

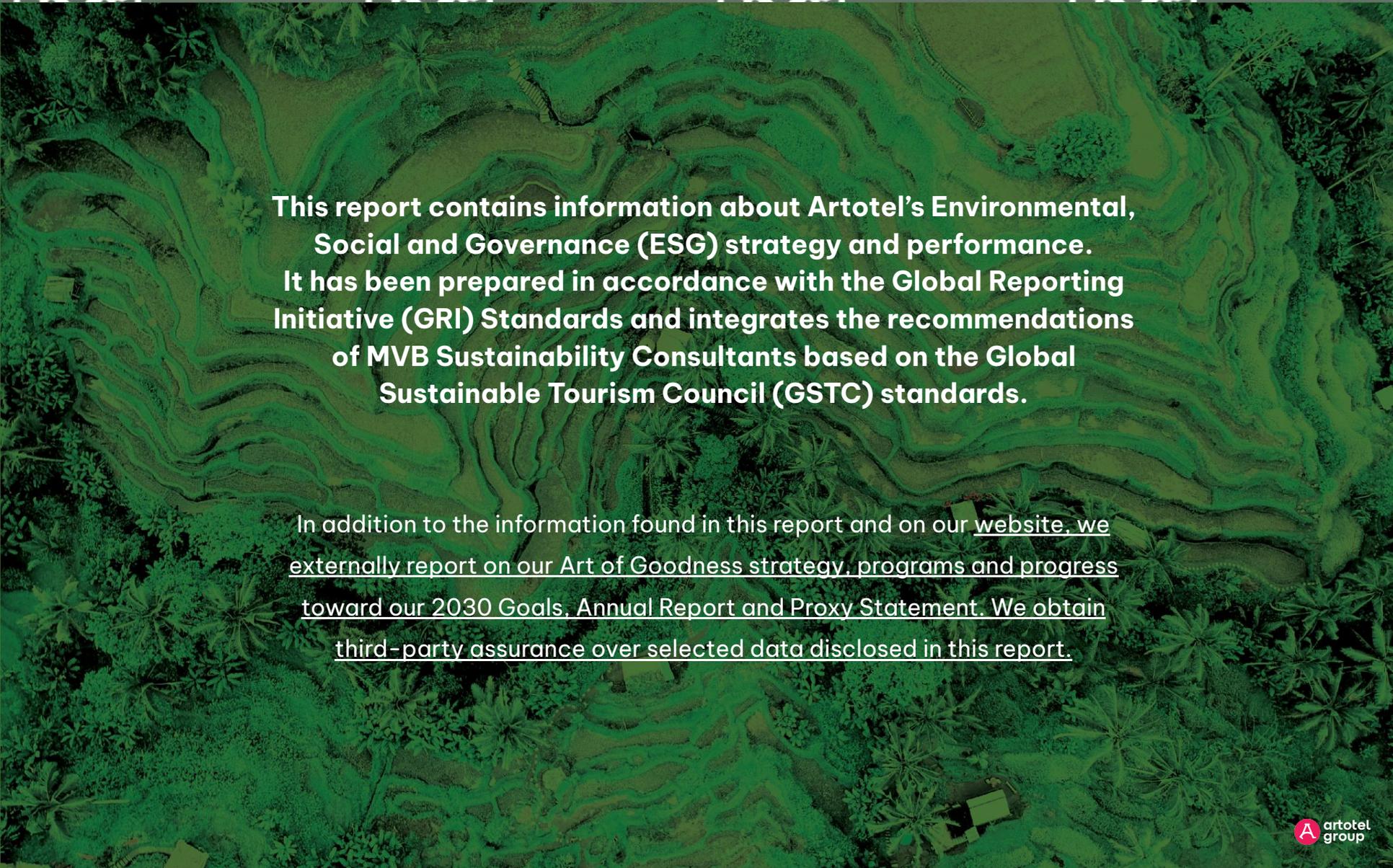


THE ART OF GOODNESS

*The ARTOTEL Group's
Committed Approach to Sustainability*

*The Environmental,
Social and
Governance Report 2024*

artotelgroup.com

An aerial photograph of terraced rice fields, showing the characteristic curved, stepped patterns of the land. The entire image is overlaid with a semi-transparent green filter. The text is centered in the upper half of the image.

