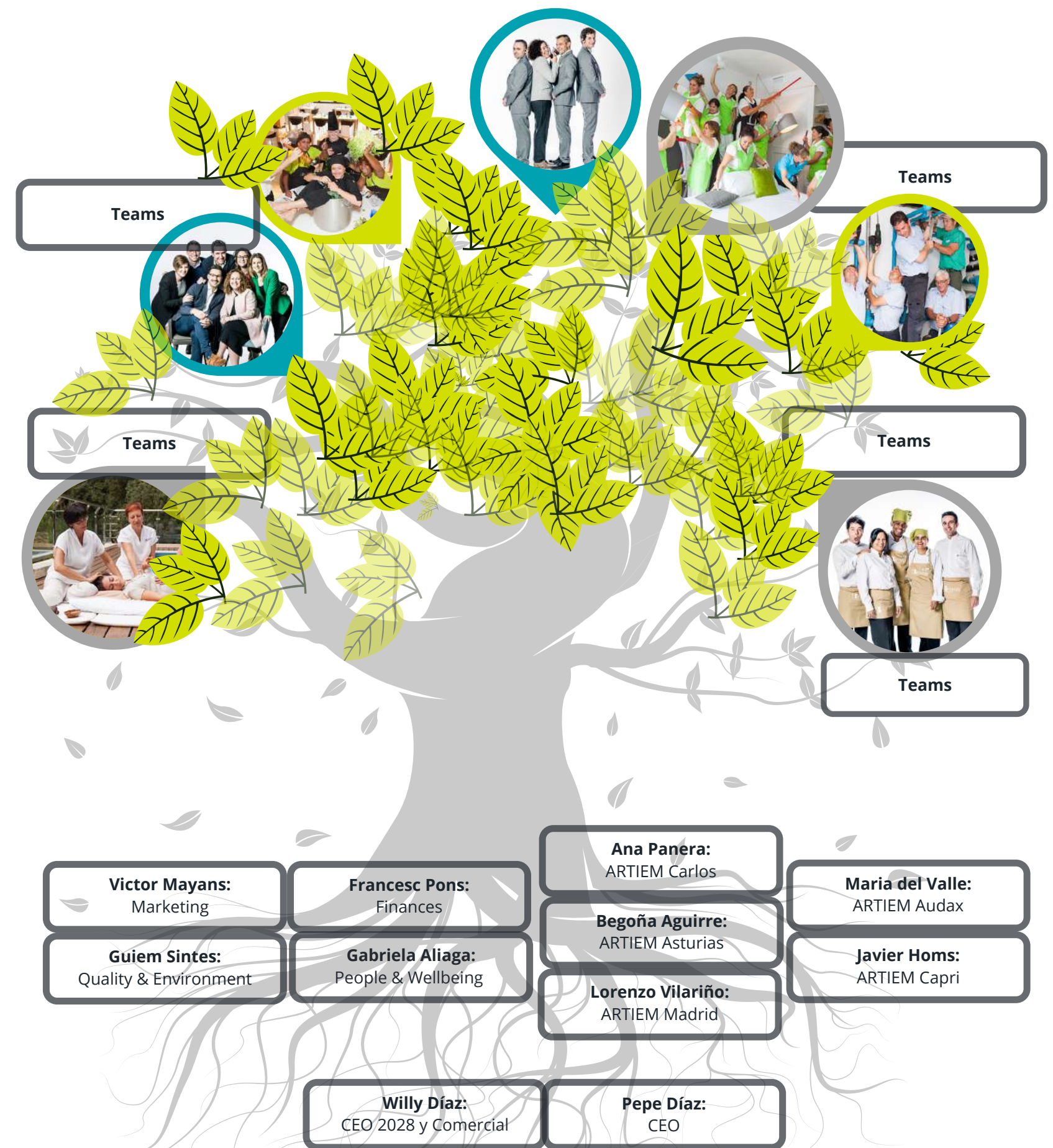
At ARTIEM we want to motivate our team to get the best out of themselves. That's why we represent our tree-like organization chart where we firmly set our roots to see it flourish.

Our CEO, represented at the base as the seed that generated ARTIEM, provides solid raising by transmitting our values. To do this, he has the support of CEO 2028 who is preparing for the transformation and the change of time. This transition is essential to give continuity and continue spreading values of our tree.

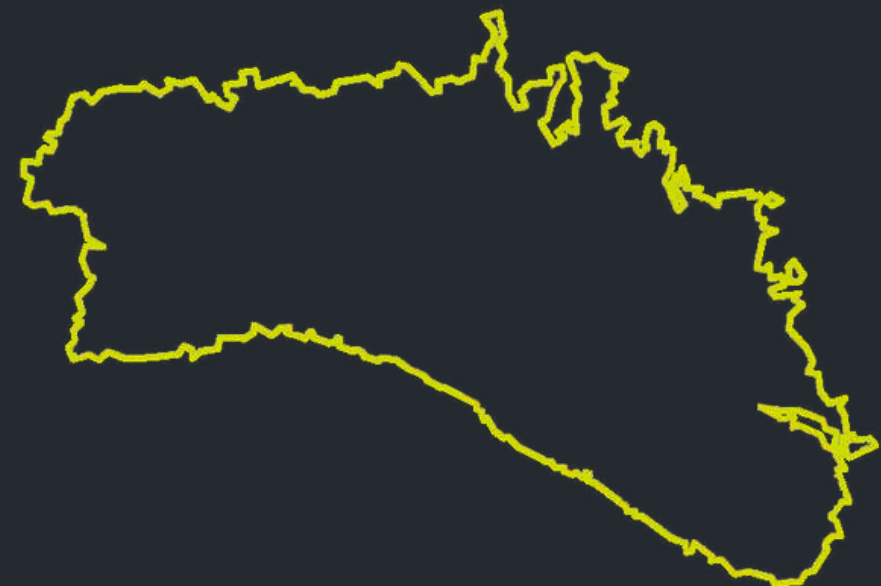
The directors of the hotels and the different management departments, offer the balance of the trunk and guide the leaders of the teams when directing their stems.

This is how we help our team flourish and bring out the best in them, from the ground up and thanks to the firmness of our Purpose.

**Our FreshPeople are the visible face of ARTIEM, our raison d'être, the true ambassadors who convey to the environment our mission of "inspiring people to be happy".**







## HEAD OFFICE

**Head Office:** Red Turística Menorquina, S.A. (en adelante "La Empresa")

**N.I.F.** nº A07041825.

**Street:** C. Capifort, 6 - bajos, 07714 Mahón, Islas Baleares, España

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

**Email:** artiem@artiemhotels.com

**Web:** www.artiemhotels.com

**ARTIEM was born on the island of Menorca, where the head office is located.** It is the Mediterranean, natural, close and friendly character of the island that builds the identity of our brand. At our offices we support hotels and strive every day to make our hotels run like silk. The headquarters is FreshPeople in the area of Accounting and Finance, Marketing and Sales, Purchasing, Systems and People & Welfare.

### Management Systems:

Aware that each project has its peculiarities, we have defined our management model in the following basic ways:

1. Lease agreement: ARTIEM leases the establishment for a minimum period of 15 extendable years.

2. Management contract: ARTIEM manages the operation obtaining remuneration based on the income and profitability obtained.

3. Property Management



HOTELS

Number of hoteles: 5  
Number of Rooms: 525  
Total Revenue 2020: 4.292.424 €  
Average Occupation 2020: 34.55%

1975



**ARTIEM Capri**  
\*\*\*\*

Mahón (Menorca)  
82 rooms  
Features: Living  
Restaurant, Telegraph  
Bar, Le Petit Spa, small  
Gym and ECD.

1994



**ARTIEM Audax**  
\*\*\*\* S

Cala Galdana (Menorca)  
240 rooms  
Features:  
2 restaurants (Galdana y  
Oliva), ECD, Blue Café,  
The View Pool bar,  
Swimming Pool, Blue Spa,  
Gym, ARTIEM Sports:  
sports activities and  
wellness.

2010



**ARTIEM Carlos**  
\*\*\*\*

Es Castell (Menorca)  
85 rooms  
Features: Medi  
Restaurant, The Dock  
Lounge Snack Bar, Sea  
Spa, ECD, Outdoor Sea  
Water Pool y Small Gym  
with a view.

2015



**ARTIEM Madrid**  
\*\*\*\*

Madrid (Arturo Soria  
Zone)  
83 Rooms  
Restaurant y Grab&Go  
The Green, Gym and  
ECD.

2018



**ARTIEM Asturias**  
\*\*\*\*\*

Quintueles-Villaviciosa  
(Asturias)  
45 Rooms  
The Green Restaurant  
Lounge, ECD, Spa, Gym,  
Olympic Pool, Prana  
space y exclusive Artiem  
Club.



## PURPOSE IN ACTION



### IN TIMES OF UNCERTAINTY, STRENGTHEN THROUGH PURPOSE

In view of the uncertainty generated in 2020 by COVID-19 we have worked to put our purpose in action.

Our purpose is based on two principles:

- Working to achieve the prosperity of our environment and stakeholders with the certainty that it is not just a responsibility as a company, it is a way to gain sustainable competitive advantage.
- To achieve links with committed and satisfied associates, who provide well-being and satisfaction to our customers seeking service excellence in order to grow in a competitive and sustainable way.

That is why, in the face of developments, we have been marking milestones to help us stay on track. These have been reflected in the form of phrases that have tried to translate a positive and aspirational image:

- Ensure safety, health and solvency.
- The willingness to continue.
- #Todostrabajando1deJulio. (Everyone working 1 July)
- The best way to predict the future is to create it

These milestones have resulted in 4 major goals:

- Ensuring Safety & Health for People.
- Ensure the solvency of ARTIEM.
- Create confidence and certainty.
- To help boost the local economy.



## ENSURING HEALTH, SALUD AND SOLVENCY

### SHOCK MEASURES

The shock measurements consisted of the following actions:

- **Safeguard the health and safety of people: Customers and FreshPeople.** Prepare the contingency plan. Implement protective measures: distance, mask & hygiene. Postpone ARTIEM Audax and ARTIEM Carlos opening. ARTIEM Madrid, ARTIEM Asturias and ARTIEM Capri.
- **To guarantee the work of all and to integrate the Spanish Government ERTE furlough scheme.** Reduction in the wages of active persons for 3 months in the following proportions: Managers 25%
  - Directors 50% • CEO 100%
- **Maintain and develop customer relationships.** Inform, facilitate and resolve customer situations.
- **Guarantee our financial solvency.** Ensure sufficient funding for a recovery scenario in 2022.

### ATTITUDE

In our actions we look for:

- Transparency.
- Empathy.
- Proximity.
- Trust.





## THE WILL TO CONTINUE

We carry out the following actions by focusing on what we CAN do to contribute to our entire environment:

### MAINTAIN THE WHOLE TEAM COHESIVE AND UNITED

- We enabled a Zoom platform.
- We had a daily meeting at 9h for the entire active team.
- Every Monday at 11h the entire FreshPeople team connects.
- We created a private Facebook channel where FreshPeople were encouraging and telling us what we they were doing and what we could support
- We enabled an information and help hotline.

### SHARE WITH OTHERS.

We organised sessions with people who are close to ARTIEM values to learn about other points of view.

### TRAINING IN SKILLS & ATTITUDES

We organized online training for interns (Excel, languages, computer skills) all of them taught by ARTIEM people who were experts in the field and knew they could help others. We also conducted training for external languages and revenue.

Our regular providers We&Up and Madavi offered altruistic Attitudes & Leadership courses.

Sought externally and in our teams, we found people who gave us classes to keep us active including:

- Kitchen
- Yoga
- Cocktail bar

### BE CLOSE TO OUR CUSTOMER

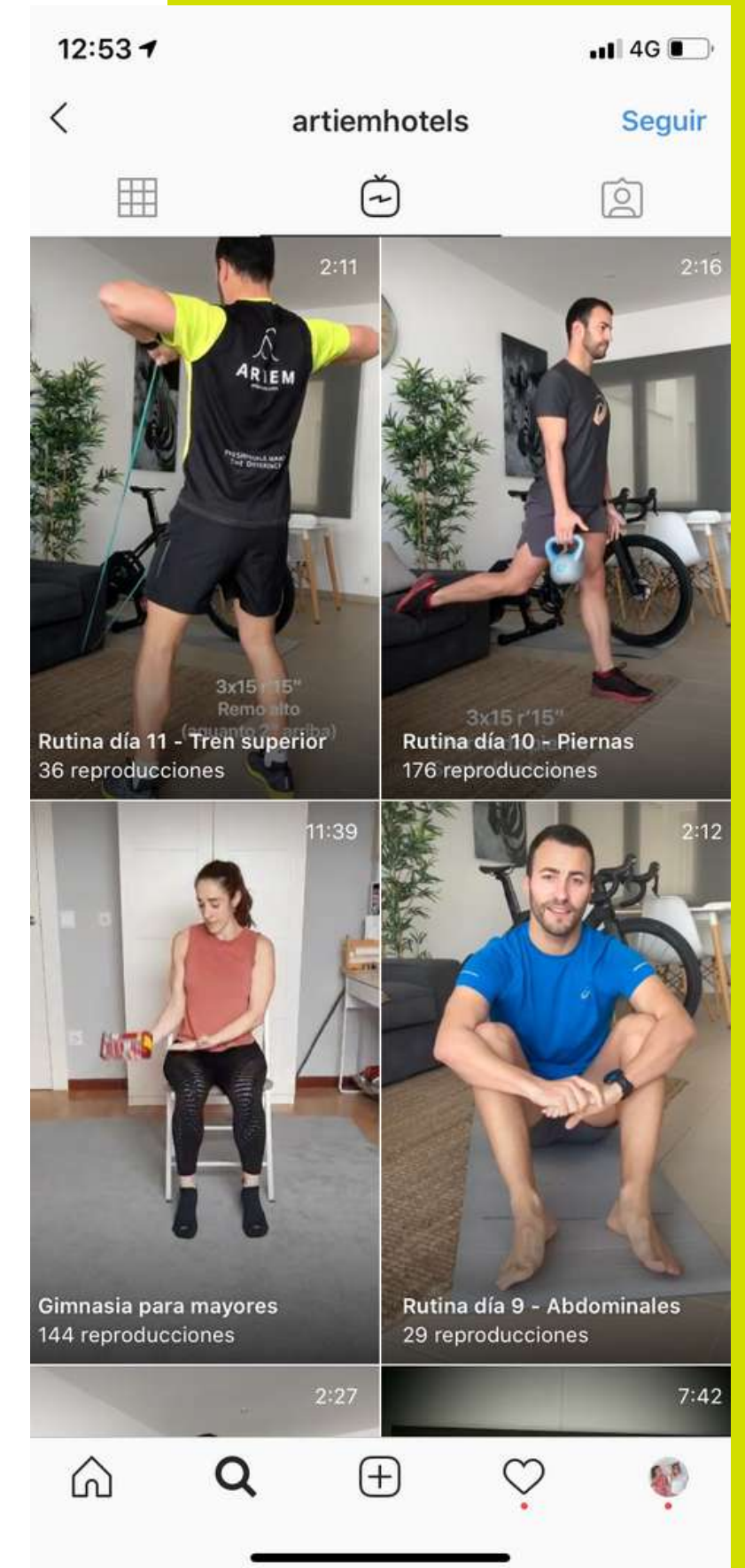
We answered questions and concerns. We facilitated changes or cancellations. We were interested in their situation and kept them informed of progress. We participated in online forums. We were very active on social media and created a cancellation recovery plan.

### DEVELOP SOLIDARITY INITIATIVES

We launched the MenorquíquKM0 and #OneRoomOneLife campaign. We made our hotels available to the health authorities

### INCREMENT OUR TECHNOLOGICAL CAPACITIES.

Develop projects like online check-in,. DHK, CRM and EdocAssistant.





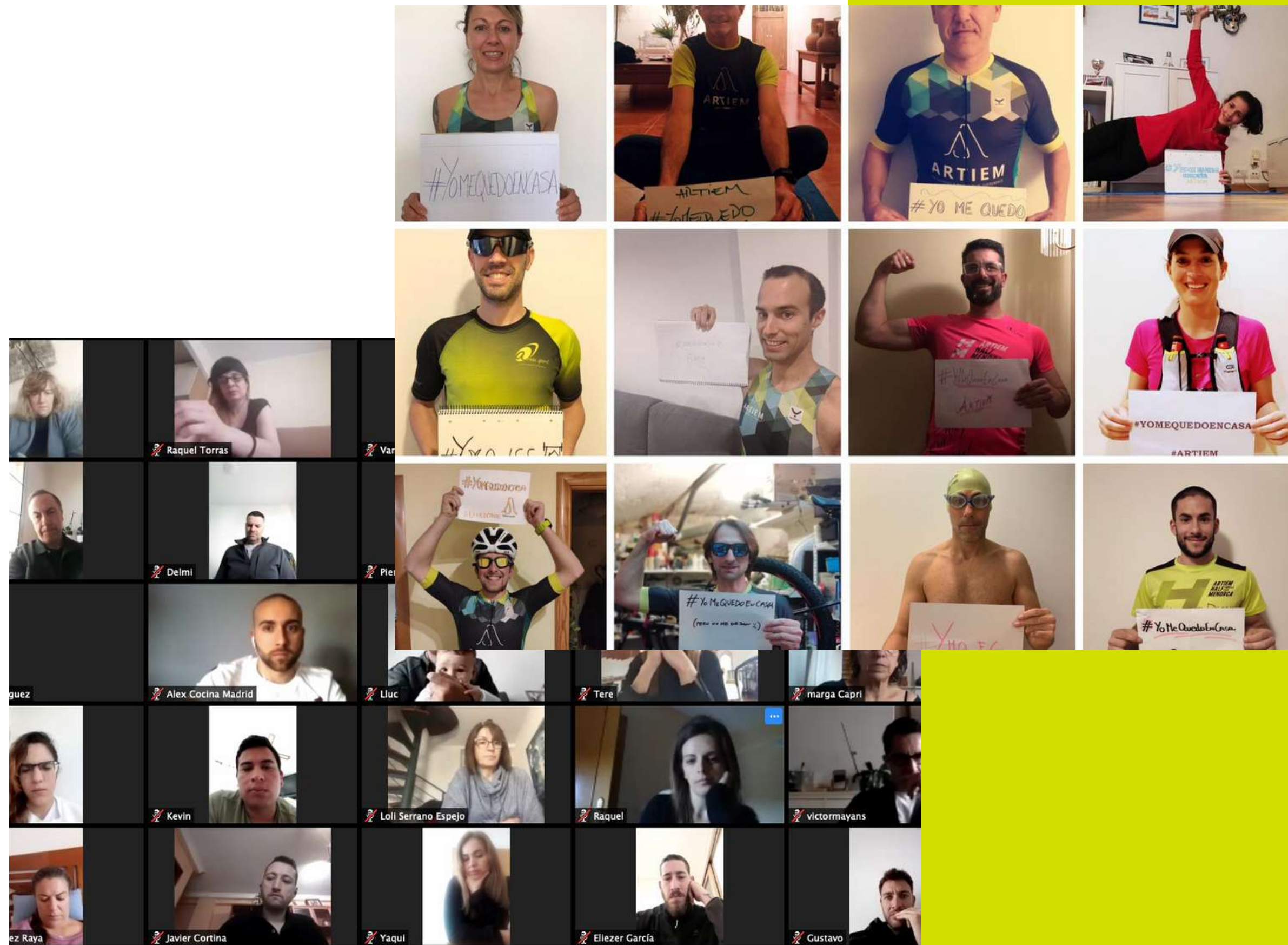
## ONLINE EVENTS.

