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# a&o Sustainability Report 2022

everyone can travel – today, tomorrow and in the future

July 2023

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# Company profile

## Background

a&o Group was founded in 2000 and is today the biggest privately owned hostel chain in Europe, operating 39 houses in 25 cities. The hostels are located in 14 German cities, in Austria, the Czech Republic, Denmark, Hungary, Italy, Netherlands, Poland and Scotland. As of today, a&o offers 28,000 beds in single, double and family rooms. Bars and meeting areas, and many more facilities are included in all a&o hostels.

The a&o concept of combining the most important and guest-oriented elements of hotels and youth hostels under one roof differentiates the company from other hostel operators. It contains three pillars: professionalism, easy to access central locations and openness to everyone.

A flexible, dynamic and committed workforce, and a centrally managed sales and marketing team ensures a&o can keep costs well below the industry average, which in turn generates tangible benefits for all guests.

With this concept, a&o turned into a market leader in the hostel segment – attractive for the price-conscious youth and family travellers.

a&o grew over the years from its own resources with profit flowing back directly into the company. In order to finance new properties in European cities and to modernise existing hotels, a&o gained TPG Real Estate as a shareholder in January 2017. This enables a&o to maintain steady growth in exciting European tourist destinations.



## Foreword by the CEO

“everyone can travel” is a&o’s claim, which made us the leading private hostel operator in Europe the last 20 years. And with the conviction of doing the right thing, we are well on our path to further claim that “everyone can travel – today, tomorrow and in the future”.

Sustainability is important to me personally. Not because it is fashionable, but because it is equally important for economic success, the preservation of our livelihoods and future generations. We at a&o are convinced that responsible travelling has great benefits. Travelling educates, creates intercultural understanding and helps understanding global interrelations. And by hosting many school classes and young travellers, a&o also reaches the next generation – those for whom we all want to preserve a socially and environmentally intact planet.

Next to all the benefits associated with travelling, we are aware that our business has both positive and potentially negative impacts on society and the environment. This may be through the hostels we buy, build or operate, through the subcontracting of services or through the procurement of food, beverages or other materials with potentially critical supply chains.

As a consequence, a&o is committed to driving social and environmental change towards responsible tourism.

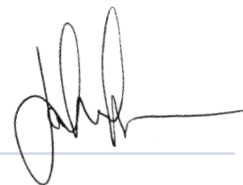
We contribute to combating climate change and also take into account the social impact of our actions. This is nothing new for a&o – but we are including sustainability more and more as a core value of our business model in order to contribute to the ambitious goals of society as a whole, including the Paris Climate Agreement and the UN Sustainable Development Goals.

Therefore, following a comprehensive analysis of key sustainability issues for a&o’s business in 2022, we have defined sustainability focus topics and backed these up with targets – going beyond external requirements. In doing so, we are adding a new dimension to the hospitality industry and youth hostels in particular - alongside central locations, permanently low prices and partnership with our guests.

With this report, a&o makes its commitment to sustainability challenges transparent for the first time. Let us open a dialogue and work together so “everyone can travel – today, tomorrow and in the future”.

In this spirit, we wish you informative reading of the “a&o Sustainability Report 2022”.

**Yours,**



**Oliver Winter**  
a&o Chief Executive Officer



# Sustainable Corporate Governance at a&o

## The “G” of ESG

For us, sustainability means creating lasting economic added value for a&o as a company, its employees and partners – while at the same time addressing ecological and social impacts along the value chain. This applies both to corporate governance (the “G” of ESG) and to tackling environmental and social challenges (the “E” and “S” of ESG).

To address sustainability at a&o in a structured and focused manner, in 2022 we established a strategic

sustainability management process with a thorough materiality assessment. This included the definition of strategic sustainability priorities and measures and, with this first report, a transparent communication about our commitments, achievements and challenges.

By setting such a framework for the a&o corporate management, we are continuously driving the systematic anchoring of sustainability issues in our operating business. On that path to an ever more

sustainable company, we also have set ourselves short, medium- and long-term targets in all dimensions. All of them are tracked, monitored and reported quarterly to the Executive Board.

In order to integrate sustainability into a&o’s governance and management, the following targets and timeframes have been set and addressed (see table below).