This report contains information about Artotel's Environmental, Social and Governance (ESG) strategy and performance. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and integrates the recommendations of MVB Sustainability Consultants based on the Global Sustainable Tourism Council (GSTC) standards.

In addition to the information found in this report and on our [website](#), we externally report on our Art of Goodness strategy, programs and progress toward our 2030 Goals, Annual Report and Proxy Statement. We obtain [third-party assurance](#) over selected data disclosed in this report.

Table *of* Contents

- A Message from the CEO
- ARTOTEL Group Introduction
- ARTOTEL Core Value
- ARTOTEL Sustainability Approach
- ARTOTEL's Pledge
- The Art of Goodness 2028 Goals
- ARTOTEL 5 YEAR PLAN
- ARTOTEL ESG Strategic Framework
 - [ARTOTEL EARTH](#)
 - [ARTOTEL HOPE](#)
 - [ARTOTEL WELFARE](#)
- 2024 Highlights
- Progress Report
- What Has Been Done
- What's Next

Message *from* CEO

We recognize our growing responsibility to delivering an exceptional guest experience, but at the same time supporting the highest possible standards of environmental practices throughout all the hotels that we operate. Therefore, sustainability is always at the forefront of our vision, as we continue to grow and improve, taking all the members of our team with us on this journey.

ARTOTEL Group are committed to take appropriate action to reduce the environmental impact of our operations and raise awareness of the importance of sustainable tourism to travelers, especially our guests, by focusing on improving the three main criteria of ESG : Environment, Social and Governance plus other important factors in achieving sustainability.

This is important insofar as it clearly lays out the intended areas of action and the overall framework. It is a promise to all stakeholders that has to be fulfilled. But should be matched by KPIs, timelines, and budgets where needed.

But we are always open to suggestions from any artist/employee for sustainable ideas and will use this program as a platform for a change for the better.



Erastus Radjimin
Founder & CEO of ARTOTEL Group

ARTOTEL Group now manages **100+ Hotels** with a total of **10,000+ Rooms**, across **36 cities** in Indonesia, employing **7,000+ Artists**.



ARTOTEL is led by a highly experienced management team with a strong track record in the hospitality and creative industries with in-depth knowledge to deliver value to both partners and stakeholders.

ARTOTEL Group

Introduction



STAY



DINE



PLAY



SHOP

ARTOTEL is an Indonesian hotel operator management that integrates 4 business units, Hotel (Stay), Food & Beverage (Dine), Event Management (Play), and Curated Merchandise (Shop). ARTOTEL Group offers a wide range of options for accommodation from budget hotels, boutiques, mid-range to luxury hotels, to meet the accommodation needs from all target markets. We have a wide selection of brands, **ARTOTEL, DAFAM, MAXONE, and KYRIAD** franchises with more than 100 hotels and 10,000 guest rooms spread throughout Indonesia.

In the field of Food & Beverage, ARTOTEL Group provides management services for restaurants, bars and beach clubs. Through Event Management, ARTOTEL Play and Curated Merchandise with the MART brand, ARTOTEL Group has a vision of advancing Indonesia's creative industry by supporting young artists to work through collaborations created in the form of exhibitions, performances, workshops, and the production of character merchandise art that can be used everyday at affordable prices.

Core Values

HEART

The success of ARTOTELGroup is embedded in our passionate and talented team. Despite coming from many backgrounds and having a large variety of skills, we all share the common joy of making other people happy through gracious hospitality. We think it's cool to care.



SMART

Due to our universal expertise in hotel management, we own and manage a remarkable collection of lifestyle assets. We also adopt an independent approach towards branding while priding ourselves on highly visible cultural activations.

START

A hotel but also a think tank, marketplace and gallery. We strongly support and believe in independent expression. We are a destination for creators and makers to leave their mark.



IMPART

By providing and developing eco-friendly products, ARTOTELGroup wants to take its corporate responsibility to the next level and pledge towards a sustainable future.

ARTOTEL's *Sustainability Approach*

Let's embark on a journey,
where together we make impact
for the greater good.