We held 15 weekly meetings of almost 178 people. We ran courses in French, Excel, kitchen for interns and Down Madrid. We held courses for pilates, workshops of cocktail making, meetings of leadership, mini appreciative summits and classes of yoga and laughter yoga.

## FRESHPEOPLE SURVEYS AND A PLAN OF ACTION.

We surveyed our FreshPeople and collected information through Happy Force.

Based on the results we created our Action Plan and involved all our stakeholders: FreshPeople, customers, suppliers, partners, associations and society as a whole.





## #EVERYONEWORKINGONJULY1

Following our purpose and with the energy of our teams, during the confinement and closures of the hotels we set out to have our entire team working on July 1.

We follow the ARTIEM values by having empathy with each other, supporting us and sharing difficulties in the day to day overcoming and innovating.

We worked to find a position for each person ready to join in a difficult situation with COVID.

We supported the vulnerable, giving them options and help to stay at home. We helped people who joined positions that weren't their usual ones, and dared to experience different tasks with Cross Training.

We structured staff on 50% ERTE and 50% active, so that we could incorporate more people to work as quickly as possible. This also meant having to organize very measured and blended shifts, a task in which department heads were helped.





## THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT

1. We decided to open hotels in phases with the following objectives:

- Contribute to boosting the economy.
- Making the operation cost nothing more than a closed hotel creating direct and indirect employment.

2. We carried out a security plan: Design, implementation, investment, training and communication.

3. We sought staff involvement. We are guided by the 12 principles of personal responsibility:

Solidarity, self-sufficiency, polyvalence, overview, imagination, flexibility, cash-in principle, only necessary investments, minimise money stopped, local economy, only value tasks and fun.

4. We developed the business and marketing plan consisting of four distinct phases: Local, regional, national and international.

5. We maintained our relationship with our partners. We share information and joint work to improve joint competitiveness.

6. We collaborated with associations. We proposed solutions and actively supported initiatives.

7. We created a link with local society and suppliers and create actions such as #OneroomOnelife or MenorquikKMO.

During this period, and as our CEO comments in the President's Letter of this report, we have focused on what we can do.

That's why, from ARTIEM we have the following statement as a flag: **"The best way to predict the future is to create it."**





Due to the peculiarity of this year, ARTIEM's 2020 objectives were adapted by focusing on the new situation and the needs of our environment and our stakeholders.

Our stakeholders are: Our FreshPeople, customers, suppliers, partners, partnerships and society.

## OBJECTIVES 2020

1. ENSURE SAFETY & HEALTH FOR OUR FRESHPEOPLE.
2. ENSURE THE SOLVENCY OF ARTIEM.
3. CREATE TRUST AND CERTAINTY.
4. CONTRIBUTE TO ENERGIZING THE LOCAL ECONOMY.

### RELEVANCE FOR INTEREST GROUPS





## SUMMIT OF ARTIEM

At the beginning of 2019 we held a Summit with 87 people from all levels of the organization in order to initiate the methodology of Appreciative Indagation. This methodology focuses on exploring and discovering the moments of greatest excellence through the inquiry and visualization of new potentials and opportunities from the combination of collective knowledge.

## OBJECTIVES 2021

**The purpose of this summit was to deepen our purpose and develop a strategic plan to involve the entire team based on our values.**

We detected 7 areas of opportunity with the aim of prototyping, testing and scaling. These refer to the aforementioned materiality analysis of 2019:

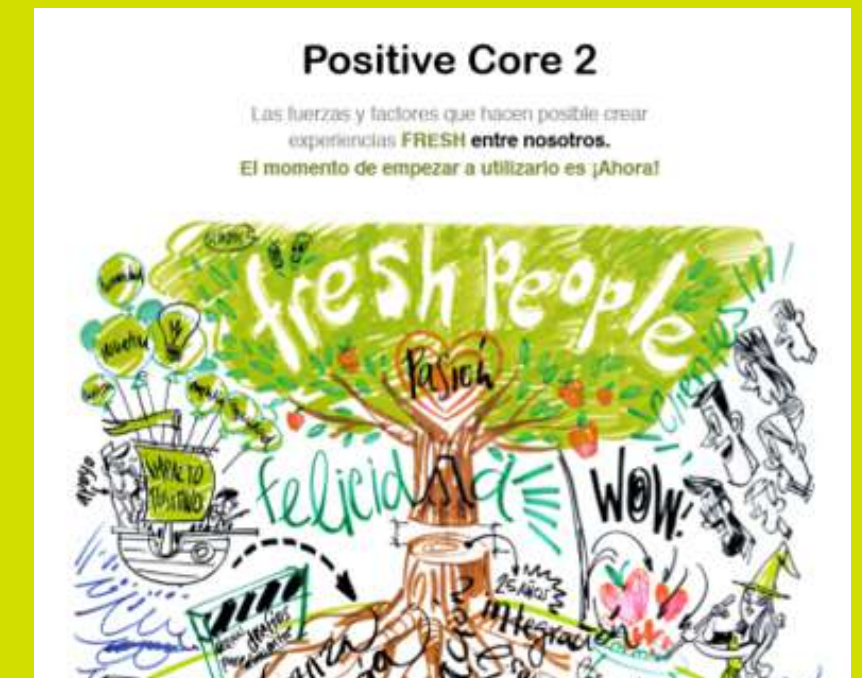
- Circular Economy (and Zero Emissions)
- Lean Culture.
- Experiential culture.
- Distribution 5.0.
- Social Value.
- We created Ambassadors
- Sustainable Growth.

229 partners have participated throughout the process.

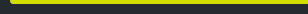
Opportunity Areas are the goal of all FreshPeople and are therefore of the utmost importance to ARTIEM. Our goal is for FreshPeople to find a relationship between their day-to-day and their objectives with each of the areas of opportunity.

These areas of opportunity are the lever in cross-sectional management that ARTEM aspires to reach.

**This year, and because of all the changes we have been forced to make due to the COVID19 situation, we have focused on more urgent issues and have taken the time to implement structural changes that will help us to continue working in these areas of opportunity in 2021. Our goal for 2021 is to continue to integrate opportunity areas across the organisation.**







## 2. freshpeople



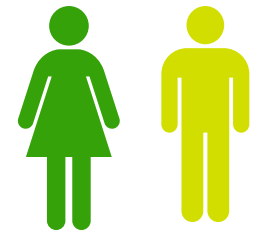


**FRESHPEOPLE INFORMATION**  
**FRESHPEOPLE COMUNICATION**  
**FRESHPEOPLE COMMITMENT**  
**SOCIAL COMMITMENT**



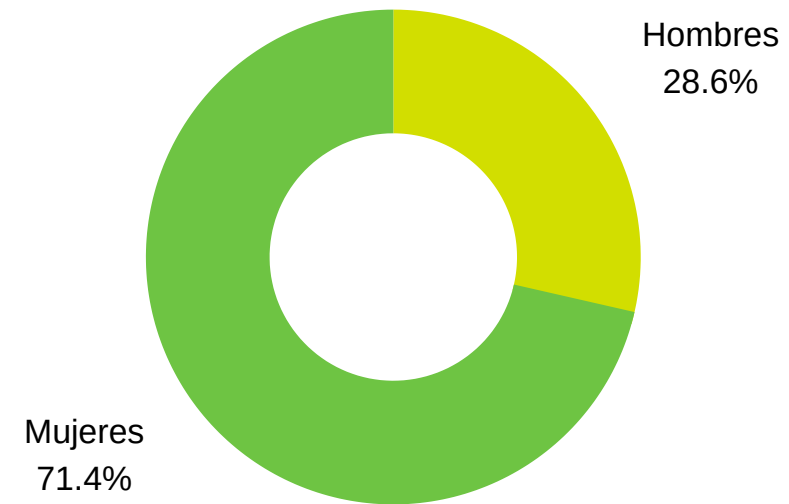
# FRESHPEOPLE INFORMATION

**201** FreshPeople



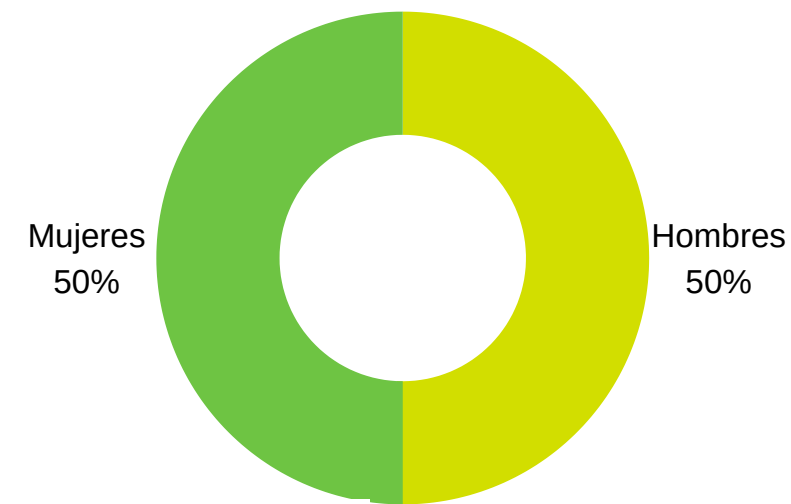
**Collaborators:**

**160**



**Leaders:**

**30**



**Sponsors:**

**11**



**Women** (Mujeres)



**Men** (Hombres)

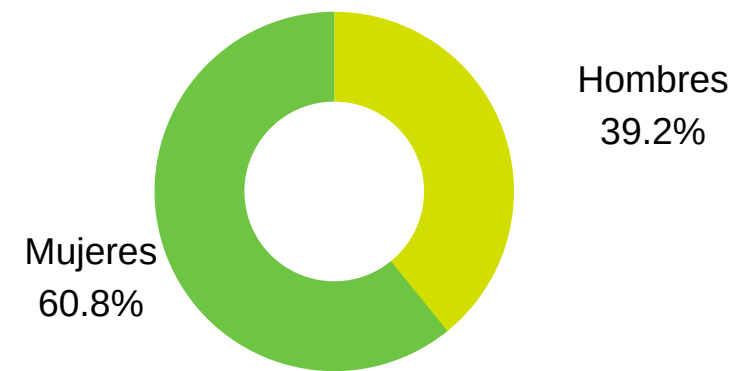


### Ages:

25 year or less: 7  
 26 to 34 years: 44  
 35 to 44 years: 69  
 45 to 55 years: 57  
 55 years or more: 24

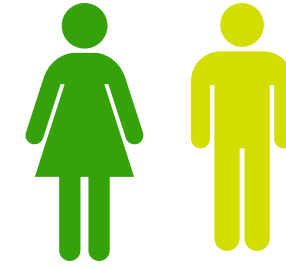
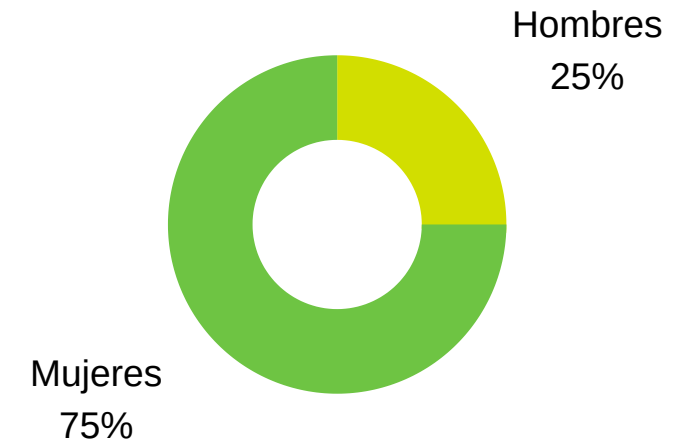
### Full-Time

189



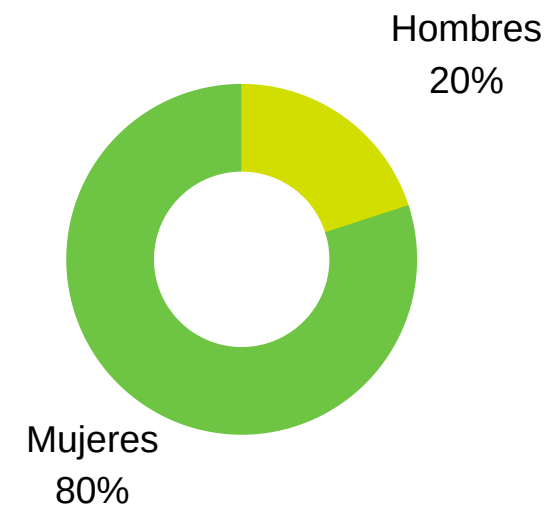
### Seasonal

29



### Part-Time

12



## RECRUITMENT AND SELECTION

At the end of 2014, we analysed how we could better process the CVs taking into account the Data Protection Act (LOPD) and the new General Data Protection Regulations (GDPR).

ARTIEM then began to accept only CVs delivered directly by the CV owner or sent by email.

In 2020, the procedure for hand-delivered CV has been further amended. In compliance with the GDPR, candidates must give their express consent to the company for the treatment of data. For this reason, they are required to sign a document that includes all the necessary legal content, and this document is stapled with the CV.

The CVs registered on the website are managed through the in-recruitment platform, which returns an automatic response with the legend of the LOPD.

The selection process involves the heads of department and hotel directors, as well as the Director of the People and Welfare Department.



## IN-RECRUITING

Since 2019 the selection process has been digitized much more. With this tool, greater effectiveness and efficiency is achieved both by the candidates and by all the people involved in the selection process in ARTIEM.

This is a recruitment application that saves time and makes selection processes more efficient, integrating all process management into one tool.

The tool allows you to:

- Save time with the multiposting option, thanks to the publication in one click the job offers on the main portals and job options directly linked the offers with the ARTIEM website.
- Have available a database of candidates from which you can access all the information in an agile way.
- Work as a team. All people involved in the selection process have up-to-date information (candidate evaluations, feedback after interviews, process status).
- Make decisions based on statistics and reports on hired candidates, their origins, etc.
- Filter information based on studies, languages, address, etc...
- Default communications automatically to candidates, always in line with the time of the process you are in



## ONBOARDING

In order to be able to track each person who starts or ends their work relationship in ARTIEM, we have incorporated a check-list within the People & Welfare department.

In the recruitment process, each person in the P&W department has a different area and is a way to see that each person has been doing their part necessary for the final incorporation.

In the check-list we include all the steps that each worker must have, information of the job offer sent, receipt of documentation to register in management, control of discharge in our management program Cezanne, contracts, uniforms, plates, BonoFresh, activate in Happyforce...

## WELCOME

This action is of the utmost importance not only for new people, but also for discontinuous fixed people, since after several disconnected months, the return to the season is difficult.

It is important that the entire team knows the ARTIEM experience of our clients to better understand our philosophy, and therefore the management makes a complete visit of the hotel as an inspection visit: Lodging, restaurants, bars, spa, sports facilities, ECDs with all new additions and students.

The CEO also provides an overview of the company, culture and the Great Place to Work survey to all staff, presenting the results of the previous year, winter investments and current year objectives.

As the GPTW indicator is in the general objectives of ARTIEM, these are mentioned and explained in both the results of the previous year and among the objectives of the current year.





## START OF SEASON TRAINING

At the beginning of the season we usually organize an initial meeting with each team and their department manager to review the working procedures. The training will review the ARTIEM protocols and how to work.

They also meet with department heads and welcome new managers explaining the dynamics of the hotel.

In addition, we always do an emergency drill that sometimes involves customers.



## PROJECT MENTORING

This is a project with which we want to empower the mentor and give support and trust to the mentee, with the support of the People & Welfare department. But always from their own perspective and autonomy because they better than anyone else can identify what needs to be improved, where to mark the next professional objective and how to complement each other to achieve it.

Encourages the development of people's professional skills to achieve a professional growth within ARTIEM, both mentee and mentor.

## OFFBOARDING

When it comes to leaving ARTIEM, an exit interview is conducted, in which appreciatively different visions and possible improvements of an area are sought.





## INTERNAL COMMUNICATION

### FRESHPEOPLE COMMUNICATION

#### MEETINGS

In order to maintain a constant dialog between all our FreshPeople we organize the following regular TOP meetings:

- 5 minutes a day of the ARTIEM management team.
- 30 minutes per week between the general management and each hotel manager.
- 30 minutes weekly with hotel managers and area manager.
- 1 hour bimonthly (minimum) with the Hotel Manager, one representative from each department, the Quality and Environment Management, the Purchasing and People and Wellness Manager.
- 5 minutes a day with the hotel manager and their department managers.
- 5 minutes per day with the department manager for each team.

#### HAPPY FORCE

It is a feedback platform that enables honest and transparent communication between employees and the company.

We believe it is a way to reach everyone who wants to participate in a simple and visual way through a mobile APP, while maintaining the anonymity of every employee who participates.

Not only is it a tool that allows us to measure the working climate continuously, it also serves as:

- **A suggestion box** that has allowed you to implement changes on a day-to-day basis.
- **Internal communication channel** through which we distribute the monthly newsletter, training actions, ARTIEM values, congratulations, recognition and maintain the relationship between hotels and P&B.
- **Platform for questions and surveys.** Through Happy Force we launch surveys and questions about aspects of the company.

- **Support to the worker.** The APP offers the opportunity to be able to have conversations with only the company without being seen by the rest of ARTIEM. It allows you to share moments of the day, suggest improvements or simply comment on the mood at any time.
- **Measure scores.** It provides us with indicators that measure different aspects of the organization's culture through continuously launched questions. (positive attitude, employee well-being, manager relationship)
- **Recognition module** that allows teams and/or employees to be recognised through company values. Any FreshPeople member may be part of the recognition culture by publicly selecting a partner or team based on ARTIEM values.





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## CEZANNE

Since 2017 we have a program in the People and Welfare department to manage the database of our employees, which gives us the necessary ratios for the best management.

The Cezanne platform provides day-to-day management by People & Welfare, Directors, managers, who have an overview of their teams and teams with direct access to their documents, payroll and data across the enterprise.

In this program we have the whole Freshpeople, with personal data, data about their employment relationship in ARTIEM, etc.

All workers have access to the Cezanne portal to view their payrolls, download them and sign them.

This application also makes monthly team assessments by managers, in addition to the assessments required for a category change.

For greater organizational fluidity we have incorporated all the locations and different forms for conducting exit surveys, opinion interviews at the end of the season and seeing improvements for next year as well as for medical examinations of those who want to carry out their annual monitoring.



## TOP 60 MEETINGS & TOP 5 IN THE OPERATION OF ARTIEM

The aim is to establish guidelines for standardising weekly hotel management meetings. This is done by all hotels in the group that have the SGA (ARTIEM Management System) deployed.

The Top 60 meeting aims to review the status of the hotel by reviewing the overall hotel indicators. These indicators are, for the most part, the summary of those deployed in the GAPs, through THE TOP 5 (autonomous groups of people).

Key points:

- Transmission of incidents of GAPs, or those that have not been able to solve themselves.
- Transfer of information between GAPs and Department Heads.
- Prepare the status of each participant's actions.
- Preparation of the status of each participant's improvement ideas and/or workshops

## ALL TOGETHER THROUGH THE LOCKDOWN.

Every morning from 15/03 to 12/06 in the group of department heads of each hotel, inspirational and encouraging messages were sent.





## COMMUNICATION CHANNELS

We are continually looking for ways to reach each and every one of the people who form ARTIEM.