Target	Target horizon	Status 2022
<b>Sustainable Business Strategy</b>		
Materiality assessment: identifying core a&o sustainability focus areas	2022	100%
Definition of strategic sustainability pillars (governance and topics)	2022	100%
Set-up of core KPIs, interim and long-term targets and their integration into the steering of the company	2024	40%
<b>a&amp;o Management</b>		
Strengthening diversity of the a&o management composition (women, employee representation etc.)	2024	In progress
Integration of sustainability into the a&o compensation scheme (where appropriate)	2024	50%

Target	Target horizon	Status 2022
<b>Policies and Guidelines</b>		
<b>a&amp;o Integrity Code</b>		
Formulation, approval and communication to all employees	2023	100%
Integration into general terms and conditions/employee contracts	2023	30%
Roll-out for key suppliers	2024	50%
<b>a&amp;o Responsible Sourcing Policy</b>		
Formulation, approval and stakeholder feedback	2022	100%
Integration into general terms and conditions	2023	10%
Communication to all suppliers	2023	40%
Roll-out for key suppliers (incl. definition of joint efforts)	2023	10%

2.1

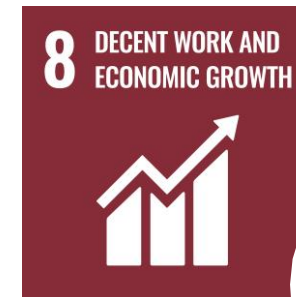
## Sustainable Development Goals – a&o’s contributions

We are aware that our value creation processes at a&o have positive but also negative effects on sustainability as outlined by the Sustainable Development Goals (SDGs) of the United Nations.

In order to

### ***prioritise***

the most relevant SDGs for our business, we did an in-depth comparison of the a&o value chain in 2022 against all 17 SDGs. As a result, the ones most relevant for a&o are SDGs 6, 7, 8, 11, 12, 13 (see table on the right) – which were consequently considered specially in the materiality assessment and the sustainable business strategy derived from that.



2.2

## Materiality matrix – priority fields of action for a&o

### To identify

particularly strategic sustainability issues. In 2022, a&o conducted a comprehensive three-level materiality analysis:

### 01

Important sustainability framework conditions were reviewed for their relevance to a&o – including the SDGs, legal requirements and so on.

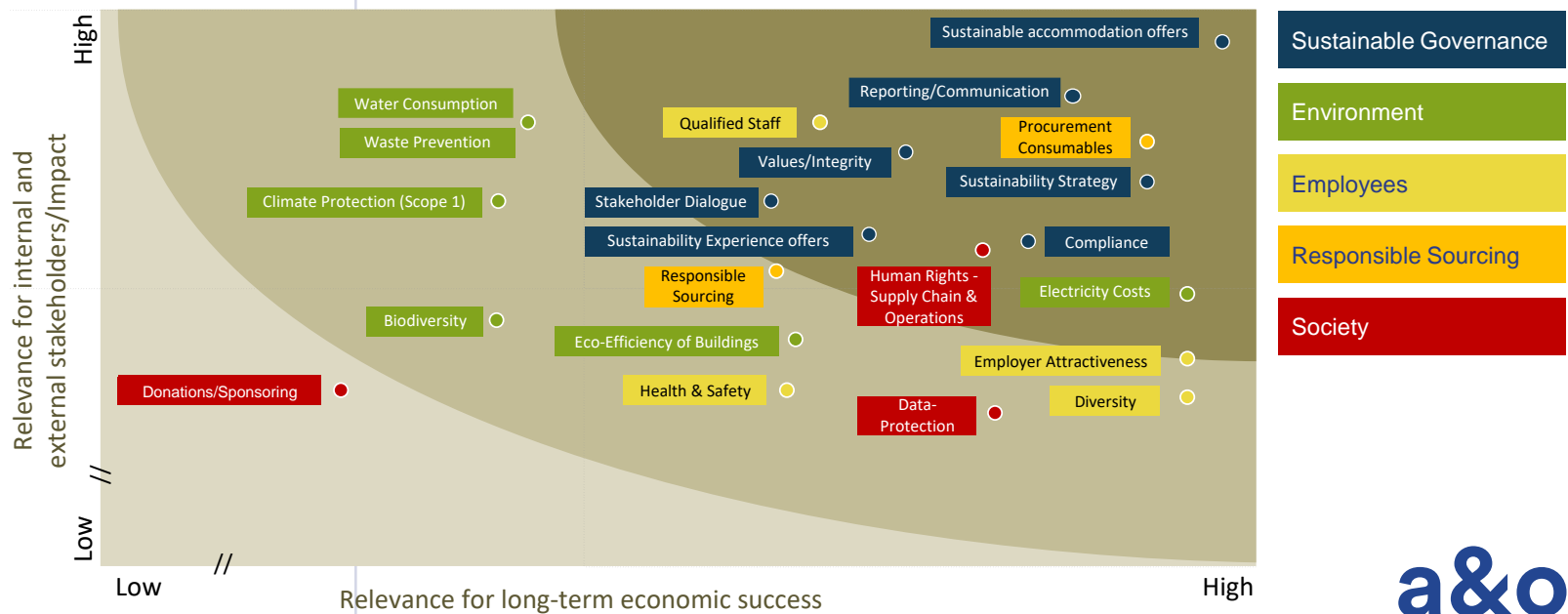
### 02

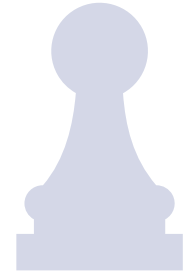
External groups (stakeholders) reported, in individual interviews, their expectations of us and their priorities regarding our impact on society and the environment (see y-axis in figure below).

