

COMMUNICATION ON PROGRESS (CoP)

Period covered by your Communication on Progress (CoP)

From:

December 2022

To:

December 2023

1. STATEMENT OF CONTINUED SUPPORT BY THE GENERAL MANAGER

Please use the box below to include the statement of continued support signed by your company's chief executive.

11th November 2022

To our stakeholders:

I am pleased to confirm that Folks Hotels Ltd. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, values and daily hotel operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Niina Hilarto
General Manager
Folks Hotels Ltd.

2. DESCRIPTION OF ACTIONS

Human Rights

Please use the box below to describe **actions** your company has taken in the area of human rights.

Folks Hotels Ltd gives its support and has committed for the Universal Declaration of Human Rights. Company also requires its business partners and suppliers to commit to the Global Compact principles on Human Rights. During upcoming year 2023 Folks Hotels Ltd. requires these written commitments from its new partners.

Folks Hotels Ltd. encourages its, employees, partners and customers to report all the possible suspicions regarding Human Rights violations straight to company's General Manager Niina Hilarto via email: niina.hilarto@folkshotels.fi.

In addition to that, company will raise its employees awareness about Human Right issues by training.

Labour

Please use the box below to describe **actions** your company has taken in the area of labour.

Folks Hotels Ltd. has committed ILO Declaration on Fundamental Principles and Rights at Work. Company reveres all the agreements between employee and employer associations. Folks Hotels Ltd. always hires the best available worker for its open positions, regardless employees' social, ethnical, gender, age or any other person related attributes. Company culture is that the diversity of the workforce ensures the creativity of the team.

Head of Company's Human Resources (General Manager or Front Office Manager) ensures the health and the safety of all employees with help of company's healthcare partner (with an annual plan). Employees are encouraged to participate in any events arranged by labour unions to know their rights better.

Folks Hotels Ltd, works through its values and encourages to an open discussion about labour rights, in and out the company. It means openness regarding our business partners Labour culture and also openness regarding our own policies. Employees are encouraged to inform, if they notice any Labour risks inside the company or among our business partners' actions.

Environment

Please use the box below to describe **actions** your company has taken in the area of environment.

Folks Hotels Ltd. has made several agreements with different kind of companies to work for the better environmental future. Company requires its main business partners and suppliers to adhere to the Global Compact environmental principles.

Awareness raising and training of employees on activities, regarding environmental issues is one of the core agendas of the year 2023.

Folks Hotels Oy has implemented several its supplier deals to its daily operations, for instance Company:

- Reduces waste materials with Lassila & Tikanoja, with whom it has made a wide recycling program agreement.
- Uses only Renewable energy in 2023 - wind power from Oomi energy company.
- Has in an agreement with Beverages supplier company Sinebrychoff who aims to be Carbon Neutral company by 2030. It already uses only renewable energy on its processes.
- Has chosen to collaborate with Comforta. Their textile care operations just received The Swan, the official Nordic Ecolabel.

Anti-Corruption

Please use the box below to describe **actions** your company has taken to fight corruption.

Folks Hotels Ltd. has a zero-tolerance for corruption, bribery and extortion. Our company's staff members are guided to contact their supervisor immediately, if they are confronted with extortion or bribery. If company faces any actions of corruption, bribery or extortion, it is an immediate deal breaker for any kind of agreement with side whom be gilt of this action. Whilst choosing our outsourced service providers such as laundry and housekeeping, company ensures that no corruption is taking place while their proposals are being reviewed. Folks Hotels Ltd. only considers companies that have a clean financial record and reputation to do business with.

Anti-corruption will be a one of the topics in company's monthly staff meetings and executive team meetings. There the team is encouraged to talk openly about the risks or acts they have faced during the previous month. All the actions regarding to corruption, bribery or extortion, that has been informed to supervisors or managers, will be handled with the whole team. Management of the company will report and document these actions to General Manager.

3. MEASUREMENT OF OUTCOMES

In the box below, please include the most relevant indicators to measure outcomes.

Human Rights

If Folks Hotels Ltd. gets any reports regarding suspected Human Rights violations regarding its business partners, it will contact the company immediately for an extra information. If Human Rights violations are vindicated, Folks Hotels Ltd. gives to business partner a 30 days period to fix its processes regarding Human Rights violences. If processes aren't fixed during 30 days, Folks Hotels Ltd. will cancel its co-operation commitment with the partner.

Labour

From the first stages of recruitment process we ensure that different candidates are being interviewed and considered for the available positions. If company observes any incidents of violations of Global Compact Labour principles among its business partners operations, it will give them a 30 days notice to clarify and fix their operations. If they cannot perform as required during this period, company will cancel their cooperation agreements.

Environment

If company finds out that its business partners or suppliers do not follow their commitments regarding Global Compact environmental principles, it will give them a notice valid for 30 (or a different period written in an agreement) days to correct their actions. If they cannot do that or meet the needs and promises, company will cut the agreement off in an immediate effect.

Anti-Corruption

All the incidents of corruption will lead to immediate actions. If the breaker of trust is a business partner or a supplier, will the act lead to immediate clearance of an agreement. If company meets with minimum of two incidents of corruption yearly, it will assign on external audit to its anti-corruption program.