From the People & Welfare department, the roads have been expanded, empathising as much as possible and thinking that each person is better adapted to a communication path

- Mail
- Telephone
- Snapshot/New Technologies: Happyforce
- Face-to-face/Personal
- Exit Interviews
- Personal Dining Surveys to improve the quality of the service offered.

A Communication Plan for 2021 has been developed this year. The general objective of the plan is to implement an internal communication system 360°, structuring the different communication channels already used. The specific objectives set are:

- Evaluation and clarification of the different channels, structuring of the feedback received.
- To facilitate and resolve to the FreshPeople any difficulty or need for information, personal and professional.
- Get concrete messages by transmitting transparency and security.
- Involve and motivate the team in the participation of the entire communication model.
- Achieve an evaluation of all ARTIEM positions.



## IMPLEMENTATION OF COLLABORATIVE TOOLS

Microsoft Teams has been widely deployed as a work tool.

The project is still under development, but the intention is to allow teams to have collaborative tools to make internal communication more efficient

## ARTIEM WIKI

We have created a group in Teams, where there are different communication channels by area where all documentation is kept.

This gives employees access to all the information relevant to their position and internal processes.

Little by little you will be fed with all the manuals and explanatory videos that have been made by areas.

# EXTERNAL COMMUNICATION

This year, as always, we have focused ARTIEM brand communication on people. On this occasion we have added a security and thank you detail with clients who have decided to spend their holidays or visit our hotels in such an atypical year.

We have done some photo sessions to promote us. The best way has been to make them of the FRESHPEOPLE.

**The true essence of ARTIEM. People.**

## COMMUNICATION WITHIN THE HOTELS

In such a special year as this, communication with our customers, clarity and maximum haste in communication and information has been for our Marketing department. Customers have had the most information on everything that was happening in our hotels and mainly in letters, brochures, directories.

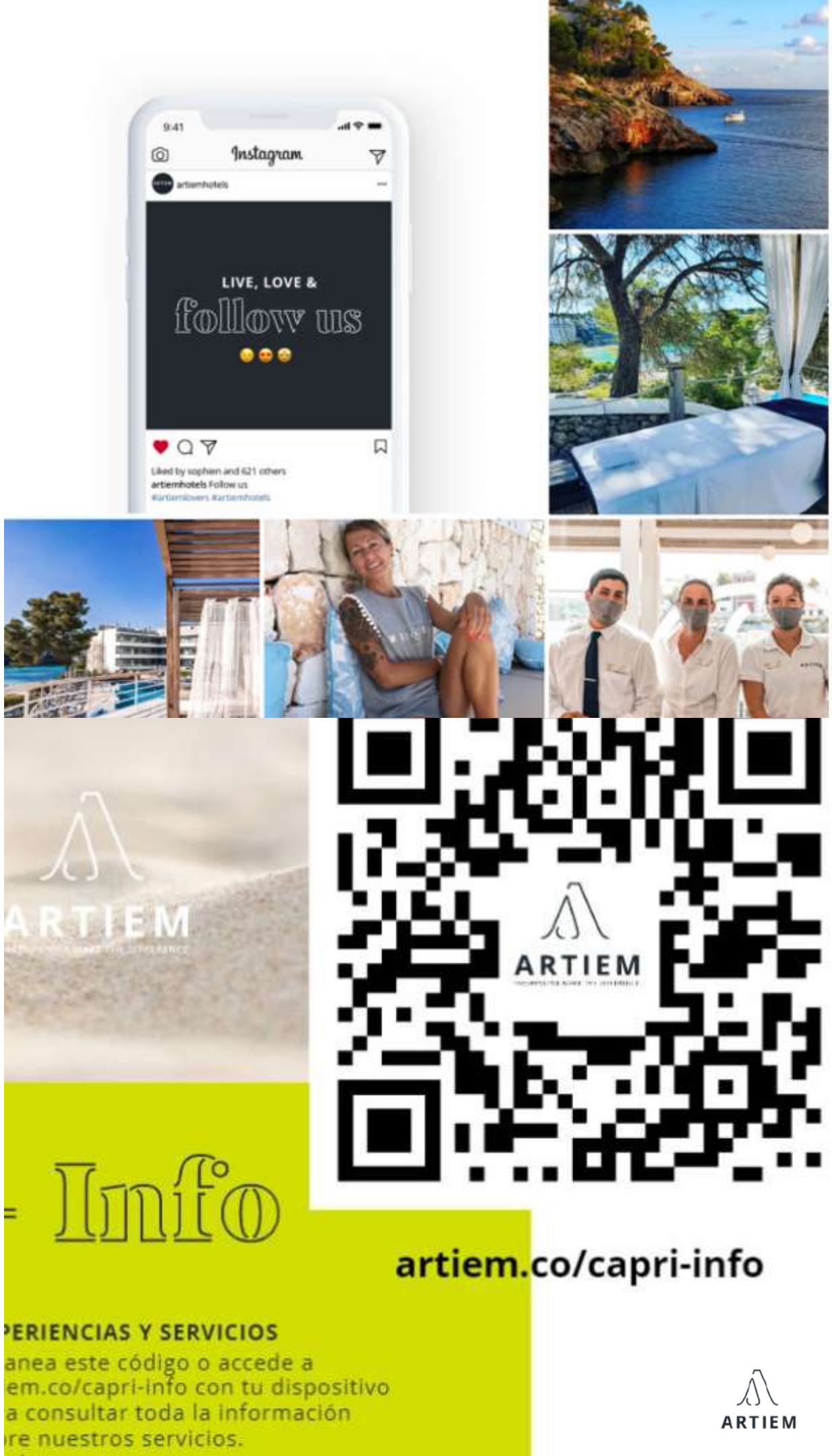
Communication has been digitised in QR and created in landings to access information for each hotel.

## WORLD OF THE INFLUENCER

At ARTIEM we bet on appearing in media or celebrities, celebrities or influencers talking about our brand.

Our goal is for our brand to be heard in the world to impact our target customer booking with us.

Analising the identity of our brand allows us to decide which media we want to appear in and which influencers we want to invite to enjoy and share our brand, always based on our/their life values.





## COMMUNICATION MEASURES

Our goal is to reach the media at the national level.

For us, it is not important to grow in audience volume but that the audience is the target of our products.

## QUALITATIVE STRATEGY

So far, the strategy of ARTIEM brand recognition in the collective subconscious has been quantitative. Once this objective has been achieved, we have focused on fewer media, more quality content and the depth of messages.



## HAPPINESS TERRITORY

Our job is to continue positioning ourselves in the territory of happiness and to transmit the attributes of the ARTIEM world to the media. To do this, we started a 2019 content strategy based on typologies: healthy living, sport, culture, gastronomy and business.

## BESPOKE EXPERIENCES

The great tendency in wellness is “tailored treatments”. At ARTIEM we must go further by designing tailor-made trips so that each guest enjoys the attributes that best fit their personality, for example, wellness, sport, gastronomy...



## WE WANT TO POSITION OURSELVES AS THOUGHT LEADERS

The vision of José Guillermo Díaz Montañés has turned ARTIEM into a successful project, a reference for its inspiring philosophy of happiness, its FreshPeople values and its commitment to sustainable prosperity. A vision that we must take advantage of by enhancing the ARTIEM brand through the figure of José Guillermo Díaz Montañés as a leading manager who created a differentiating and inspiring philosophy through reports and interviews such as those published in Expansión, ABC and El Economista.



## WE WANT TO COMMUNICATE THE COMPANY'S CULTURE AND VALUES TO THE GENERAL PUBLIC. INSPIRE OTHERS BY SHARING WHAT INSPIRES US AS A COMPANY.

### SOCIAL MEDIA

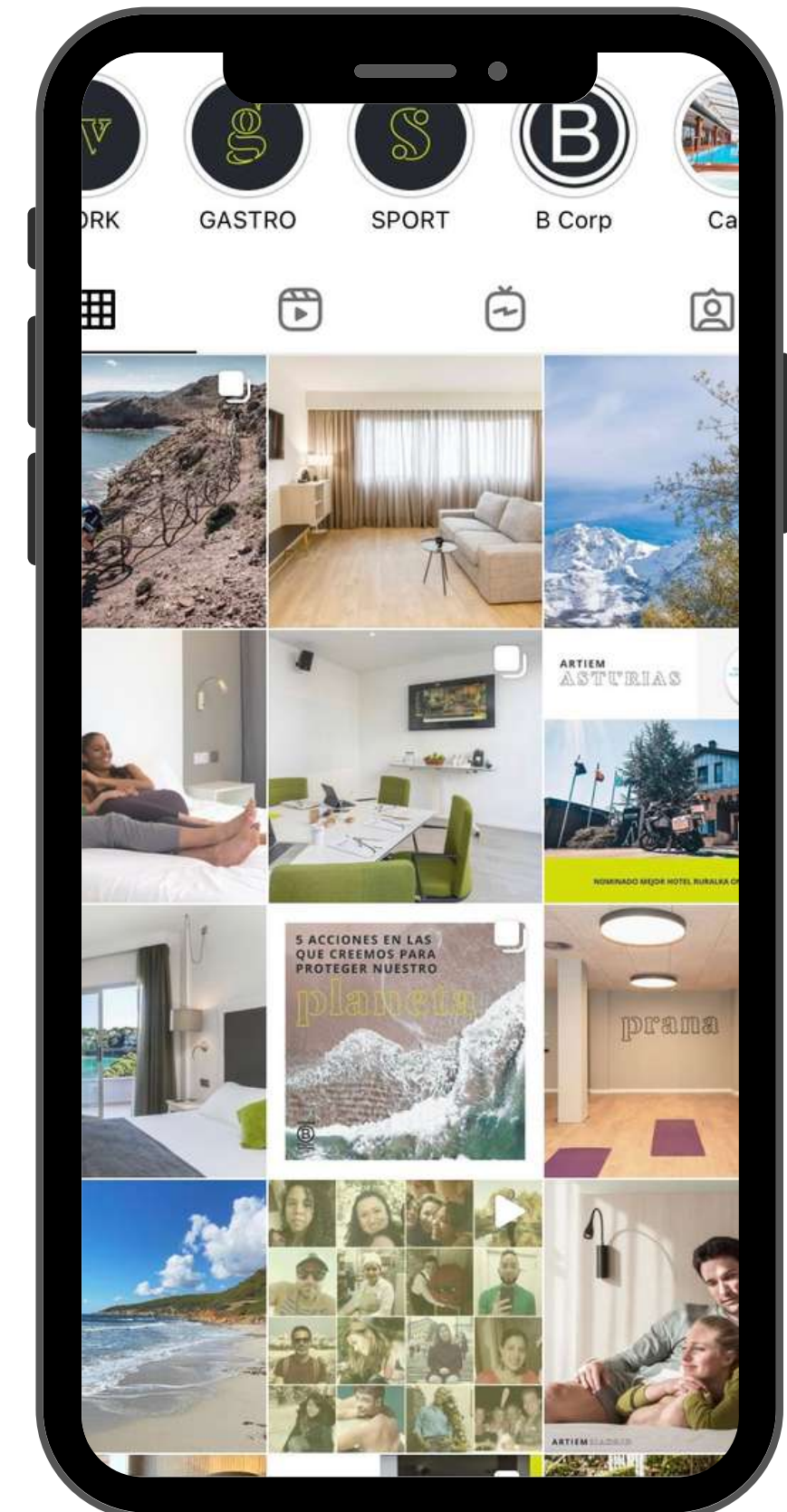
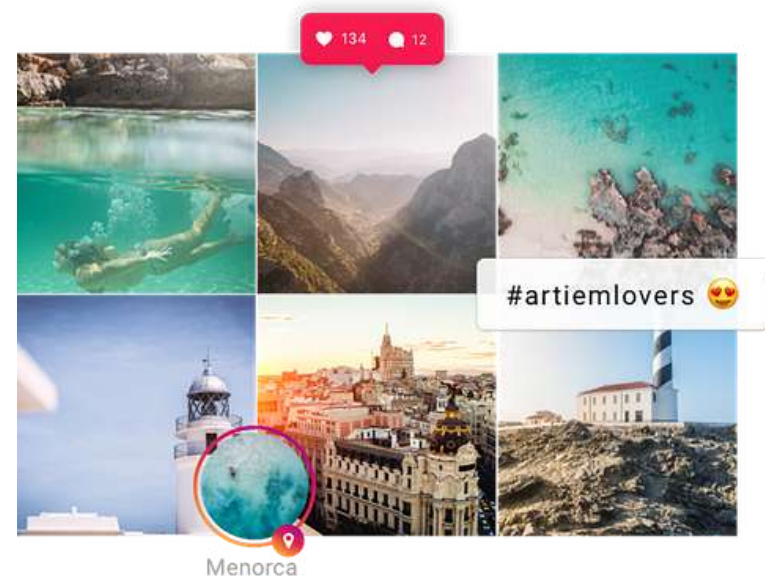
We want to continue to give relevance to our brand by transmitting our values across social media.

Our goal is to attract our target customer and project a reference and inspiring brand image.

With the COVID19 situation, it was the way to keep connected and engaged, and social networks have become our channel, along with email marketing and web communication, par excellence.

- Network profiles adapted to our brand.
- Use content as an important element
- Give visibility to articles in our blog

- Show inspiring images related to the destination and deliver valuable content about these places
- Publish hotel-related content,
- Get user-generated content to convey what it means to live an ARTIEM experience.
- Encourage our customers to share their content through #artiemlovers.





## INBOUND MARKETING

In the digital area, we have been investing in Inbound Marketing for years as a strategy based on attracting customers with useful, relevant content and adding value at each stage of the buyer journey.

We are looking for our target customers to see ARTIEM as an attractive company through the various content we are generating in different channels such as blogs, search engines and social networks.

ARTIEM has been betting on the Inbound Marketing model since several years ago with the creation, curation and dissemination of content according to our values, brand, mission and vision.

We have updated and developed downloadable travel guide documents, running manuals, tapas guides and other resources that can be of interest to the traveler. This way, downloading the document involves the inclusion of the customer in our database, also generating a link of common interest in creating useful content.

The actions have been focused on gaining attention and inclusion in our communications and thus ending up being part of our guests' experience.



## EXPERIENCIAL CULTURE

Experiential Culture is born with the intention of achieving the WOW effect on our clients by understanding THE EXPERIENCE as "everything that the customer lives with a company or a brand throughout all the interactions that he has with it, throughout their relationship and through all channels."

From ARTIEM we work to make these interactions as memorable as possible.

Customers visit us not only for the bed and service we offer them, but for the complete experience they will live in our establishments with the help of each and every one of us who form the FreshPeople.

**We can all contribute our best version to make any moment a transformative and memorable experience for a customer.** We are able to leave our mark on what we do, how we listen, share and live.

**"Commodities are fungible, goods tangible, services intangible, and experiences memorable."**

With this goal in mind we are addressing and working on several Quick Wins to get the customer to perceive and live this experience.



## WORKBEING

At ARTIEM Madrid we have created the formula that perfectly combines the needs to work in the best space in the city. We offer spaces and services that inspire productive and creative work based on the culture of well-being. A way to understand the work that aims for happiness.

In a pleasant, comfortable and safe environment where you can resume your working day. Networking, customer presentations, and always developing a healthy lifestyle.



## PRE STAY

### Improve the experience of the customer during their stay

Improvements to our customers' experiences go beyond booking and/or acquiring your stay. Thus, at the time before we arrive we have automated and developed a process of improving the stay that we offer to each client based on their reservation and current conditions. The improvement lies in better rooms, sports services such as excursions, personal-trainer or for example Spa sessions, or even restaurant reservations for a specific day and time.

It is in this process where the customer comes into contact with our brand and is in an inspiring phase.

## CHECKIN ONLINE

After studying how to facilitate the arrival and identification of the customer at the hotel, as well as to strengthen the safety of our equipment, we have developed an online check-in system for ARTIEM's direct customers.

## STAY

From the moment the client enters the hotel they will receive a personalised attention. In ARTIEM, touch points or moments of welcome are especially worked.

- Having the room ready on arrival.
- Personalized welcome detail in room.
- Follow-up in the first 24h.
- Warm welcome from our teams



## #ARTIEMLOVERS

The goal of #ArtiemLovers is to get a hashtag that is unique and brings together all the communications of our own, and especially of customers who stay in our hotels, So the communication clients can make about the experience they live in ARTIEM is a prescriptive message for their network of friends and family.

We believe that it is not the same that ARTIEM publishes a photo of a beautiful hotel, that if this photo is posted by your friend on his network where the impact will be greatest.

This way we have created a section on our website called #ArtiemLovers where we show a gallery of the best photos posted by customers who visit us and use the hashtag #artiemlovers on Instagram, it results in a better occupation by clients who advocate for our values and service.

This generates community and engagement around our brand.

<https://www.artiemhotels.com/artiemlovers.html>

## ARTIEM AMBASSADORS

This project consists of a working group that we have from Digital Marketing to be able to nurture our networks of truthful, real and day-to-day messages sent by our colleagues.

This way, when a group member observes something nice or susceptible to being communicated, they send it to the WhatsApp group so that the Marketing team can then manage it and then post it on networks.

#ArtiemLovers

VIVE LA  
EXPERIENCIA  
ARTIEM

Comparte tu experiencia ARTIEM a través del hashtag  
#ArtiemLovers





## TO BE A HOST NOT JUST A RECEPTIONIST

Following our value of inclusiveness and looking for a differentiating product, our reception teams, in addition to keeping a very special track of the guests' stay, become hosts and produce experiences specific to the tastes and interests of each client.

The idea, besides creating an exclusive experience, is also to make known the best kept secrets of Asturias, Menorca or Madrid, those who know the people who live there and who make a difference in the memory of the visitors. Gastronomy, corners, excursions, visits... all unique and organized to support the local economy and small producers.

## TO SURPRISE

At The Green in ARTIEM Asturias we had a beautiful and original initiative to surprise, smile and enjoy a concert through a sign that invites anyone who knows how to play the piano to use it freely.

While some are amateur, several experts and even concert performers have played, they have given unexpected concerts that we have all been able to enjoy, record and photograph. A pleasure for our ears!

## BE UNIQUE

At ARTIEM we focus on making every customer visit a special event, and to do so, every day we review the arrivals/departures/information we have collected from guests to surprise them.

We offer you everything from special in-room care, to a wink in the restaurant, to a special memory... A thousand ideas that arise from our teams to make our guests have a memorable experience with us.



## FRESHPEOPLE COMMITMENT

### INSPIRE PEOPLE TO BE HAPPY

To achieve our purpose, we try to have all our business processes help our customers “activate the levers” that Harvard University professor of psychology Tal Ben-Shahar distinguishes in happy people.

Cuales son:

- **Build deep and intimate relationships.**
- **Simplify our life: Meditate, read, (monotask).**
- **Bring a healthy lifestyle.**
- **Let emotions flow.**
- **Express gratitude.**
- **Activities that give us meaning and pleasure.**

### OUR CLIENT OBJECTIVE: FRESHPEOPLE

Our audience is characterised by a vital attitude to life. They are happy, comprehensive, healthy, sociable and concerned with their health, who live to the maximum and with enthusiasm all the plots of their life.

Traveling has become a way for them to accumulate experiences, so they flee the impersonal and are constantly searching for immersive and authentic experiences that make them feel like a local.

### ¡DAILY IMPROVEMENT CULTURE!

This phrase has been and is part of our culture, we believe in continuous improvement. To do this, we have designed a training system that develops from the first moment the person joins ARTIEM. We dedicate about 45 hours per person per year to training.





The independent customer satisfaction assessment system as the central focus of management helps us:

- Stimulate and motivate teams.
- Adapt and improve our product offering and services to our customers.
- Encourage people's compensation.