Together for the
ENVIRONMENT,
PEOPLE and **BUSINESS**
from the **heART.**

Doing good leads to something even more significant.
We want everyone to believe in the process and that
each and every action from everyone counts. Putting
forward all the goals we have accomplished as a team
as of today, will build trust and credibility in the eyes of
all parties. Moreover it will show more of our dedication
to planet, people and profit. But the journey doesn't stop
there, we are just getting started.

Come and join us in the **ART OF GOODNESS** program.

The ARTOTEL's *Pledge*

ARTOTEL Group are committed to take appropriate action to reduce the environmental impact of our operations and raise awareness of the importance of sustainable tourism to travelers, especially our guests, by focusing on the three main criteria of ESG (Environment, Social and Governance) and other important factors in achieving sustainability.

The success of **ARTOTEL Group** is embedded in, and enabled by, our passionate and talented team. Despite coming from many backgrounds and having a large variety of skills, they all share the common joy of making other people happy through the delivery of gracious hospitality. We think it's cool to care!

We are a hotel group but also a think tank, marketplace and gallery.

ARTOTEL strongly supports and believes in independent and individual expression.

We make our many destinations available for creators and makers to leave their mark.

Now **ARTOTEL Group** wants to take its corporate responsibility to the next level, through our:

Art of Goodness Program

Our ambitious 2028 goals will hold us accountable for progress across all ARTOTEL'S operations, supply chains and communities. Also through this program, our employees (who we call *Artists*) will continue to use innovation and influence to make meaningful differences in the destinations and communities in which they operate.

The Art *of* Goodness 2028 *Goals*

ARTOTEL Group's ambitious 2028 goals hold us accountable for progress across our operations, supply chains and communities.

Through the Art of Goodness Program, our Artists use innovation and influence to make meaningful differences in the destinations and communities in which we operate.

ARTOTEL's ESG

Strategic Framework

The Plan and Strategy

Artotel's environmental, social and governance (ESG) strategy—the Art of Goodness—is integrated throughout our business, including our operations, our supply chain and our engagement with our communities. At the heart of this strategy are our people (artists), who bring our commitment to sustainable journey to life.

Environmental Impact



artotel
Earth

Social Impact



artotel
Hope

Governance



artotel
Welfare



artotel
Earth

Environment

- Sustainable Waste Management
 - 5R implementation (Reuse, Recycle, Reject, Repair and Reduce)
- To reduce water and energy consumption
- Eco-friendly product consumption



artotel
Hope

Social

- Promoting local talent
- Providing equal opportunities to all employees and taking action against discriminatory practices.
- Providing sustainable training and people development



artotel
Welfare

Governance

- Sustainable certification program
 - Building automation-based management systems
 - Participating in community service / social activities
- Compliance with all relevant government regulations

Through climate action and destination stewardship, we are paving the way toward a net-zero future for our company and the global travel and tourism industry.

Program and Initiatives

- **Environment Performance**
- **Water Consumption** - drive water reduction and conservation as well as improve water availability and quality in all our locations (water management system, water reduction, more efficient equipment, water recycling, etc)
- **Waste** - Waste reduction, recycling, and food upcycling and donation are all critical components of creating a more environmentally friendly hospitality industry.
- **Energy and Carbon Footprint** - Developed a phased implementation strategy to reduce emissions, prioritizing key sustainability initiatives for maximum impact (SOP's, energy efficiency, renewable power procurement, retrofits and electrification, on-site generation, offset and renewable energy certificate)



Our enduring role is to foster opportunity for people, including our Artists and our neighbors in the destinations where we operate across Indonesia. In addition, we bring urgent focus and committed action to the pursuit of diversity, equity & inclusion and to the protection of human rights.

Program and Initiatives

- **Careers** – Human Rights, Diversity, Equity & Inclusion
- **Communities** – local support, disaster relief, economic opportunities
- **Code of Conduct** – promote responsible & inclusive conduct and recognising employees' achievements.



We are committed to best-in-class governance practices that ensure we operate with accountability, integrity and transparency in everything we do. Everyone—from our CEO and board to our Artists—joins forces to integrate responsible hospitality principles into the way we do business. To keep that promise, we consistently measure our progress toward our goals and use that data to assess risk and drive decision making.