### 03

From the company's point of view, various sustainability issues were prioritised according to their importance for the long-term economic success of a&o (see x-axis in figure below).

As a result, the materiality matrix below shows which sustainability challenges are of particular strategic importance to us in the current political and social environment, both from an external and an internal economic perspective.





2.3

## a&o Sustainable Business Strategy

Based on the materiality matrix, the most material topics were subsequently clustered and transformed into a strategic approach with ...



**five focus areas and ten priority topics**

*to be systematically anchored in a&o's operational business.*



2.4

## Management-Approach to Sustainability

With the a&o Hostels GmbH & Co. KG as the parent company, a&o is headquartered in Berlin and operates in the legal set-up under German law. The steering function has a five-member Executive Board, led by CEO Oliver Winter. It is responsible for making strategic decisions and overseeing regulatory, legal and compliance functions across the group to ensure effective operations and compliance with applicable laws and regulations.

The Executive Board is supported by an internationally composed Advisory Board, chaired by John Scott and consisting of experienced members of the hospitality and leisure industry.

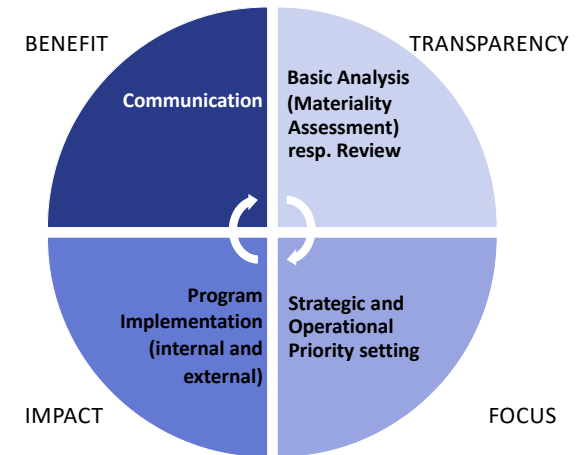
With sustainability as a core element of business, the Executive Board is also a&o's highest sustainability decision-making body – operationally coordinated by a specifically set-up director's department for "Human Resources & ESG". Their staff manages our work – including the strategic sustainability action areas – together with all necessary functions (such as Procurement, Legal, Marketing, Accounting, Finance and Construction departments) via an internal reporting process with detailed scorecards. Clearly defined responsibilities in the management and organisational

structures for each of our business areas are designed to support this process. Key trends are reported quarterly to the Executive Board.

With this governance structure, a&o has established an

**efficient and results-oriented**

**planning and implementation** process with the submission of the strategic priorities for "Sustainability@a&o". In order to achieve the desired sustainability results in addition to our quality targets, a four-stage analysis and implementation process was set up with the support of external sustainability experts (see fig. below). It was initiated by the Executive Board, which is also responsible for it. In this way, we create transparency in a regular cycle, focus on key areas that are relevant to us, implement programs in a targeted manner and communicate transparently about them.



2.5

## a&o's Mission, Values, Policies and Guidelines

As an underlying orientation to develop the core of a&o's business, we have – in a company-wide process – formulated a vision, mission and corporate values which correspond to our mentality and which give us guidance in our daily work.



***Even more specific guidance is provided by our Integrity Code and our “Policy for Responsible Sourcing” – both finalised in 2022.***

2.5.1

## Vision, Mission and Values

*Our vision and mission at a&o have been developed through a broad process involving our founder, management and employees. They reflect the culture of our organisation and guide us in our work, as we strive to achieve our goals.*

### Vision

***“We are Europe’s No. 1:”***

Fun at quality and service belongs to our mentality. We communicate in a clear and conceptual manner externally and internally. We strive for the satisfaction of our guests and employees. We are the technical pioneer in the industry. By 2025, we will be Europe's first net zero CO<sub>2</sub>-emission hostel chain.”



### Mission

***“We stand for a simple, flexible hotel and hostel product”***

with a good sense for guests, the right trends and the necessary courage, which brings us our unorthodox reputation in the travel industry. With our understandable concept, we aim at making guests pay only the components they truly need and want. With a clear focus on costs and size, we offer our guests budget-priced accommodation at central locations. We operate on the lowest possible climate emission level per guest overnight.”