### **Management of project satisfaction improvement, based on 6 SIGMA philosophy (PDCA)**

Our management system is based on the definition of a number of annual projects.

Projects that once defined are assigned to a manager who leads and manages them. The evolution of each project has associated a number of indicators.

### **INVESTMENT PLAN BASED ON CLIENTS' OPINIONS.**

The opinion expressed by customers in our survey system is one of the three main criteria for prioritizing investments that are made annually in our establishments.

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## **FLEXIBILITY & DISCIPLINE: THE COMMON KEYS OF CLASSICAL BALLET AND OF OUR ACCOUNTING DEPARTMENT**

In 2017 we added a person from the world of classical ballet to the team. We wanted the addition to an administrative management team to be based on its strengths and its own background. The challenge has been to be able to reconcile the world of classical dance with administrative management.

We have helped and encouraged him to continue his classes and public performances. We've basically made it easier for you to balance both activities, which apparently have little connection. Flexibility in the schedule has been a key element.

We have valued the person, not as a simple contributor or employee. In return we have achieved a motivated person, tremendously involved and with a great journey in a relatively short time.

In 2020 he is studying the dance degree of UCAM to specialize in dance pedagogy.





## LEAN MANAGEMENT SYSTEM

During 2020 with the help of Leansis, an external consultant who has guided us in the deployment of the system, great advances have been made that have enabled us to work actively with the teams defining together the best way forward.

The project is constantly changing every day: It has not been easy to get to the point we are at and there is still a long way to go. It is a cultural change of the organisation, a way to achieve greater flexibility and be able to deal more dynamically with any future change.

During the exercise, the entire team of Artiem has been trained in basic continuous improvement techniques based on the Lean philosophy. The 5S workshops (order improvement and cleaning) have also covered all staff and have had a very visible impact on warehouses and ancillary units such as linens, maintenance workshops etc.

On the other hand, teams have been organized in GAP's (Autonomous Group of People) in departments such as flats, maintenance and restaurants in all hotels. These teams have begun to organize continuous improvement in their areas of work. To this end it has been essential to organize your work meetings in 3 levels: Top5 (brief and executive daily meeting), daily briefing and especially the weekly meeting, at hotel level, or Top 60.

These meetings have been systematised and provided with indicator tables to focus on the relevant elements. This whole movement has involved the entire team, especially the core staff. We have created a channel for them to make their voice available and to have an impact on the organization of their work and the improvement of production processes.

In the short term, we intend to continue expanding the 5S workshops and the implementation of Top5 meetings in the other departments (GAP's) to strengthen the model. We need to turn FreshPeople into Believers and GHS ambassadors.



Following the post-Covid-19 situation, it has been shown that standardizing processes is very important. And FreshPeople is the first to bet on setting common standards and behavior patterns that help you and the company improve day by day.

Thanks to the implementation of Lean, we have achieved, among others, improved storage, reduced unnecessary costs, improved order, labeling of elements, among others. Very important aspects for any company, but even more so as we become immersed in the current uncertainty.

## LEAN OFFICE AT HEAD OFFICE

This new working philosophy aims to review the work areas of each central office area, with the main idea of maintaining an orderly and practical office.

## LEAN FACTORY IN HOUSEKEEPING

The goal is to improve working conditions in the Housekeeping department. We aim to reduce the physical fatigue of the team by eliminating or simplifying activities that do not add value. All this under the principles of Lean philosophy.

## LEAN OFFICE IN ADMINISTRATION

The project is to apply the principles of Lean to administrative management. For the moment, we have started with the drive for continuous improvement, flexibility (multi-function) of jobs and the improvement of order and layout (5S).

As a result, we have achieved a consistent and noticeable improvement in management processes, balancing workloads. People work on more interesting topics (having automated mechanical tasks) and at the same time have relieved the stress that occurred from the accumulation or unequal distribution of labor burdens.

## LEAN OFFICE RECEPTION

Since 2019, at receptions, often in cross-sectional work, in contact with reservations, marketing and administration, we have opted to implement a Lean Office tracking model. It has had a great acceptance since its inception and is initially based on working only on one of the 3 dimensions of the LEAN: Continuous improvement.

There has been a major advance in 2019 and in 2020 the project has been somewhat diminished by the situation, although the search for improvements in the reception has not stopped.

The objective for 2021 is to be able to make a great advance in the reception of ARTIEM Asturias, which has been the least involved this year.







## KRIVAKU

In June 2017, the installation of the KRIVAKU was launched, consisting of a series of utility tray conveyors generated during service in restaurants (from the offices to the washing train area of the kitchen).

This 2020 was the year of consecration of the project, during the opening period the incidences have been minimal.

The aim was not just a technical improvement, but an improvement in the working experience of our living room and kitchen equipment. Improving working conditions and reducing accidents at work has allowed FreshPeople in that area to spend time on the customer relationship, which ARTIEM is the most important thing.

## EDOCASSISTANT

Since October 2020, the new program has been working completely autonomously. You are connected to specific mailboxes for procurement and provisioning management. It is able to fully automatically detect the receipt of new mails and manages them completely by treating relevant information and creating the corresponding accounting record.

Automating administrative processes through eDoc enables us to improve our value-generating capacity.

We reduce the effort to simply manage and capture information, and dedicate the resources released (human effort) to improve management, supplier evaluation, and improved spending control.

On the other hand, the eDoc allows to handle a greater volume of information (the entire invoice detail), which is entered without errors and immediately. From this information, we can make all kinds of decisions that would otherwise not be possible.

Not only do we improve communication, but we also do so by a much more effective and discreet means.

## EL DHK (DIGITAL HOUSE KEEPING)

The DHK (Digital House Keeping) is a technology developed by Quonext from the needs and requirements study done by ARTIEM. All company governors and maintenance managers participated in the study.

The project completely eliminates the role of housekeeping and technical services department work planning. Instead, mobile devices (phones and tablets) are used to help members of these teams have all the information they need in real time, and their managers can plan the day's work efficiently.

Through the DHK, the Head of Housekeeping plans the cleanup of the day and determines the workload of each waitress and even the order in which they should be executed. At any time, you can modify both the assignment and the order. Housekeeping are notified on their mobile whenever there is a change in their job ticket or any relevant data is updated. In addition, they can report both the start and end of each service, enabling better team management.





## SOFTWARE POWERBI: TRUST AND SECURITY

We want our FreshPeople to have all the tools to control their department, improve objectives and study improvement actions.

The project is in production throughout the organisation.

This tool will have access to all area managers, managers and management; the aim is to be able to see the objectives set in each area and at each center day as they go, compared to the results of the previous day's work.

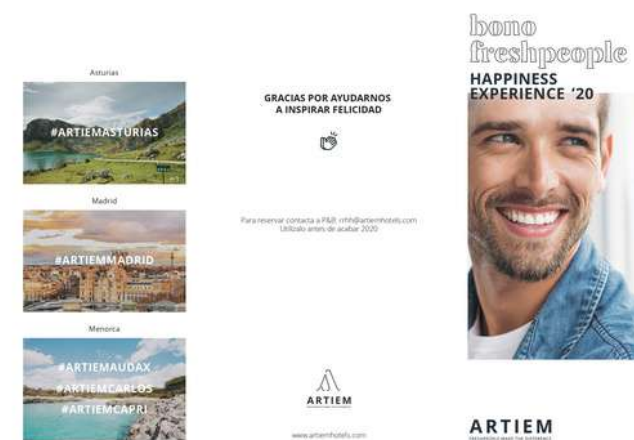
This allows them to react immediately to failure to achieve the objectives by implementing improvement actions.

It's easy to view on any device (mobile, tablet or pc), used on the TOP5, TOP30 and TOP60.

## GREAT PLACE TO WORK HELPS US GROW

In order to measure where ARTIEM is in relation to other companies, a tool has been sought to be able to assess the working climate of our people, to see the margin of improvement that it has, and, above all, to analyse how to overcome each day. What is not measured is not managed, and this is a point of great importance for growth and achievement.

The Best Workplace España analysis, evaluation and certification process is a process that has allowed us to grow and be better day by day in the last 8 years. This process is carried out from Great Place to Work, a company specialising in business climate analysis and consists of a questionnaire of 68 questions directed to the worker whose opinion is the most important and an audit of our corporate culture.



## GIFT CERTIFICATE 'BONOFRESH'

The philosophy of BonoFresh is that each person will taste and enjoy the experiences that live in each of the hotels and experience how a client feels coming to ARTIEM.

The BonoFresh is given to everyone who works at ARTEM and is part of FreshPeople, is a bonus that is given when spending a month in the company for new people, and is offered annually to all people who work at ARTIEM.

This atypical and different year, a companion had the great idea of asking if it could donate to those people who suffered and worked first hand on COVID19, and began the great chain of solidarity with the BonoFresh Donation.

The whole FreshPeople were informed that if they would like to donate their Bonofresh, that they could do it and that they could choose their hero.



## OCCUPATIONAL RISK PREVENTION

From the People & Welfare Department, 2 internal audits are carried out annually in the field of Occupational Risk Prevention (PRL).

The audit is made up of 4 parts:

- Safety checks at facilities: Corridors and transit surfaces, work spaces, ladders, exits and signage, storage and working conditions.
- Safety checks of work equipment: manual tools, work equipment and chemicals.
- In-protection equipment
- Emergences.

This year when there were people who changed departments and/or centers, more emphasis was placed on this issue, so that everyone would be with the training and preventions adjusted to each position

## MEDICAL INSURANCE

The People & Wellbeing Department is always looking for improvements and benefits for FreshPeople.

Last year we got health insurance with ADESLAS.

Currently, all fixed and fixed discontinuous staff are aware that this unique benefit exists and can benefit from it and can also apply for direct family members.

There are currently 20 people who enjoy this health insurance. In 2019 there were only 11.

## SALARY BENEFITS

ARTIEM pays the payroll on the 25th day of each month.

This benefit is unique to the whole FreshPeople. Advance payroll income by the end of the month, it makes it easier for the person to manage the various personal payments that he or she may have at the beginning of the month.

On the other hand, ARTIEM offers all staff, in the face of a need, a foretaste.

This year, given the COVID19 situation, this concept has been taken much more into account.

## DISTRIBUTION OF PREMIUMS BY DEPARTMENT

In 2020, the business objectives were already defined and management was working to continue with the deployment that was finally carried out after the confinement was completed and the hotels opened.

The entire objective system has been worked out leaving out the economic bonus as sales and activities could not be made, due to the closures of establishments and the paralysis of sales due to the closing of travel of foreign passengers.

All the teams have followed day by day the objectives set given the situation with the same impetus and strength as other years, even knowing that there was no economic bonus for the results, since we all knew that these were going to be negative.



## WAYS TO BE THANKFUL EACH DAY

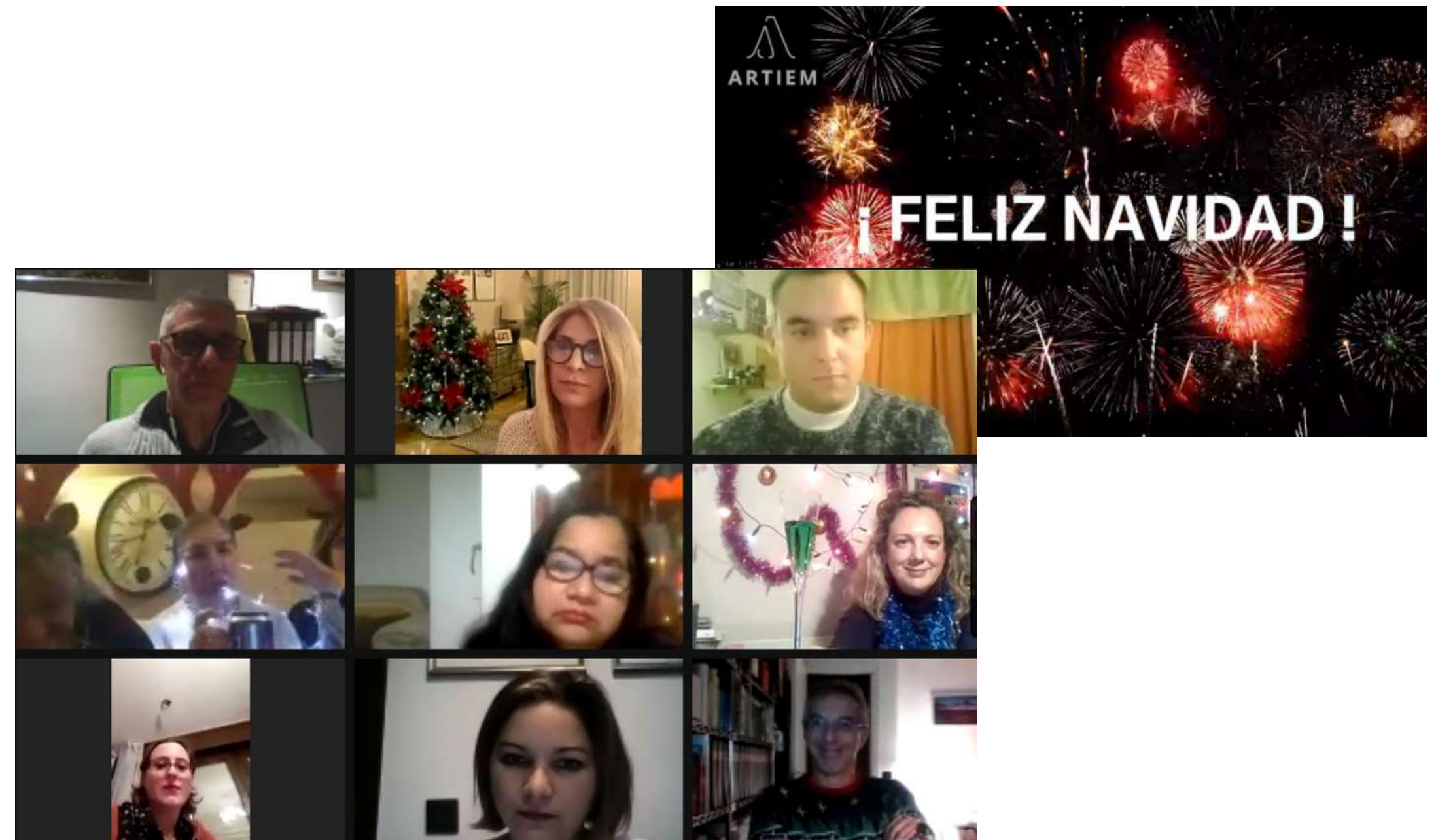
In 2020, given the situation of COVID, the way of celebrating has changed, and at no time has it been stopped.

We've all learned a lot about online sharing, even people who would never have thought they could connect, have done so.

The biggest event organised was the Christmas Party online, where we joined the 180 through Zoom and, guided by an expert company on the subject, we held our party to feel that everything is going on as it is now. With the new Live Motive 'the best way to predict the future is to create it'.

## RECOGNITION BEFORE ANYTHING ELSE

While all managers receive feedback that our customers leave on networks/online, not all the team has access to this. so particularly good comments and/or that mention a particular team or colleague are printed and hung on the bulletin board in the staff dining room highlighting the mention. This way the whole team shares the joy of a positive comment and at the same time we enhance recognition of the team's good doing. PO are also shared through the WhatsApp group to the whole team.





## CARE FOR OUR VULNERABLE FRESHPEOPLE IN TIMES OF COVID19

Having our values as a flag and with this very different year we did not want to forget the people who for health reasons have not been able to be with us this year.

We have been in touch with hotel managers, managers, management team, P&B to talk to all those people who have not wanted or been able to join COVID because of their situation.

From ARTIEM they have had all the support to help them in everything they needed and follow up so that they were telling us how they were organised, and if we could organise or help in something specific to pregnant people, with transplants, with breathing problems...



## PERSONAL AND STUDENT ACCOMMODATION

In this very special year, we have been able to help those ARTIEM Audax workers who normally stay at the Yuma facility by discounting the symbolic payment of the room in exchange for working at the same facility (maintenance, cleaning). All COVID standards have also been incorporated there and have been well received by all the people involved.

## FRESHPEOPLE DISCOUNTS

There is a special discount for all FreshPeople and their immediate family. We have a 20% discount on all ARTIEM services and all hotels.

In addition, we have an agreement with the suppliers with whom we work on a regular basis (builders, plumbers, department stores of construction material, food products, appliances, mattresses, etc.) so that the same discount that they make to ARTIEM is applied to us, in a particular purchase for FreshPeople.







## FRESHPEOPLE SOLIDARITY

In line with ARTIEM's values, when we saw that the pandemic was overflowing to the health sector, the CEO contacted the Health Area of Menorca and Madrid to offer all the ARTIEM hotels for what might be needed.

From the Public Health of Menorca, they accepted the help of ARTIEM with the ARTIEM Carlos Hotel, because of the proximity to the central hospital and the possibility of being isolated the possible admitted ones, from the rest of the population, and the facilities themselves (that were thoroughly inspected before being accepted).

Once stated that ARTIEM CARLOS was to become a medicalised hotel, we agreed with Public Health that the hotel would be delivered with only the necessary furniture so that they would then put in all the material and medical instruments.

Finally the medicalised hotel was not used, although it did become such. Above all, we saw that FreshPeople has the spirit of solidarity within it: All mounted and dismounted with the desire and illusion of being able to provide a grain of sand in this very complicated situation.

## WELLBEING

This year, given the COVID19 situation, we have continued to keep the whole issue of well-being, with a lot of emphasis on the months of confinement.

Programs were created by all members of ARTIEM Sport and ARTIEM Club to join the sessions on both Instagram and Facebook, as well as a number of talks very related to the world of sport and personal well-being.

## COMMITTEE ON EQUALITY AND PSYCHOSOCIAL RISKS.

In ARTIEM there is a committee on psychosocial equality and risks, which consists of 4 persons (2 men and 2 women). the committee meets once a year in case there have been no incidents to be resolved before.

## DIVERSITY IS INCLUSIVITY

Diversity means understanding that each and every person in ARTIEM brings value.

The FreshPeople consists of people with different knowledge, skills, concerns, needs and motivations. ARTIEM's challenge is to promote and manage this diversity, taking care of and promoting the development of different groups and profiles.





# SOCIAL COMMITMENT



## MEMBERSHIPS AND PATRONAGES

- Vice President Confederation Business Association of the Balearic Islands (CAEB).
- Vice Presidency Association of Hotel Chains of the Balearic Islands (ACH)
- Presidency of Honor and Vocal Board of Directors of the Hotel Technological Institute (ITH)
- Patrono FOUNDATION IMPULSA BALEARS.
- Member of the MUTUA BALEAR board of directors.
- Vocal Caixa BANK Territorial Advisory Council.
- President Tourism Technology Platform. THINKTUR.
- Socios Fundación Empresa y Clima.

Participation is in the form of:

Active participation in the meetings of the entities, contributing experiences and knowledge.

Economic contribution to the support of your business.

Contributing to pilot projects to enable them to serve in the dissemination of good practices.





## PARTICIPATION IN EVENTS AND TRAINING COURSES

### III International Conference Health and Tourism, Lanzarote, 2019.

The conference on Health and Welfare in Sustainable Destinations was dedicated to the analysis and discussion of indicators for the development of responsible tourism from a double analysis: health as a tourist product and the health experience of the local community of the destination.

Our CEO participated as a speaker.

### Participation Jornada Exceltur - Deloitte "The social contribution of the tourism sector to the challenges of the pandemic".