Program and Initiatives

- **Public Affairs** – introducing governance structure, advancing and measuring the overall goals, join advocacy or influence public policy related to ESG.
- **Partnerships** – creating partnerships with cross-industry networks
- **Policies and Reporting** – high integrity, anti-corruption and bribery, data privacy and cyber security, evaluating and managing risk across the business, evaluating ESG-related risk, mitigating risk in our supply chains.



artotel
Welfare



ARTOTEL Group
Five Year Plan

The Basis *of* *the* 5 Year Plan

This program was started in July 2023 and is expected to take five years to accomplish its goals as laid out through a consistent and disciplined approach to each targeted area.

In order to be successful and accurate in its achievements, each property has to first correctly measure and benchmark their current positions on water consumption per occupied room, water recycling and reuse, energy consumption per occupied room, and waste types and volumes.

Each property has to set up and train their own Green and Social teams to work on the detailed implementation plans and to brainstorm new ideas to add to the program. This will enable the group to become self-sufficient in most aspects of sustainability.

The annual targets (expected outcomes) are measured from the point where each property's benchmarks were measured and agreed. A comprehensive series of guidelines has been drawn up for them to follow.

1 Year One ARTOTEL

Expected Outcomes



Reduce water consumption by

10%



Eliminate plastic bottles

25%

2.0



Start active waste segregations



Engage
professional
vendors

Waste to
landfill Reduction

10%

3.0



Reduce overall energy use by

10%

6.0



Start replacing suppliers
contracts with
sustainable clauses

7.0



Create
'Artotel Earth'
CSR Program

1 Year One ARTOTEL

Results



Reduce water consumption several hotels by

20-30%



Eliminate plastic bottles in several hotels

50%

2.0



Start active waste segregations



Engage professional vendors

Several hotels' Waste to landfill Reduction

20%

3.0



Reduce energy use several hotels by

30-50%

6.0



Start replacing suppliers contracts with sustainable clause

7.0



Create 'Artotel Earth' CSR Program

2024 *Highlights*



15

Hotels are actively
implementing ESG
initiatives



37%

Have completed the
ARTOTEL
Compliance
Checklists



40%

Have updated their
Energy, Waste, and
Water programs



50%

Have set up their
Green Teams

Progress Report

Summary

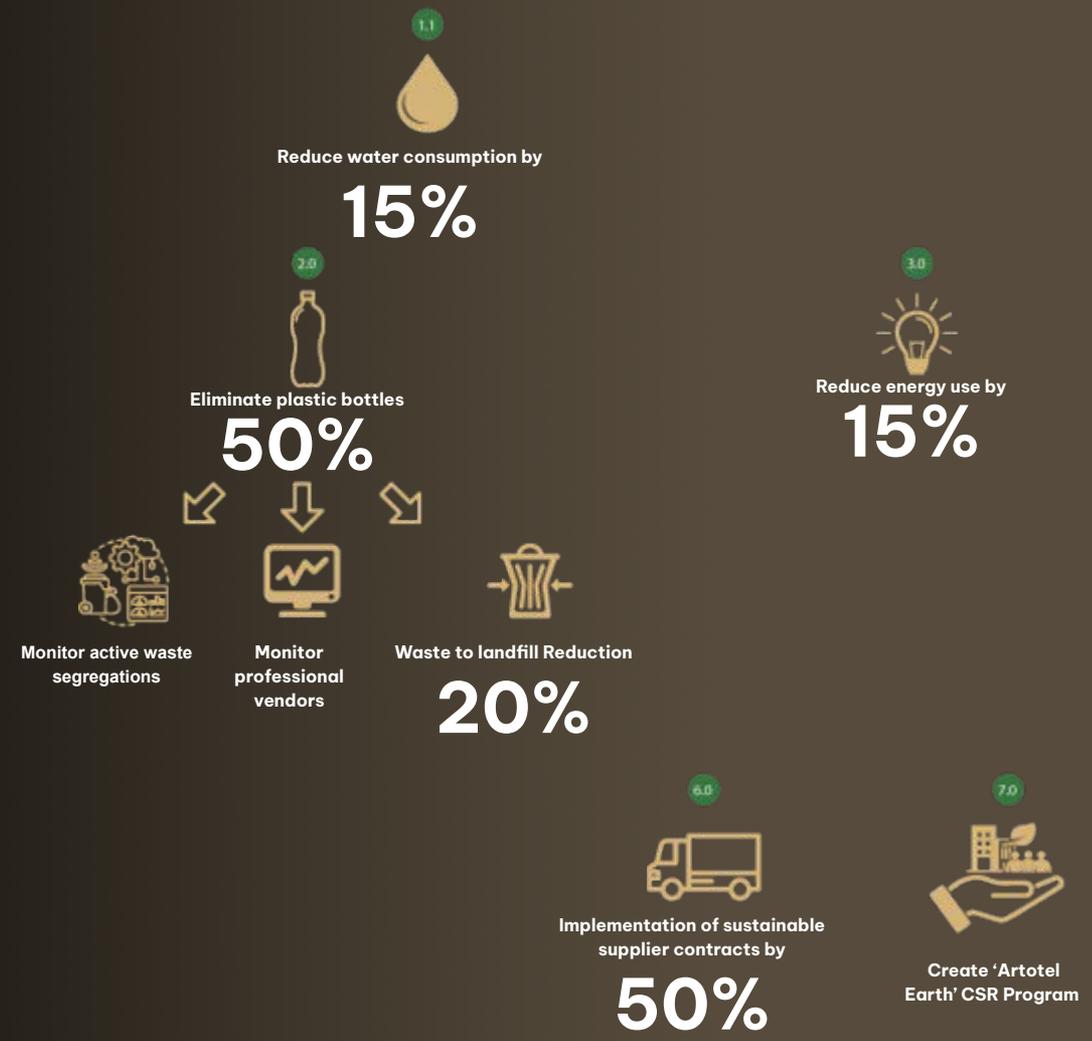
- Many of our hotels have shown improvements in their programs, and in their reporting and documentation.
- However, sustainability reporting and documentation still needs to be a priority because many hotels still are adapting to it.
- Some hotels also have difficulties in understanding the deeper meaning of sustainability, therefore Artotel curated Sustainability Guidelines and Sustainability Standards must be given to each employee to enable them to understand what ESG and sustainability means.
- Overall, our one-on-one approach to each property and direct assistance is much needed for each property to really understand and be able to implement their sustainability programs, which is why our consultants MVB continue to assist each property under the Artotel brand one by one, to ensure the success of Artotel's Sustainability program.