We participated as rapporteur in the panel "Social Change and the contribution of the Spanish tourist company". In the day we explained the actions developed in ARTEM since the beginning of the pandemic in relation to FreshPeople, clients, suppliers, social entities and society in general.

### Participation in the Master of Hotel Management at Forst.

Collaboration on the hotel campus powered by THE FORST tourist business school.

We explained in a 3h session "How to attract, capture, retain and evaluate talent at ARTEM. The FreshPeople case" students the Master in Hotel Management, so that later they could interact with questions.

### Conferences The Ateneu de Maó.

On May 19, 2020 José Guillermo Díaz as CEO of ARTIEM participated in the virtual conference organized by the Ateneu de Maó to explain ARTIEM's experience in the situation caused by COVID -19.

The title of the presentation was: "ARTEM vs. COVID-19. Our Purpose as a Guide"

At the end of the course, a round of questions was asked by the attendees.

### Advanced Real State and Hospitality-IE Program.

The practice consisted of the teaching of a class to the students of the master's degree explaining the philosophy of ARTIEM company and then answering questions.

#### Session 1

"To Competitiveness for Happiness."

The session explained the evolution of ARTIEM culture from its genesis to the day. Experiences, facts and tools from recent years were presented, as well as the results achieved.

#### Session 2

"ARTEM vs. COVID-19. Our purpose as a guide."

The session explained how the situation caused by COVID-19 in ARTEM has acted with ITS PURPOSE as a guide.

## COMMUNICATION WITH OUR FRESHPEOPLE IN TIMES OF CRISIS

We carry out the Webinar ‘Communicating in Times of Crisis’, sharing all the initiatives carried out during confinement, explaining the meaning of the masses and the objective to be achieved. We explained how it was possible to have the team united through the networks and maintain that sense of belonging and company pride.



## PARTICIPATION IN TRAINING AND CONFERENCES

Participation is closely linked to ARTIEM's values where we want to inspire people to be happy through our model as leaders of an innovative and inspiring model. Víctor Mayans, Director of Marketing, develops this entrepreneurial work to bring value to people who have the opportunity to attend their talks and training.

## ILLUNION OF CEO ACTIVISM

Ilunion Social Communication has launched Soziable.es, a digital medium focusing on sustainability and committed to Agenda 2030 on Sustainable Development. On the occasion of the tourism fair Fitur 2020 organised a meeting between the CEO of ARTIEM and Ilunion Hotels to share the vision of these tourism companies.



## COLLABORATION WITH THE TOURISM SCHOOL

From ARTIEM Hotels we participate in a multitude of events, presentations and forums on tourism sharing visions, ideas and motivations that make us better professionals every day and inspire people to be happy. In this scenario, the Balearic School of Tourism contacted Oscar Barber, Digital Manager of ARTIEM, who was part of its team of teachers for students of Specialist in Tourism Management.

The courses are 2 years long and aim to train new professionals with a broad vision of the travel industry and then to take the path they are most passionate about in this world.

## BALEAR SOCIETY: "EL ECONÓMICO"

Our CEO participates as an altruistic collaborator in the publication of content aimed at contributing our business vision in the economic weekly of the Balearic area.



## REAL ESTATE FUTURE TRENDS 2020 - ORGANISED EVENT FOR 3G GROUP

Real Estate Future Trends 2020 has been closed with the assistance of more than 300 professionals, who were able to learn firsthand the conclusions on the future of Real Estate shared by 50 industry leaders in 6 key areas: Retail, Workplace, Hospitality, Residential, alternative models and investors' position toward the Real Estate market in Spain.

Throughout the day in which we participated, there was consensus in assessing the strong impact of factors such as demographic and lifestyle evolution, digitisation, sustainability, climate change, The new models of business-employee relationship or the collaborative economy are having in the Real Estate sector.

## ARTIEM'S CASE IN THE BUSINESS SCHOOL OF SAN TELMO

We participate in the discussion of the ARTIEM case at the San Telmo business school within the Senior Management Program (ADELL).

In the session, after preparation of the case by the participants, we discussed the case in the plenary session. In the last half hour we made an exhibition of how ARTIEM has evolved from the moment the case ends (2016). Once the exhibition is done we enter into dialogue with the participants.

This year we have participated virtually in two sessions:

"Purpose-Based Strategic Management"

"Actions in COVID taking our Purpose as a Guide"





## COLLABORATIONS

### CÁRITAS

This year, among the different initiatives, many others of support for Caritas have been incorporated. **The solidarity room #OneRoomOneLife** has had a big impact.

This initiative aims to raise funds to help meet the feeding needs of an average family. To do this, at ARTIEM we created a room in each of our hotels where the amount of the reservation was destined for Caritas Menorca in such a way that the amount with the identification of the person was sent to Caritas and it issued a certificate of the donation made. The donor was aware of the fate of his money and at the same time obtained a certificate from Caritas will be eligible for deductions in force in the IRPF tax.

The total collection as of January 2021 has been 19,361.40.  
The initiative remains in force in 2021.

In addition, as every year, at the close of our hotels we always contact Caritas to be able to offer all the perishable products. ARTIEM Audax, for example, has donated products worth €322.19.

In Asturias we have also been able to collaborate with donations worth €1,139.90 through the Economic Cuisine of Gijón (Gijonesa association of charity).

In 2020 a project has been started to invest all our energies and of which we are very excited to be a part. With "**Paidos**" we will collaborate in the air conditioning of a home for children under 12 years of age in child poverty. In order to help these families a whole new center has been found and among all the collaborators it will help to have a pleasant environment.



### DOWN MADRID

Continuing with the advances with Down Madrid and due to this different year 2020, we embark on a project of specific help to help in the needs caused after the COVID19 so we try to help in the collection and search for collaborating companies for new computer equipment, peripherals, internet connections, and licenses for program use.

During confinement, we did not want to stop being in contact with them so specific on-line courses were conducted. With the help of our chefs from the different locations of ARTIEM and having a direct connection with them, ideas and recipes were provided throughout the confinement.





## 40 GRAUS NORD

We collaborate with a local active tourism company whose objective is to promote a different, non-seasonal and healthy tourism on the island.

In 2020 we gave the use of a premises, which is owned by ARTIEM, in a selfless way and we sign a contract of mutual interest to create synergies between the two companies, 40 GRAUS NORD (also known as Camí de Cavalls 360) and ARTIEM. In this way, we empower the local economy and create synergies with strategic partners to strengthen our culture and values.

## COLLABORATION WITH SOCIAL ENTITIES

ARTIEM collaborates with the Red Cross for the employment insertion of young people, with the project 'Feina Jove Menorca' welcoming the children who leave a specific training to do their practices in ARTIEM hotels and find their first job.

ARTIEM collaborates with the Fundació per a persones amb Discapacitat de Menorca, together with which he carries out programs of labor insertion, such as training by the ARTIEM team to help a better job insertion of people with disabilities.

## SOLIDARITY RACE ARTIEM

From ARTIEM Sports Club a career in solidarity at home was proposed on a Sunday within the confinement period, whose results / photos / videos were shared as stories on Instagram and in our private Facebook group.

We perform the following action: Run 5 km inside your house in full confinement. This was a major challenge for many people who really don't have room to run at home. For many it was the starting gunshot to run at home during confinement.

Finally, more than 50 people from the FreshPeople joined the team, who by way of supposition had the collaboration of their relatives.





# MENORQUÍKM0

MenorquíKM0 is much more than betting on the local product.

Being MenorquíKM0 is a commitment to our land and the people who inhabit it, to our roots. Strong and deep roots capable of resisting any storm, however strong.

Being MenorquíKM0 is effort, work, commitment and solidarity. Solidarity with each and every one of the people who at the moment need to feel that they are not alone, that they can survive and who have the right to do so with a product of proximity of the highest quality that smells and tastes like Menorca.

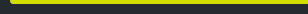
Menorca Preservation Fund, Editorial Menorca, Sa Creu Roja, Caixabank, Cáritas, Sa Cooperativa del Camp de Menorca and ARTIEM are MenorquíKM0 and we are working hard and honestly to serve those who need it most.

Teamwork that is possible thanks to the generosity of countless anonymous people who day after day contribute their resources, time and money, generous people who simply love the island and their people, who think that, to collect, they must first sow.



NATURAL  
SOSTENIBLE  
CERCANO





# 3. freshplanet



**CONSUMPTION 2020**  
**RESIDUE 2020**  
**ENVIRONMENTAL CARE**



# CONSUMPTION 2020

## ARTIEM Audax

Elec Amount	Electricity (kWh)	Stays	Water (m3)	Gas (litres)	Emissions (t CO2)	kWh Fotovoltaica
75.801	692.218	18.536	7.260	3.750	523,74 Tn CO2	42.284

## ARTIEM Capri

Elec Amount	Electricity (kWh)	Stays	Water (m3)	Gas (litres)	Emissions (t CO2)	kWh Fotovoltaica
30.881	285.721	12.229	3.097	19.223	245,48 Tn CO2	11.891

## ARTIEM Carlos

Elec Amount	Electricity (kWh)	Stays	Water (m3)	Gas (litres)	Emissions (t CO2)	kWh Fotovoltaica
15.572	103.994	5.350	1.148	3688	89,66 Tn CO2	28.821

**ARTIEM Asturias**

Elec Amount	Electricity (kWh)	Stays	Water (m3)	Gas (litres)	Emissions of CO2*
29.243	240.808	7.765	3.039	36.923	241,44 Tn CO2

**ARTIEM Madrid**

Elec Amount	Electricity (kWh)	Stays	Water (m3)	Gas (litres)	Emissions (t CO2)
26.802	185.104	7.798	1.362	13.545	160,91 Tn CO2



ARTIEM Hotels CO2 emissions during 2020 have been reduced by 46.37% compared to 2019, which means no more emitting 1,059 Tn of CO2 into the atmosphere. This significant reduction has occurred for several reasons:

- 1- Due to the low operation and as a result of the low occupancy we have had in the establishments, by the COVID-19 pandemic.
- 2- The result obtained from the implantation of photovoltaic in the ARTIEM Audax (15 kWp), ARTIEM Capri (18.6 kWp) and ARTIEM Carlos (15 kWp) hotels, thanks to which 85,000 kWh “clean” were generated during 2020.

3- The elimination of diesel as fuel at the ARTIEM Audax hotel, where we have gone from consuming 58,875 litres in 2019 compared to 0.75 liters in 2020.

4- The increasing awareness of efficiency and energy savings by FreshPeople in its day-to-day life, which in situations such as the life has been reinforced, thus obtaining important results in energy savings.

Emissions of CO2\* Scope 1 & Scope 2.



RESIDUE 2020

ARTIEM Audax

Paper	Packaging	Glass
4.504 kg	1.670 kg	4.546 kg

ARTIEM Carlos

Paper	Packaging	Glass
3.270 kg	1.442 kg	2.524 kg

ARTIEM Capri

Paper	Packaging	Glass
n.d.	826kg	1.750kg

\*Weight extracted from the containers of the hotels located in the street



	Audax	Capri	Carlos	Total
Contaminated Packaging (kg/yr)	189	31	0	220
Boiler Ash (kg/yr)	-	-	-	-
Mercury Luminaries and florescents (kg/yr)	23	14	0	37
Alkaline Batteries (kg/yr)	37	7	0	44
Toner (kg/yr)	8	34	0	42
Aerosols, gases in pressure vessels (kg/yr)	0	-	0	-
Electric Residues & electronics (kg/yr)	0	178	0	178
Expired Paint (kg/yr)	16	24	0	40
Used Oil (kg/yr)	125	65	70	260

### HAZARDOUS MATERIALS RECYCLED IN 2020

As for hazardous materials we have contact with the different waste managers to ensure their collection and recycling. These are the data collected in the hotels of Menorca 2020:



## ENVIRONMENTAL CARE

### WATER CYCLE REUSE IN THE ARTIEM AUDAX

The ARTIEM Audax has a reverse osmosis system that generates the water needed for the hotel's kitchenware washing process. This osmosis generates a water rejection ranging from 900 m3 to 1000 m3 year.

In 2019 this rejection was channeled to the accumulation deposit of the hotel's outdoor swimming pools and spa. As a result, 100% of the water required for the maintenance of the swimming pools comes from this rejection, which is equivalent to approximately 800 m3 of the outdoor swimming pool and 800 m3 of the spa.

In addition, accumulator tanks have been installed to collect water from the cleaning of the pool filters. With this action we have optimized the water cycle in the Hotel Audax and given it a triple use: For cleaning the utensils, to contribute in the pools and finally for watering the gardens.

During 2020, work has continued on the implementation of this system and savings of 13,617 m3 have been achieved.

### INSTALLATION OF CHARGERS FOR ELECTRIC CARS

A smoke-free environment favors the health of all its inhabitants. In our fight to reduce emissions we want to boost the use of electric cars. That's why we've installed dual chargers for electric cars at ARTIEM Audax, Carlos, Capri and Asturias hotels.

### INSTALLATION OF PHOTOVOLTAIC PANELS

Following our commitment to clean energy we have installed photovoltaic plates in ARTEM Audax and ARTEM Carlos. Installed powers are equivalent to 15.41 kW and generate 1.5% in Audax and 5% in Carlos of the electrical energy consumed.

In Audax we generated 15,548 kWh and in Carlos 12,739 kWh, which is equivalent to 1.31% and 4.76% total energy generated. We still have a lot of work to do and we hope to increase the proportion of clean energy generated.





## SEPARATION OF ORGANIC MATERIAL

We are aware of the importance of segregating organic waste for compost production and, because of this, we have started in 2019 to collect this material at the ARTIEM Capri hotel. We have made an agreement with the City Council of Mahón, FCC (company in charge of waste management) and Mila (recycling platform of Menorca) in order to carry out a correct management. In addition, we have initiated awareness plans in all departments.

In this pilot project, we have collected 6.2 tons of organic material in the first six months in order to make compost for agricultural fields and the plantings of our suppliers, thereby betting on the circular economy. In 2020 we collected 1756 kg.

At ARTIEM Madrid, we started a pilot project supported by Agrocomposta and the town council. The project lasted only one month in 2019. In this case, organic matter was intended for social gardens.

We plan to implement the practice in all hotels. The collection and management of waste will depend on the cooperation of the different municipalities.

Together with this project we have started a customer awareness campaign about food waste.

## ARTIEM ASTURIAS VEGETABLE GARDEN

This year we have gone a step further and, following the success of the orchard initiative for the restaurant, we wanted to use the aromatic herbs we planted to make our own bath salts and attentions for clients.

With Ana, one of our therapists specialised in aromatherapy and other alternative therapies, using rosemary, chamomile and other herbs with different properties we create details and attentions for some guests that they can use both during their stay with us and already in their homes.

It has become a very recurring detail and valued by our customers.







## PROJECT SUSTAINABILITY 8/80

In 2016 we initiated a carbon footprint reduction plan by 80% in 8 years. To assess the scope of our objective we are collecting all our consumption and translating it into CO<sub>2</sub>eq kg (carbon dioxide equivalent). In this action we engage the entire organization as well as customers by promoting the responsible use of the resources we need for our business.

Our main objectives are:

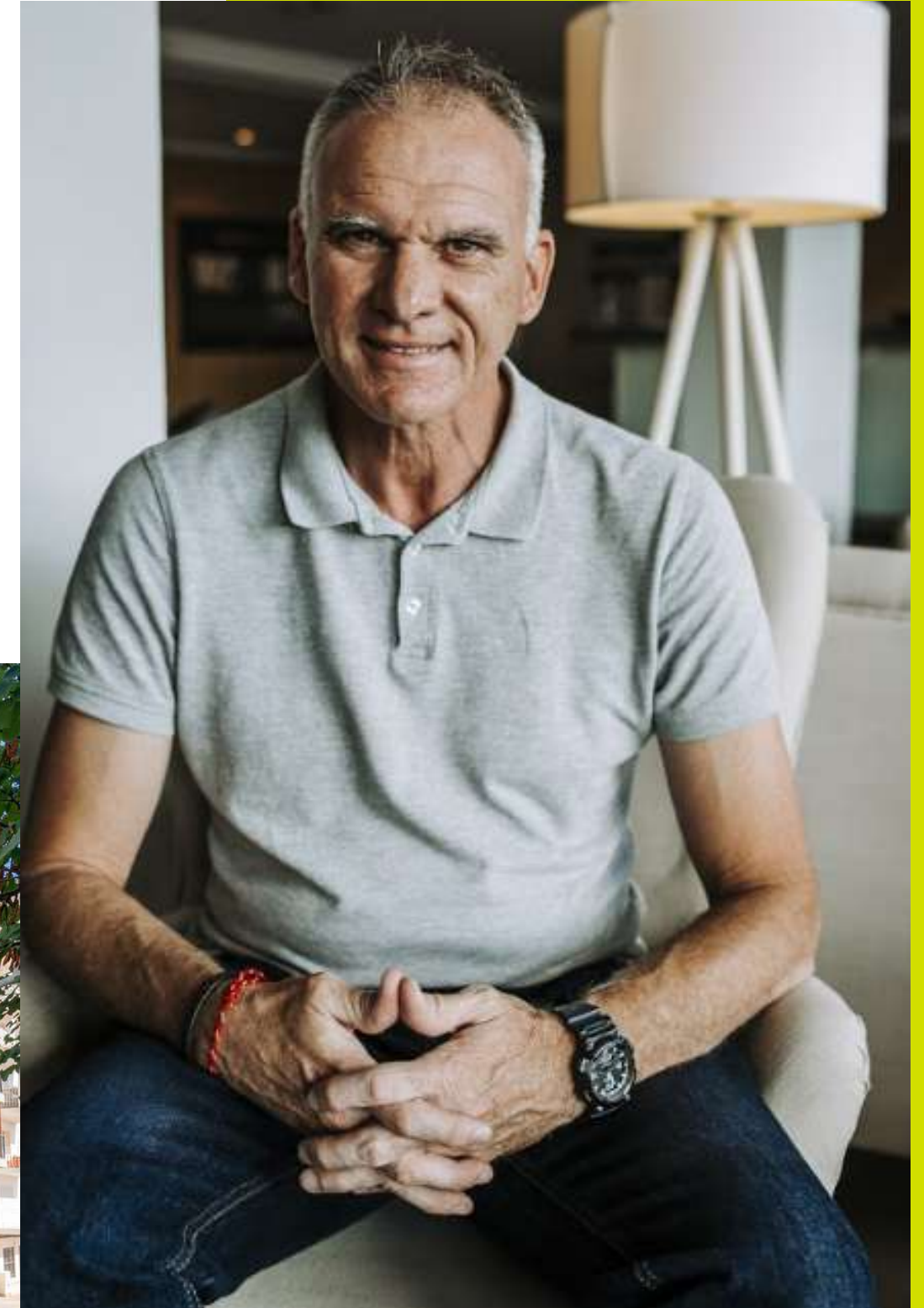
- Minimize the environmental impact that our activity generates with the challenge of ZERO or "almost zero" emissions.
- Create an example of a management model for the development of similar initiatives.
- Document the current supply situation and propose improvement implementation projects.

The actions performed are:

Wattia Document: We track the carbon footprint per hotel and evaluate actions to reduce the emission factor.

Control of weekly monitoring of basic environmental indicators (water, electricity, diesel and, gas).

We have an annual investment plan to reduce emissions.



**Guiem Sintes**  
Director of Quality & Environment





## MENORCA BIOSPHERE RESERVE

From the Insular Council of Menorca a certificate has been launched for tourist establishments called: **Marca Reserva de Biosfera.**

The Menorca Biosphere Reserve Brand is a sustainability badge that identifies and highlights all companies that carry out their economic activity on the island with initiatives to protect the environment, culture and society of Menorca.

This seal represents a commitment to the island of Menorca by which producers, artisans and tourism entrepreneurs adhere to a series of criteria according to the values of the Menorca Biosphere Reserve.

Menorca Biosphere Reserve is a guarantee for visitors and inhabitants who, opting for brand-certified products and services, contribute to the sustainable development of the island and create a positive impact from an environmental, cultural, social and economic point of view

As of today we have the ARTIEM Audax and Carlos as certified hotels and ARTIEM Capri is in process.

## WATER KMO WITH ARTIC

From ARTIEM's sustainability area and specifically from the Circular Economy opportunity area it was decided to eliminate the acquisition of bottled water and replace it with the generation of filtered water in each establishment to supply 100% of the water needs, eliminating as a result related CO2 emissions.

To develop this practice we have the collaboration of the supplier ARTIC.

The pilot project was carried out during the summer 2020 at the ARTIEM Carlos hotel: a filtering equipment (osmosis) was installed to be able to "manufacture" on site the water necessary for the restaurant, bar and snack of the establishment.

The result has been very satisfactory and the improvements that have been determined are multiple. This eliminates the management of the purchase order, the request to the supplier, the transport of the water from the origin, the receipt of the source, the collection in warehouses and its cooling.

This project thus achieves several improvements, all aligned with the ARTIEM culture. In the coming months it is planned to extend the pilot project to other ARTIEM establishments





## COLLABORATIONS

### I | CIRCHOT: FUNDATION IMPULSA BALEARS

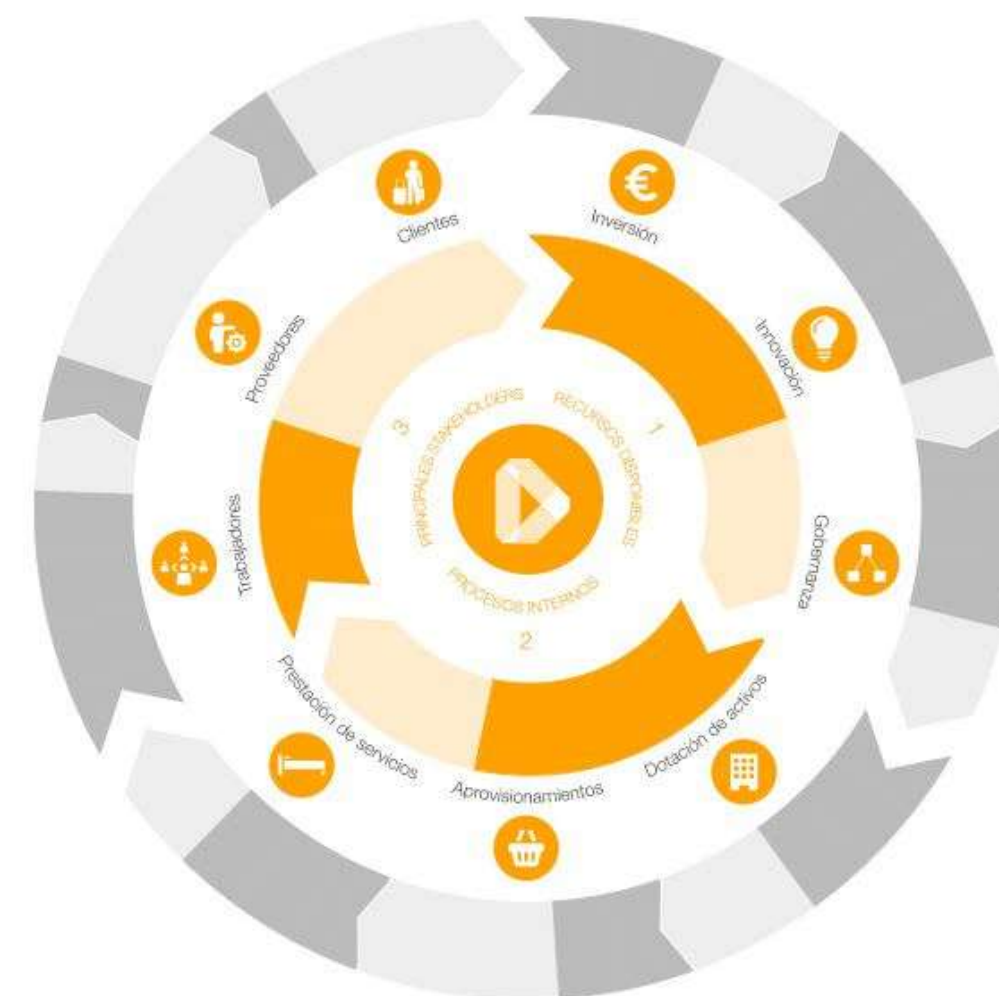
In 2020, following the launch of a new tool developed by the Balearic Impulsa Foundation, Artiem participated in a new self-diagnosis project to measure and improve its **circular economy practices**.

**i | CIRCHOT** it is an application aimed at making it easier for hotel companies in the Balearic Islands to implement good circular practices. The transit of the current hotel business model to the circular economy opens up an important path of progress for companies in the sector.

In this sense, stakeholders can carry out annual self-diagnosis with respect to the pillars (or building blocks, BBs) and vectors that make up the strategic framework in which good circular practices. The results obtained are visualized through:

- A circular progress index, which offers an aggregate score of the company's circular performance (on a scale of 0 to 100) and places it relative to the average score of the set of reference companies of the Balearic fabric.

A balanced scorecard, which provides a detailed view of the company's circular performance through the status of key performance indicators (KPIs) and the ability to incorporate high circularity to the usual decision-making.



Performance y progreso circular

- Building blocks
- Vectores





## ARTIEM JOINS THE MOVEMENT '0 PLASTIC MENORCA'

With the aim of involving more people and organizations from all over Spain, this year the environmental movement 0 Plastic Menorca has emerged, promoted by the YouSocial Volunteer Association together with the local Association Per La Mar Viva, and to which ARTIEM has decided to join.

From 11 to 15 August, sea and land expeditions were carried out by volunteers from all over Spain. To these departures, the Kayak routes from Cala Galdana were added, organized daily by ARTIEM.

Some of the proceeds were donated to enhance the initiative and maximize its dissemination.

In ARTIEM we seek to overcome ourselves to build a better planet, and for this we rely on collaborators who share our values. For us, this union with 0 Plastic Menorca is only the beginning of a long journey together, with the aim of continuing to give visibility to this problem and fight for a plastic-free Mediterranean.

**ARTIEM AUDA**

# recogida de plásticos

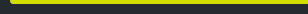
**DEL 11 AL 15 DE AGOSTO // 10:00 H**

¿Te preocupa la presencia de plásticos en el mar? Únete a nuestras excursiones diarias en kayak para limpiar la costa menorquina.

Logos: YouSocial VOLUNTEER, 0 Plastic Menorca, ARTIEM FRESHPEOPLE MAKE THE DIFFERENCE







# 4. freshprofit

**STRATEGIC OBJECTIVES**  
**BUSINESS MODEL**  
**MANAGEMENT PHILOSOPHY**  
**EXCELLENCE CULTURE**  
**ECONOMIC DATA**  
**INNOVATION & EFFICIENCY**





## STRATEGIC OBJECTIVES

At ARTIEM we have maintained as a priority the implementation of a strategy that is sustainable in the long term, in order to minimize the impact of the economic cycles that affect our business.

For this reason, we have followed a policy of reinvesting our profits, but conservative in the growth in the number of establishments until we have developed a business model of its own. The results of our management are sufficiently reflected in the evolution of our three major strategic objectives



## COLLABORATOR SATISFACTION

We believe in continuous improvement and for this we have designed a training system that develops from the first moment the person joins ARTIEM. We dedicate about 45 hours per person per year to training.

We have developed a number of policies that have helped us to be considered by all the people who work at ARTIEM as a Best Workplace.

To measure the satisfaction of our equipment we use two tools:

- Great Place to Work model that gives us a glimpse of a time of year.
- App Happy Force: It allows you to monitor in real time the status of people, as well as share, opinion, propose ideas, thank you...

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## BRAND EQUITY

We believe that the best guarantee of the sustainability of sustainable growth is to achieve a high BRAND VALUE, which in love with our customers.

"We understand "Brand Equity" as the joint evolution of indicators: Satisfaction, Recommendation and valuation of the Value-Price ratio."

To measure this we have a survey system implemented for 15 years, managed by an external company, **Geshotel**. With the situation experienced this year we have not been able to obtain a relevant sample of physical surveys. The growing evolution of customer feedback on social media and websites like Tripadvisor has adopted as an indicator the so-called Global Review Index (GRI) provided by the **ReviewPro** tool and which is becoming a market standard.

Aware that this indicator does not accurately measure THE VALUE OF THE BRAND, we are looking at different market options that allow us to have a reliable indicator at a reasonable cost.







## VALUE CREATION

Aware that the competitive advantages lie in intangibles, we have opted for a structure formed by a team of people of a high level of training and motivation.

We have implemented a long-term fiscal policy: reducing the tax burden by optimizing the depreciation policy.

Apply for accelerated asset depreciation criteria, applying them to the lifespan of our business model.

The long-term vision of the shareholding: a policy of reinvestment of profits and non-distribution of dividends.

The company results are not sensitive to the cycle.

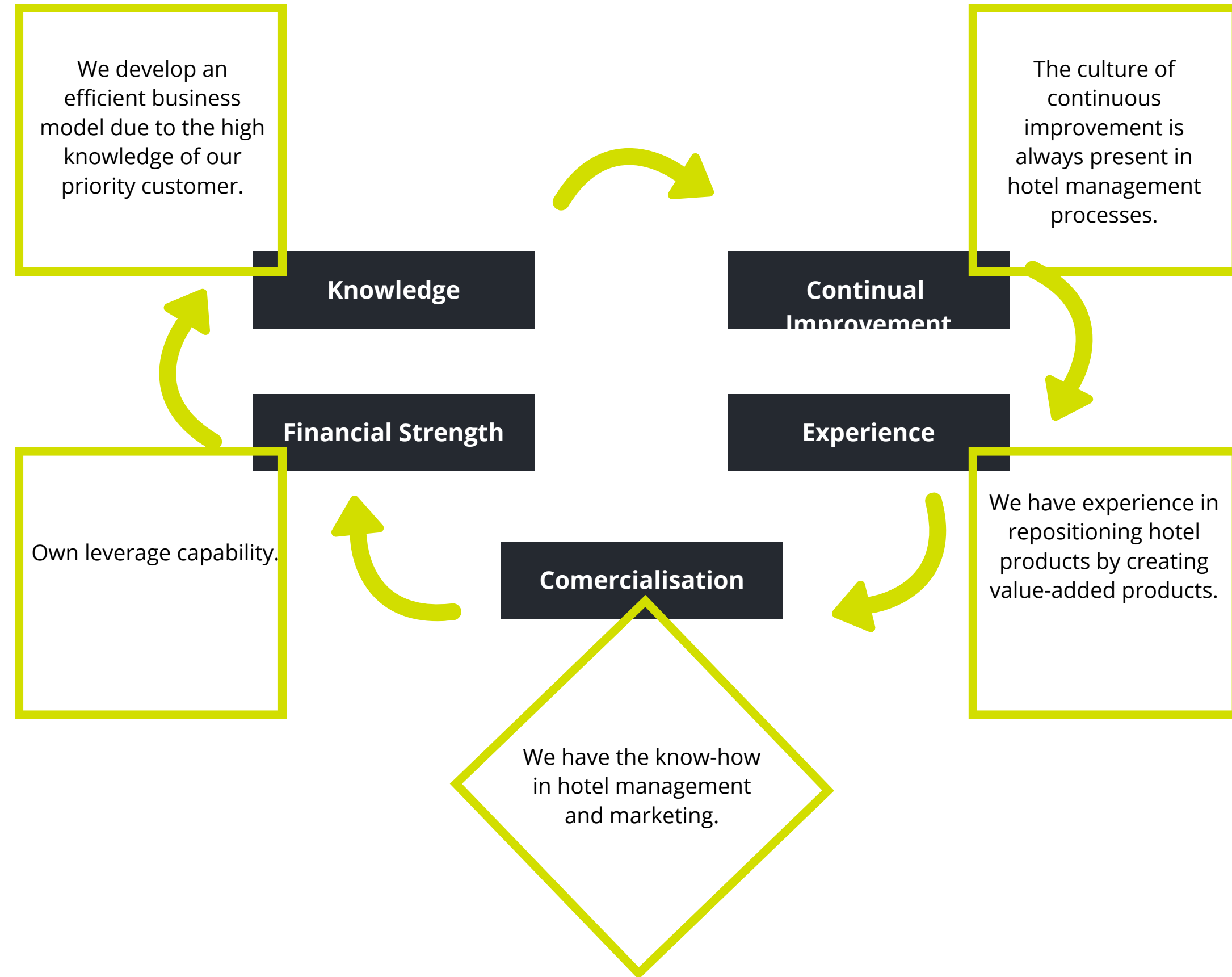
To measure the five considerations that allow us to create value we do so with two indicators:

- ROIC (Return of Employee Capital)
- EBITDAR s/Sales.





# BUSINESS MODEL





ARTIEM is a family-owned company of Menorquín capital, with a solid professional base, which was born in 1974 with a vocation of permanence.

Our development strategy is based on finding under-performance hotels where there is latent revaluation potential. Assume your management by purchasing or leasing L/P, investing in them and implementing our business model.

## KEY SUCCESS FACTORS

The realisation of this strategy is possible because it combines the key success factors of our model: Satisfaction Partners, Brand Equity, Value Creation together with our proven capabilities in:

- A high degree of knowledge of our client, which has allowed us to develop a very efficient hotel business model.
- Continuous improvement of hotel management processes.

- Our experience in repositioning in the market of hotel products.
- Know-how in hotel management and marketing
- Re financial leverage capacity.

THE growth of ARTIEM is based on the following principles:

- It has to allow us to develop our mission and values as a company.
  - It has to be an opportunity to strengthen or develop our competitive advantages:
- Excellence in management.
  - Efficiency and Innovation
  - People
- It has to allow us to create value as a company by capitalizing and monetizing existing tangible and intangible assets.
  - The debt cannot exceed 2.5 times the Ebitdar generated by the company.
  - That you provide us with an Internal Rate of Minimum Return on our capital cost.
  - Ain 4th Generation Corporation in 2015.

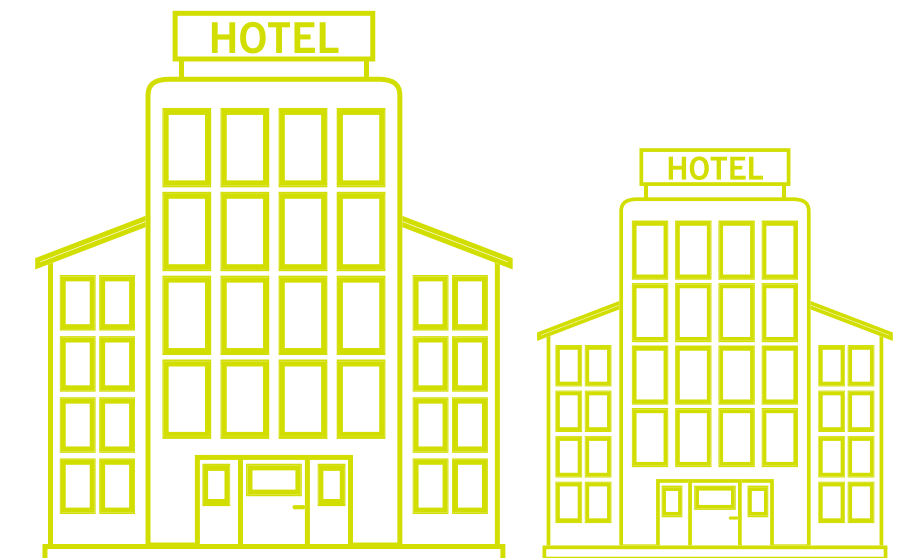
## BUSINESS GROWTH

At the end of 2014 we updated our strategic plan that allowed us to continue working to achieve our vision through our three strategic objectives (People Satisfaction, Brand Equity, Performance).

**To achieve this we have the imperative to be able to increase the value of ARTIEM and, therefore, we detect the need to grow.**

Growth between 2015 and 2018 means increasing our Ebitdar by 90%, which forces us to incorporate new establishments, but always according to our GROWTH VISION as explained above.

In December 2015 we incorporated ARTIEM Madrid and in December 2017 ARTIEM ASTURIAS.



## MANAGEMENT PHILOSOPHY

### // ITS NOT ABOUT DIVIDING THE PIE, BUT MAKING IT BIGGER

The strategy of creating value for all stakeholders is not only profitable but helps us create sustainable competitive advantages.

#### VIRTUOUS CIRCLE

We work to make ARTIEM FreshPeople a team of **people committed** to their environment and happy in their work. As a result, they provide well-being and satisfaction to our guests seeking excellence in service, in such a way that they help us grow as a company.

#### WIN-WIN

We believe that in order to achieve the prosperity of our environment and stakeholders, it is not only our responsibility as a company, but also a way to achieve **sustainable competitive advantages.**





## CULTURE OF EXCELLENCE

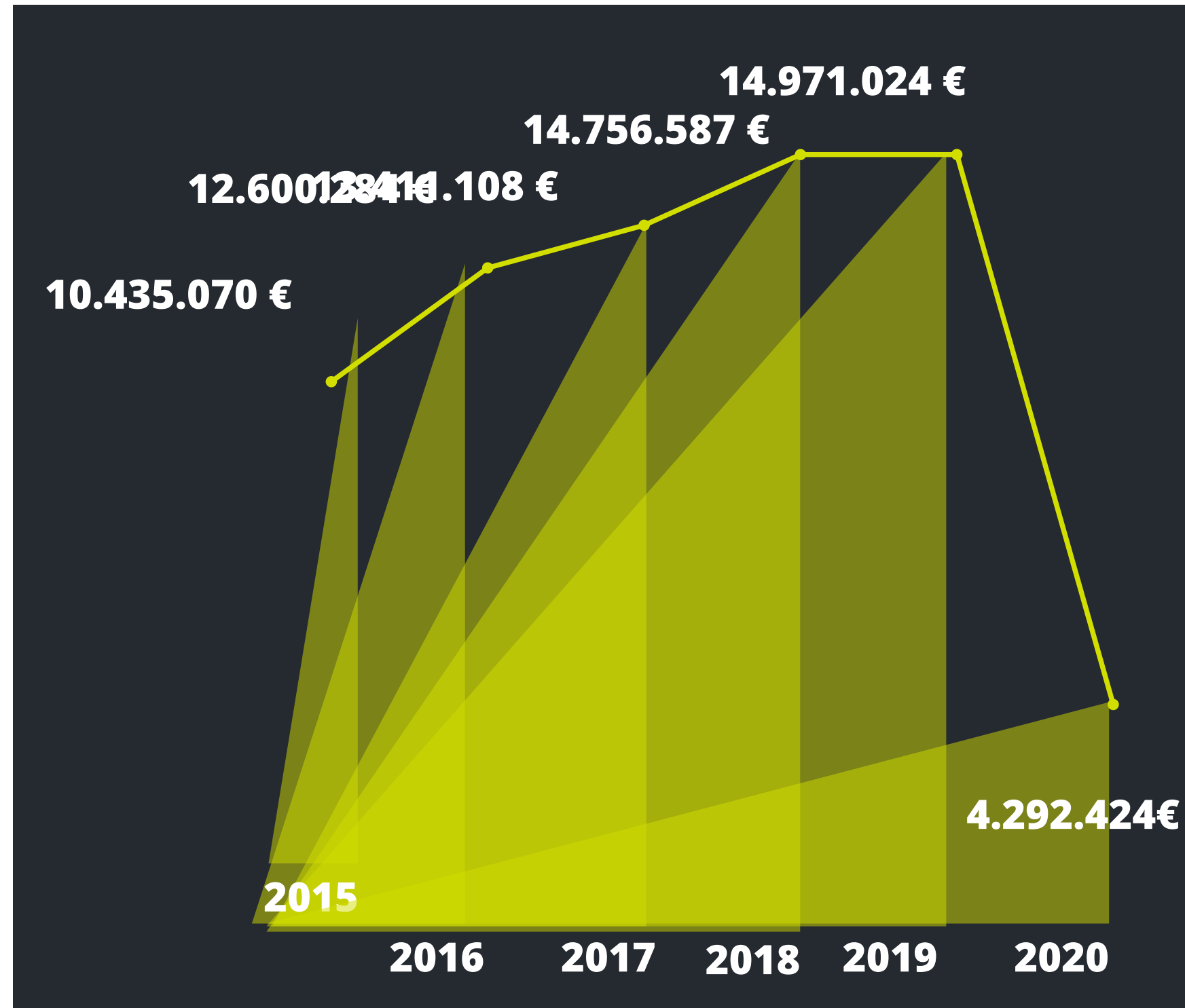


## WE ARE THE FIRST HOTEL COMPANY IN EUROPE & THIRD IN THE WORLD TO GAIN THE BCORP CERTIFICATION.

- We create sustainable prosperity for all through our integration with the environment.
- Let us involve our guest in the activities of preservation and improvement of our natural environment.
- Colaboramos with non-profit entities in projects contributing financially and with time of dedication of our people.
- We carry out programs to spread our culture and traditions.
- We have signed the World Code of Ethics for Tourism in order to demonstrate our commitment to responsible and sustainable tourism.
- We consume and disseminate local products and local gastronomy.
- Work to achieve the integration of our local suppliers into our value chain.
- We received new recognition at TripAdvisor's Travellers' Choice Awards. ARTIEM Madrid is one of the top 25 in Spain and ARTIEM Carlos among the 25 most romantic in Spain.
- We have highly developed management systems in our hotels
- We have an information system to be constantly in communication with all team members.
- We participate prominently in national hotel associations such as CEHAT and ITH and local, such as Ashome and Fundación Impulsa Balears. We participate as speakers in numerous forums and congresses.
- Customize and develop the culture of detail.