What has been *Done*

1. Introduced and implemented Artotel's Sustainability/ESG program for properties directly under ARTOTEL brand.
2. ARTOTEL Sustainability Guidelines shared all properties of ARTOTEL as guidance for each property.
3. ARTOTEL Sustainability Standards Manual created that consists of three documents which cover: Environmental Standards, Building Management and Technical Procedures.
4. Compiled detailed information on the current status of the most important environmental sectors from each property: water, energy and waste.
5. Analyzed potential areas for collaboration and partnership with experts.
6. Worked directly with 15 hotels under ARTOTEL Brand to influence and set as examples for the other Artotel properties to follow.

2 Year Two ARTOTEL

Expected Outcomes



What's *Next*

First Batch Hotels to be entered for GSTC Certification in Q1.

First Batch hotels are: ARTOTEL Thamrin Jakarta, De Braga By ARTOTEL Bandung, ARTOTEL TS Suites Surabaya, ARTOTEL Sanur Bali

Second Batch Hotels to be ready for GSTC certification by Q4.

Second Batch hotels are: Vivere by ARTOTEL Hotel, Mangkuluhur ARTOTEL Suites Jakarta, ARTOTEL Casa Kuningan. Vue Palace and Grand Dafam Braga Bandung (to be discussed further)

Other properties under ARTOTEL to give their reports and documentations to AGHO and MVB.

This includes completing the Self-Assessment Forms and Artotel Environmental Compliance to set KPIs and Benchmarks of all ARTOTEL properties

MVB continuing to assist ARTOTEL properties in Jabodetabek, West Java, Yogyakarta, Central Java, East Java and Bali through face-to-face meetings.

For more detailed explanation
on each sector please contact:

OJAHAN OPPUSUNGGU : Ojahan@artotelgroup.com

YULIA MARIA : yulia@artotelgroup.com



ARTOTEL

dafam

maxone

Kyriad

ROOMS INC.

artotelgroup.com

Jl. Bunga Mawar No 42, Cipete, Jakarta 12410, INDONESIA
+62 21 2781 2980 | corporate@artotelgroup.com