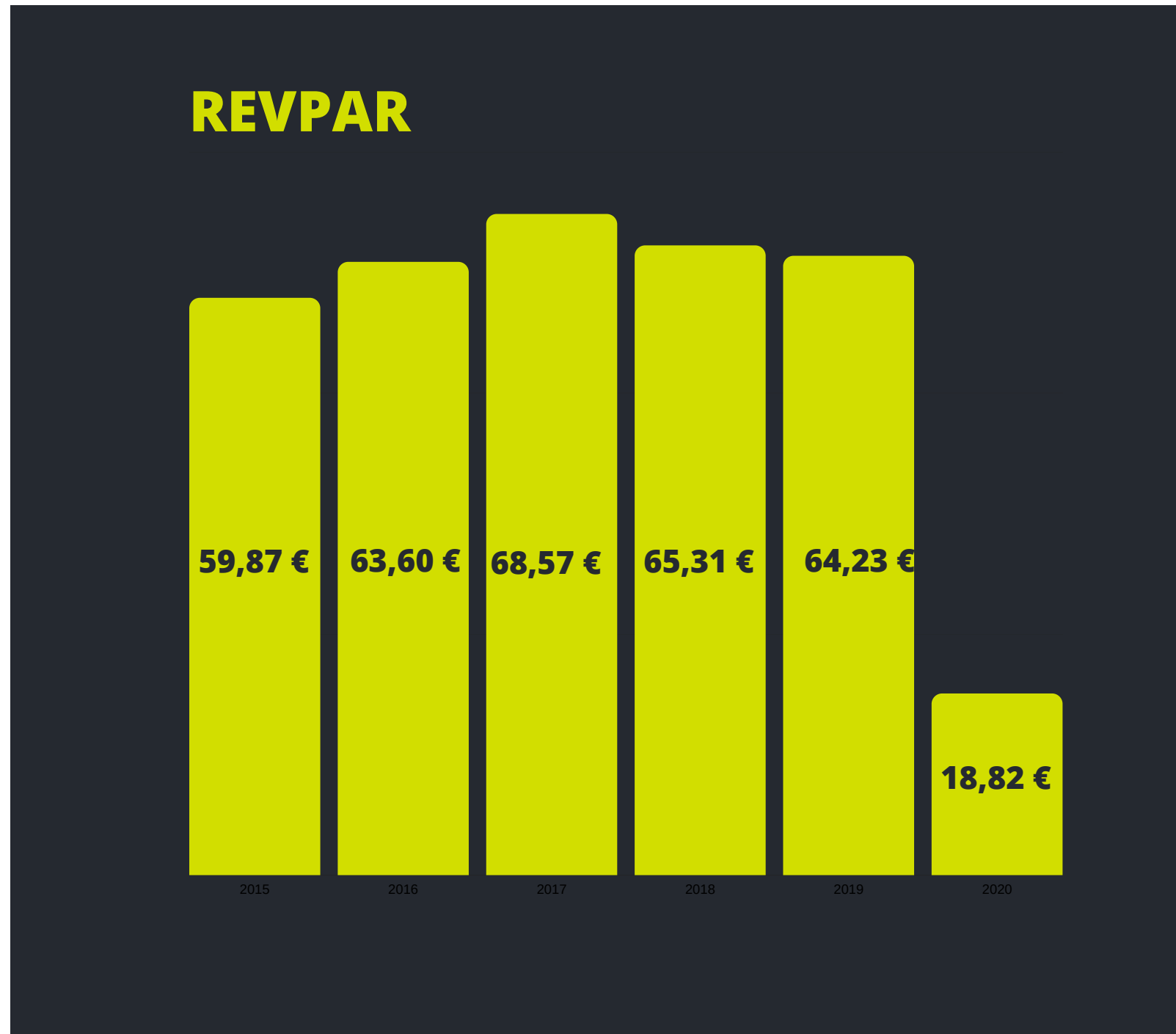


## ECONOMIC DATA



(\*) The situation caused by COVID-19 has made our priorities have been on the one hand maximising customer satisfaction along with minimising available cash consumption. These priorities have led us to sacrifice short-term results that we have considered investment in positioning and reputation.

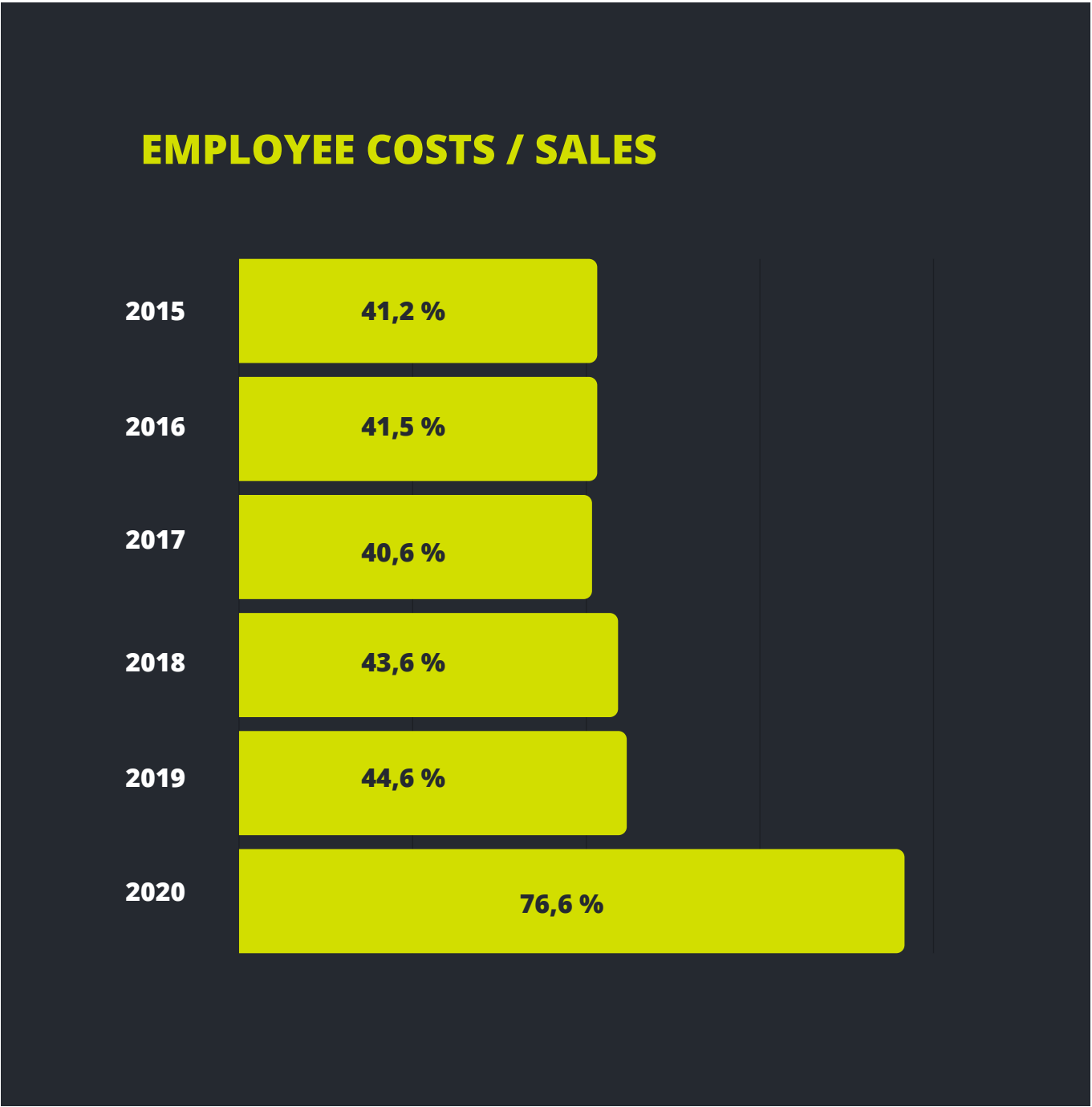
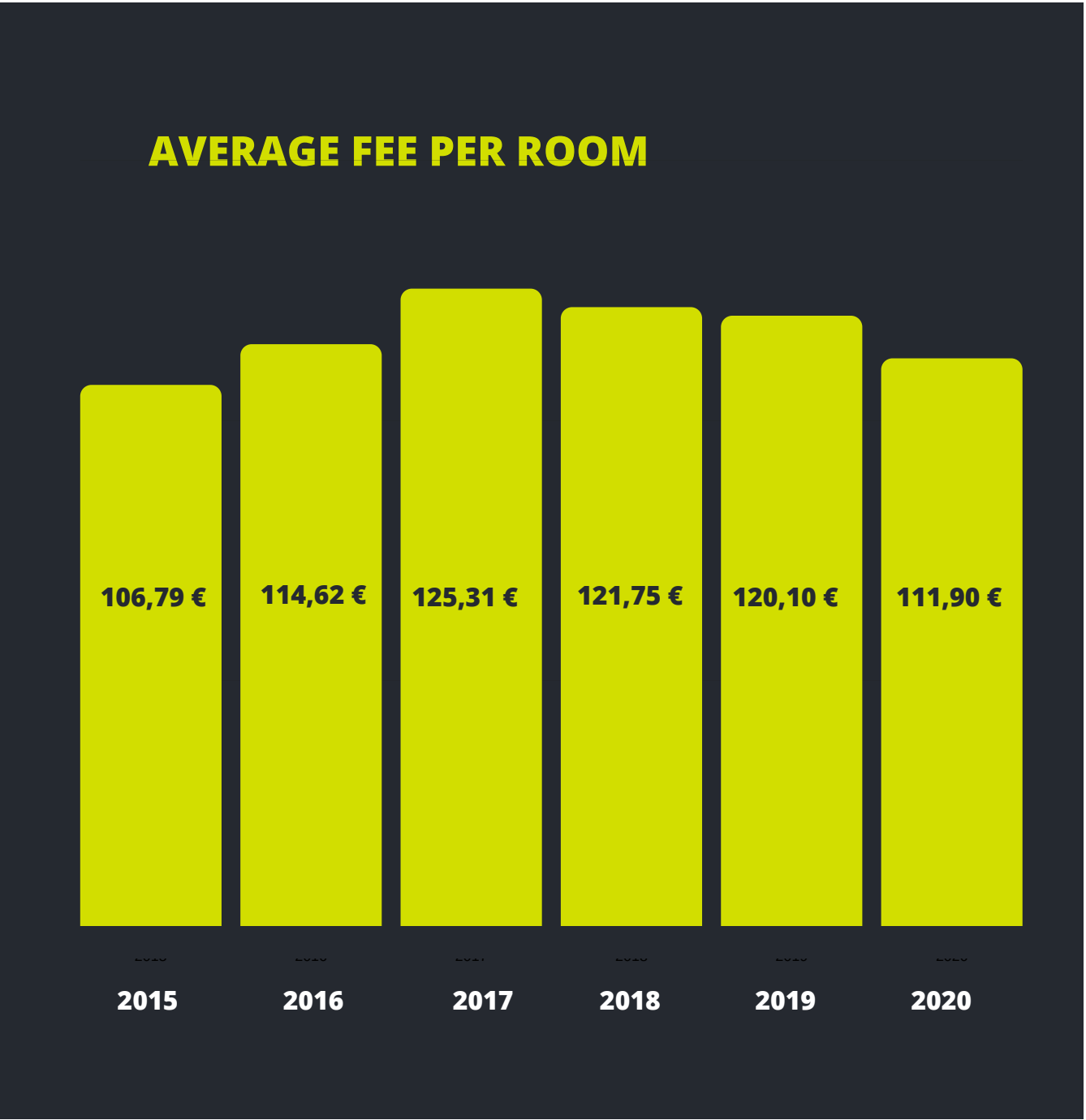




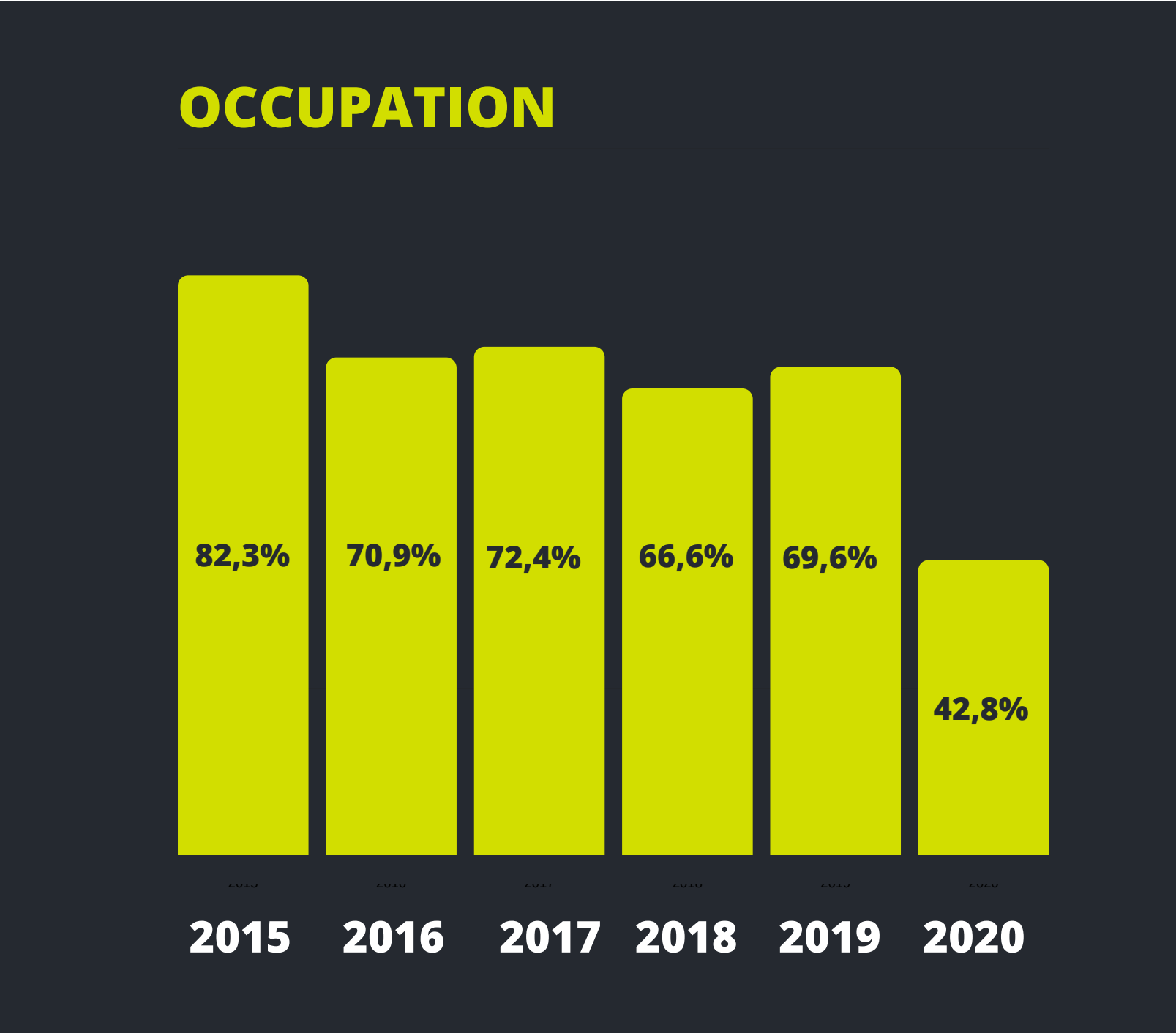
During this year 2020 we have continued, to the extent that circumstances have allowed it, with our trading strategy based on:

- Increased loyalty of our customers.
- Diversification of channels.
- Introduction of new demand segments.
- Development of new products and experiences.
- Power of our direct channel.

In addition to the situation of the industry has been dramatic, the strategy developed during these years has allowed us to open all hotels, as well as better levels of average income.







**BENCHMARK WITH SECTOR DATA**

The average annual occupancy of our establishments has maintained a level of occupancy slightly above the average of its competitors.

The cases of Madrid and Asturias, it is not until the fourth year of incorporation that we consider that we have consolidated our model.

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## COMMERCIALISATION

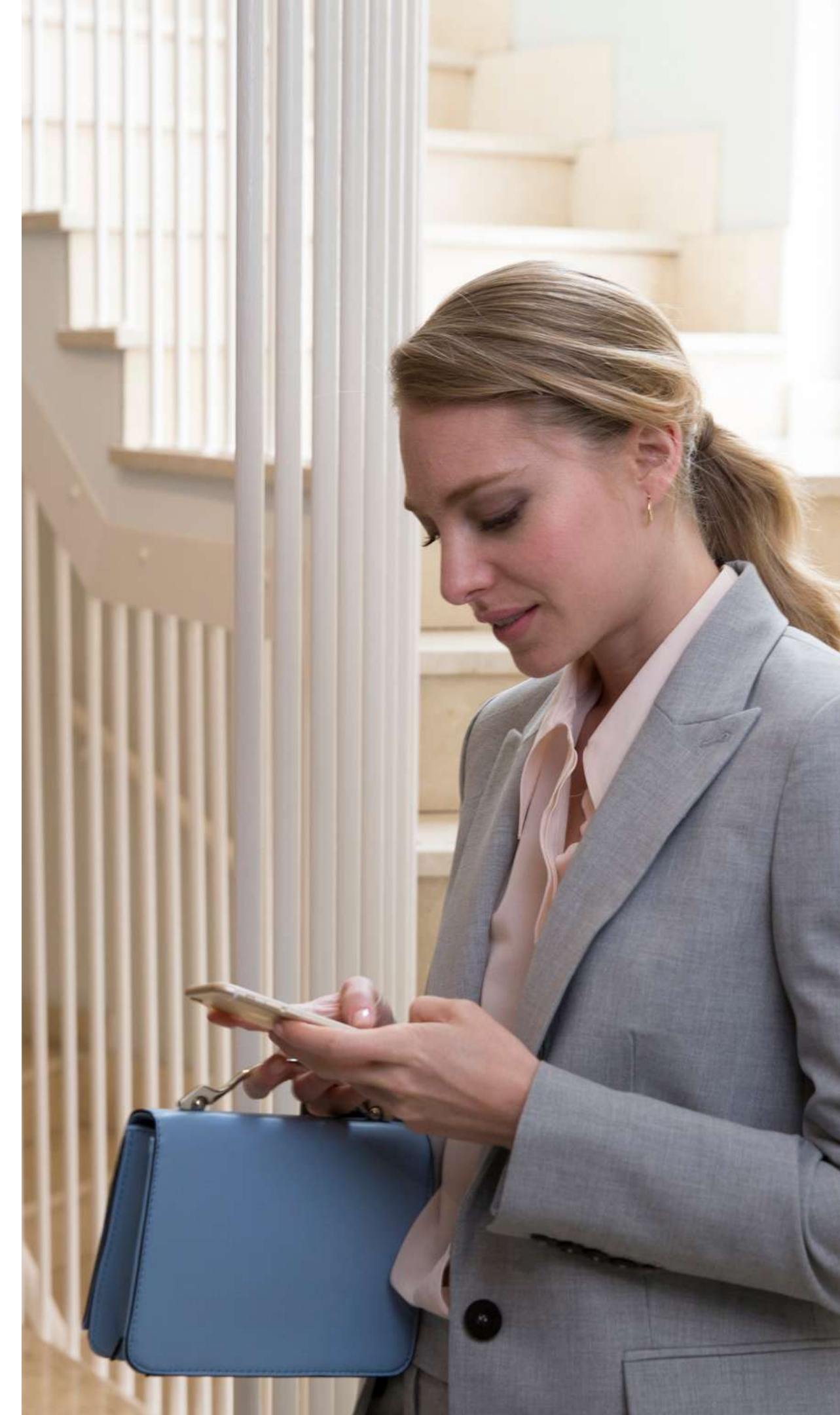
This year 2020 we have worked on different actions in order to:

- Know better the evolution of the needs of our target client.
- Adapt our processes and services efficiently and effectively.
- Optimise resources to capture the customer.
- Increase the perceived value. To do this, we have invested resources to advance:
  - The generation of content to improve our engagement with our target customer.
  - Important usability improvements to our website.
  - The launch of a PushTech CRM tool.

During this year 2020 we have continued, as far as possible, with our business strategy that is based on:

- Greater loyalty of our customers.
- Diversification of channels.
- Introduction of new demand segments.
- Development of new products and experiences.
- Power to our direct channel.

In addition to the situation of the industry has been dramatic, the strategy developed during these years has allowed us to open all hotels, as well as better than average income levels.





## WEB & DIRECT SALES

The direct selling objectives at ARTIEM were ambitious after years of continuous increase: a 25% increase between 2018-2019. The beginning of the year began with good results.

In the moment of confinement the sessions on our website fell, which resulted in 60% less revenue in the same period last year

However, we considered that the online was going to be important and last minute so we redirected the strategy to a new objection: that the sale web channel accounted for 35% of the overall sale of the year: 2,630,000 euros.

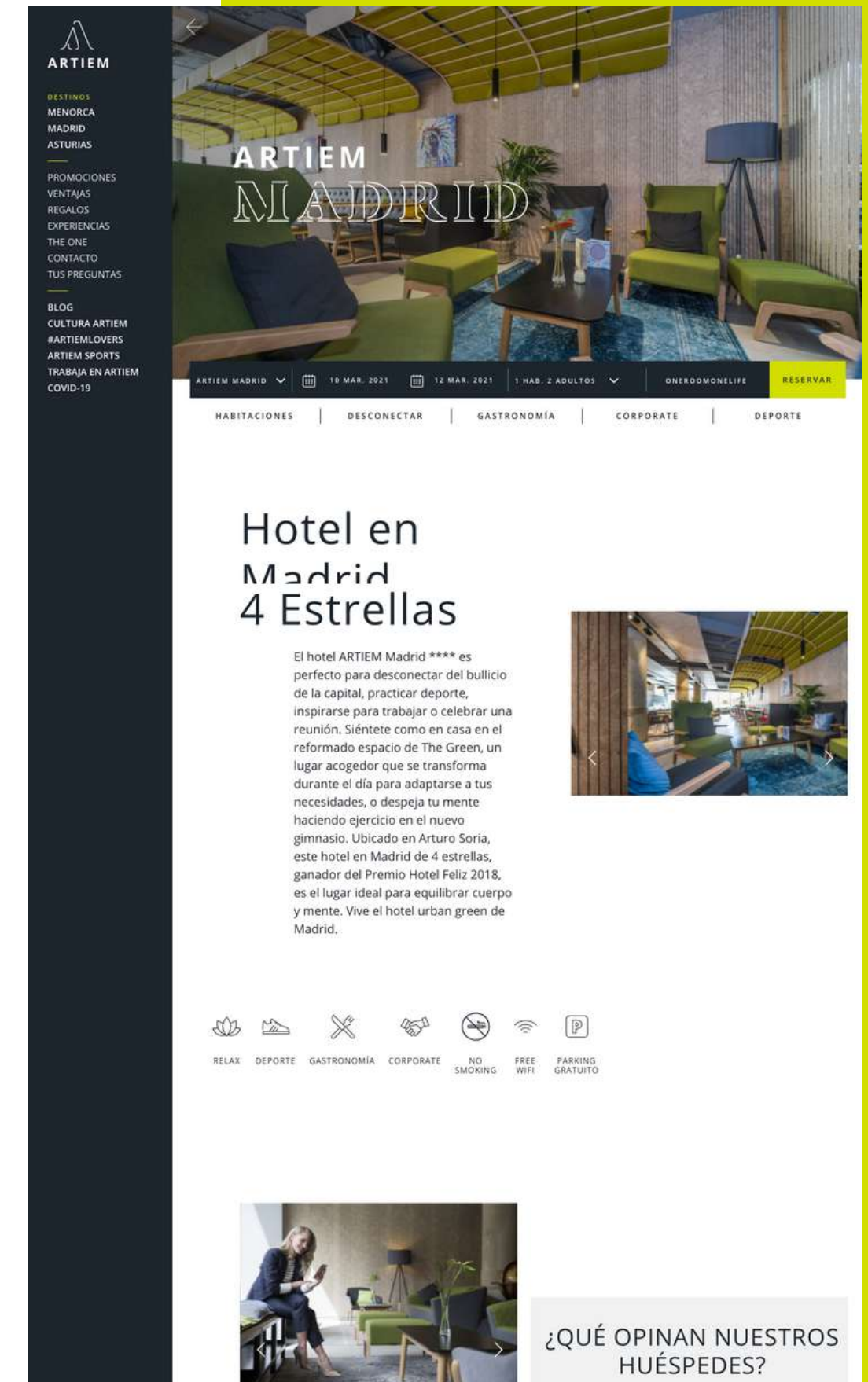
To do this, we perform the following actions:

- Development of national and resident micro-campaigns.
- Covid special rates for residents.
- New experiences for the local customer.
- Development of investments in metabolushers.
- Development of strategic investments in search engines.
- Web enhancements.

In March 2018 we launched a new website that at the time of its launch was continuously updated and improved based on usability studies, user experience, heat maps, predisposition and loading of information to improve the day-to-day life of the departments involved. Continuous improvement has also focused on improving conversion and opening up new lines of content that had not been developed until then.

## WHAT'S NEW IN 2020:

- After the nomination of ARTIEM as a Bcorp company we created a microsite with remarkable information and links to be able to expand the information to any interested customer.
- During 2020 we have improved and enhanced Mirai's new BookingBar.
- Decide at the commercial level to offer ARTIEM Apartments as a separate element of ARTIEM Capri.



## EFFICIENCY & INNOVATION

# WE UNDERSTAND INNOVATION IS LIKE ANY KNOWLEDGE BASED CHANGE THAT ADDS VALUE

## INNOVATION AND DEVELOPMENT OF OWN TECHNOLOGY

Annually, we launch projects with the aim of increasing the perceived value both by our customers, collaborators and our stakeholders improving our efficiency in the use of our available resources.

In the development of these projects have participated teams made up of people from the three levels of the organization. Each project has a project leader, whose responsibility is to define the different lines of action, manage the resources available.

## PROCESS EFFICIENCY

Implementation of Lean Culture. Lean's goal is to develop a culture towards a more efficient organization through changes in business processes in order to increase response speed by reducing waste, costs and times, and also making people work better and with a greater sense of their purpose.

## INNOVATION & ORIENTATION TO THE MARKET

We work to hear the voice of the customer and the market through:

- A system of evaluation and classification of our customers' feedback.
- The surveys we conduct through the external company Geshotel.
- The comments provided by the ReviewPro social media feedback monitoring tool.
- Participation in forums, discussion tables, attendance at fairs and continuous reading of publications related to the sector or specific to other areas.

Through active listening we nurture ourselves to generate products, services or experiences that meet the detected needs of customers.



## 5. GRI Indicators



## METHODOLOGY & SCOPE OF REPORT

This 2020 Sustainability Report highlights ARTIEM's commitment to sustainability and collects all the actions taken during this year.

Within the scope of this document are our 5 hotels:

- ARTIEM Capri.
- ARTIEM Carlos.
- ARTIEM Audax.
- ARTIEM Madrid.
- ARTIEM Asturias.

In its elaboration, are the departments that ensure the reliability of the data presented at all times, as well as the ethical company that has supported the correct structuring of the data.





[illegible]

**GRI 102: GENERAL CONTENTS****PAGES**

<b>4. Governance.</b>	102-30 Effectiveness of risk management processes. 102-31 Evaluation of economic, environmental and social issues. 102-32 Role of the highest governing body in the elaboration of sustainability reports. 102-33 Communication of critical concerns. 102-34 Nature and total number of critical concerns. 102-35 Remuneration policies. 102-36 Process for determining compensation. 102-37 Involvement of interest groups in remuneration. 102-38 Total annual compensation rate. 102-39 Ratio of the percentage increase of the total annual compensation.	Not applied Not applied 12, 83 34 16, 17, 18, 19. 20, 21 52 52 Not applied Not applied Not applied
<b>5. Participation of Interest Groups.</b>	102-40 List of interest groups. 102-41 Collective bargaining agreements. 102-42 Identification and selection of interest groups 102-43 Focus on stakeholder participation. 102-44 Key issues and concerns mentioned	22 Not applied 22 Not applied 22
<b>6. Reporting Practices</b>	102-45 Entities included in the consolidated financial statements. 102-46 Definition of the reports and coverages of the topic. 102-47 List of material topics. 102-48 Reexpression of information. 102-49 Changes in the elaboration of reports. 102-50 Object period of the report. 102-51 Date of the last report. 102-52 Cycle of the elaboration of reports. 102-53 Point of contact for questions about the report. 102-54 Statement of preparation of the report in accordance with the GRI Standards. 102-55 Index of the GRI. 102-56 External Verification.	Not applied 3 22 Not applied Not applied 3 3 3 3 3 3 91 93



**GRI 103: MANAGEMENT APPROACH.****PAGES**

<b>1. Profile of the Organisation.</b>	103-1 Explanation of the material topic and its coverage	3
	103-2 The management approach and its components	3
	103-3 Evaluation of management approach	14

**GRI 201: STANDARD ECONOMIC THEMES.**

<b>1. Economic Performance</b>	201-1 Direct economic value generated and distributed.	25
	201-2 Financial implications and other risks and opportunities arising from climate change.	17
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans.	Not applied
	201-4 Financial assistance or assistance received from the government.	Not applied
<b>2. Presence in the market</b>	202-1 Ratio of standard initial category salary by gender to local minimum wage.	Not applied
	202-2 Proportion of high-ranking executives recruited from the local community.	Not applied
<b>3. Indirect Economic Impact.</b>	203-1 Investments in supported infrastructure and services.	Not applied
	203-2 Significant indirect economic impacts.	Not applied
	204- Acquisition practices.	14
	204-1 Share of spending on local suppliers	Not applied
<b>4. Acquisition Practices.</b>	204-1 Share of expenditure on local suppliers	Not applied
<b>5. Anticorruption</b>	205-1 Operations evaluated for corruption-related risks.	Not applied
	205-2 Communication and training on anti-corruption policies and procedures.	Not applied
	205-3 confirmed corruption cases and actions taken.	Not applied
	206 - Unfair competition.	Not applied
	206-1 Legal actions related to unfair competition and monopolistic practices and against free competition.	Not applied

**GRI 300 THEMATIC ENVIRONMENTAL STANDARDS.****PAGES**

<b>1. Materials.</b>	301-1 Materials used by weight or volume. 301-2 Recycled inputs. 301-3 Remarketed products and packaging materials.	67, 68 67, 68 67, 68
<b>2. Energy.</b>	302-1 Energy consumption within the organization. 302-2 Power consumption outside the organization. 302-3 Energy intensity. 302-4 Reducing energy consumption. 302-5 Reduction in energy requirements of products and services.	65,66 Not applied Not applied 66 Not applied
<b>3. Water.</b>	303-1 Water extraction by source. 303-2 Water sources that are significantly affected by water uptake. 303-3 Recycled and reused water.	Not applied Not applied 69
<b>4. Biodiversity</b>	304-1 Operations centers owned, leased or managed located within or together to protected areas or of great biodiversity value outside protected areas. 304-2 Significant impacts of activities, products and services on biodiversity. 304-3 Protected or restored habitats. 304-4 species included in the IUCN (International Conservation Union) Red List. of nature) and on national conservation listings whose habitats are in areas affected by operations.	Not applied Not applied Not applied Not applied
<b>5. Emissions</b>	305-1 Direct greenhouse gas (GHG) emissions - Scope 1. 305-2 Indirect greenhouse gas (GHG) emissions - Scope 2. 305-3 Other indirect GHG emissions - Scope 3. 305-4 Intensity of GHG emissions. 305-5 Reduction of GHG emissions . 305-6 Emissions of ozone-depleting substances (ODS). 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant atmospheric emissions.	65, 66 65, 66 Not applied Not applied 65, 66 Not applied Not applied



**GRI 300 THEMATIC ENVIRONMENTAL STANDARDS.**

**PAGES**

<b>6. Effluents &amp; Waste.</b>	306-1 Water discharge depending on its quality and destination. 306-2 Waste by type and disposal method. 306-3 Significant Spills. 306-4 Transport of hazardous waste. 306-5 Bodies of water affected by water discharges and/or runoff.	Not applied Not applied Not applied 68 Not applied
<b>7. Cumplimiento Ambiental.</b>	307-1 Non-compliance with environmental legislation and regulations.	83
<b>8. Evaluación ambiental de proveedores.</b>	308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria. 308-2 Negative environmental impacts on the supply chain and measures taken.	Not applied Not applied

**GRI 400 THEMATIC ENVIRONMENTAL STANDARDS.**

<b>1. Employment.</b>	401-1 New recruitment and staff turnover. 401-2 Benefits for full-time employees not given to temporary or part-time employees. 401-3 Parental Leave.	28, 20 Not applied Not applied
<b>2. Worker-Company Relationships.</b>	402-1 Minimum notice deadlines for operational changes.	Not applied

**GRI 400 THEMATIC ENVIRONMENTAL STANDARDS.**
**PAGES**

<b>3. Health and safety at work.</b>	<p>403-1 Representation of workers in formal worker committees - health and safety company.</p> <p>403-2 Types of accidents and frequency rates of accidents, occupational diseases, absenteeism, days lost and number of deaths from occupational accident or occupational disease.</p> <p>403-3 Workers with high incidence or high risk of diseases related to their activity.</p> <p>403-4 Health and safety issues dealt with in formal agreements with trade unions.</p>	<p>52</p> <p>Not applied</p> <p>Not applied</p> <p>Not applied</p>
<b>4. Training and Teaching.</b>	<p>404-1 Average training hours per year per employee.</p> <p>404-2 Employee Skills Improvement Programs and Transition Assistance Programs.</p> <p>404-3 Percentage of employees who receive periodic performance reviews and career development.</p>	<p>Not applied</p> <p>18</p> <p>Not applied</p>
<b>5. Diversity of opportunities.</b>	<p>405-1 Diversity in governing bodies and employees.</p> <p>405-2 Ratio of women's base salary and remuneration to men.</p>	<p>26, 27</p> <p>Not applied</p>
<b>6. No discrimination.</b>	<p>406-1 Discrimination cases and corrective actions taken.</p>	<p>50</p>
<b>7. Freedom of association and collective bargaining.</b>	<p>407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk.</p>	<p>Not applied</p>
<b>8. Child Labor</b>	<p>408-1 Operations and providers with significant risk of child labor cases.</p>	<p>Not applied</p>
<b>9. Compulsory forced labor.</b>	<p>409-1 Operations and suppliers with significant risk of forced and compulsory labor cases.</p>	<p>Not applied</p>
<b>10. Safety Practices.</b>	<p>410-1 Security personnel trained in human rights policies or procedures with significant risk of forced and compulsory labor.</p>	<p>Not applied</p>



**GRI 400 THEMATIC ENVIRONMENTAL STANDARDS..**

**PAGES**

<b>11. Indigenous People Rights.</b>	411-1 Cases of violations of the rights of indigenous peoples.	Not applied
<b>12. Human Rights Evaluation.</b>	412-1 Operations subject to human rights impact assessments or reviews. 412-2 Training of employees in human rights policies or procedures. 412-3 Significant investment agreements and contracts with human rights clauses or subject to human rights assessment.	Not applied Not applied Not applied
<b>13. Local Communities</b>	413-1 Operations involving the local community, impact assessments, and development programs. 413-2 Significant operations with significant negative impacts - real and potential - on local communities.	Not applied Not applied Not applied
<b>14. Evaluation of Suppliers</b>	414-1 New suppliers who have passed selection filters according to social criteria. 414-2 Negative social impacts on the supply chain and measures taken.	Not applied Not applied
<b>15. Public Policy.</b>	415-1 Contributions to political parties and/or representatives.	Not applied
<b>16. Health and Customer Security</b>	416-1 Assessment of the health and safety impacts of product or service categories. 416-2 Cases of non-compliance relating to the health and safety impacts of categories of products and services	Not applied Not applied
<b>17. Marketing &amp; Ticketing.</b>	417-1 Requirements for information and labelling of products and services. 417-2 Cases of non-compliance related to product and product labeling. 417-3 Cases of non-compliance related to marketing communications.	Not applied Not applied Not applied
<b>18. Client Privacy.</b>	418-1 Substantiated claims relating to customer privacy violations and loss of customer data	Not applied
<b>19. Socioeconomic compliance</b>	419-1 Non-compliance with laws and regulations in the fields social and economic	Not applied