2.5.2

## Integrity and compliance

In living up to the expanded ambition of “everyone can travel – today, tomorrow and in the future”, we endeavour to act equally with integrity among ourselves, with business partners and as part of society. That is why, in 2022, we provided our employees, all of whom we see as ambassadors of our company, with a guide in the form of an Integrity Code. It supports them in overcoming legal and ethical challenges, and provides guidance when making decisions. Compliance with the rules always has been a priority. There can be no compromises here.

The a&o Integrity Code applies to all employees and will, by the end of 2023, be an integral part of every employment contract. Its contents and requirements have been comprehensively communicated to all in specifically designed training courses.

With the Integrity Code, we also show our customers and business partners what is important to us in a trusting relationship. We emphasise that our customer partnerships, which are at the heart of everything we do, are characterised by respectful and honest dealings.

Code of Ethics

# a&o Code of Ethics

Dr. Heger + Experten



a&o  
aohostels.com

2.5.3

## Responsible Sourcing Policy

During the reporting year of 2022, our company made a significant addition to our overall sustainability approach with the introduction of the "a&o Responsible Sourcing Policy". By formulating what is important to a&o in our purchasing decisions when it comes to social responsibility, environmental protection and responsible business conduct (referencing to the Integrity Code), we are making our suppliers a partner on our sustainability journey. We might not be the biggest player, compared to multinational hotel chains. Nevertheless, we trust in our suppliers sharing the same sustainability ambitions. Therefore, our Board has mandated a&o procurement to integrate sustainability considerations in their decision making.

In formulating the "a&o Responsible Sourcing Policy", we refer to applicable law and internationally accepted requirements pertaining to human rights, environmental protection and responsible business conduct. They have been matched with potentially adverse effects in operating a hostel while considering the consumption or use of materials and products originating in global supply chains.

This means the "a&o Responsible Sourcing Policy" applies to both a&o procurement staff and all our product suppliers and service providers alike. It defines minimum requirements (musts) and further expectations, which any a responsible company should strive to meet.

# Responsible sourcing policy



2.6

## Transparency on sustainability: communication and dilemmas

With this "a&o Sustainability Report 2022" as part of our sustainability management, we report publicly for the first time on our commitment, achievements, goals and ambitions. However, we do not want to conceal the limits that we face as a medium-sized company, including what we can influence, where we are dependent on cooperation with business partners and where we encounter frameworks shaped by political institutions. Dilemmas or challenges in this sense include:

**Limited access** to information about the origin of the materials we purchase and which are potentially critical to human rights.

**Due to our** low purchasing volume, we have only limited influence on the conditions in the supply chain or the conditions in the countries of origin.

Despite these challenges,

*sustainability@a&o*  
**aims to minimise**  
**negative** and  
**maximise positive**  
**impacts** to the environment and society.



# Environmental Protection at a&o

## The “E” of ESG

At a&o, operational environmental protection is a central element of a holistic approach to sustainability, which we manage both operationally and strategically – with a focus on climate protection and resource conservation in the sense of a circular economy.

Beyond our conviction of doing the right thing, this falls in line with the ESG activities of our main shareholder, the Texas Pacific Group (TPG) in the USA.

While TPG updated their Environmental, Social and Governance (ESG) Performance Policy in 2021 and are measuring their annual operational GHG footprint, we at a&o follow that line of engagement and expand on these activities. Many of the TPG environmental priorities and goals are included or are already met by a&o today.

Examples include:

- Implementation of carbon footprint tracking from 2021 onwards
- Jumpstarting clean energy initiatives in 2021
- Reduction of waste sent to landfills by 20%
- Reduction of carbon emissions by 10% until 2021 (already accomplished)

As for the environment, the following targets have been set and approved by the Board of Management.

Target	Target Horizon	Status 2022	Target	Target Horizon	Status 2022
<b>Climate Protection</b>			<b>Climate Protection</b>		
a&o endeavours to be the first European hostel group to be net zero	2025	20,766 t CO <sub>2</sub> e after offsets with EECS certificates	Investigate increasing the number of hostels with CO <sub>2</sub> -neutral linen service to 80% and options to reduce the linen transport distances	2025	In progress
Use only green electricity in all European hostels, guaranteed by individual green electricity purchasing contracts (in all locations where available)	2023	97% (Currently 38 of 39 houses use 100% green energy or EECS certificates)	Shift the company vehicle fleet to 90% hybrid or full electric vehicles	2025	75%
Extend the installation of photovoltaic systems on our hostels wherever possible	2026	20%	Offer special sustainability accommodation packages at selected locations at minimal additional cost	2023	40%
Improve the energy efficiency ratings of all our own buildings and properties by one class for each hostel	2026	Venice Mestre – A2 Venice Mestre 2 – A2 Edinburgh City – G Budapest City – DD Copenhagen Sydhavn – B Copenhagen Norrebro – C Vienna Stadthalle – A Florence – G			

# Environmental Protection at a&o

## The “E” of ESG

Target	Target Horizon	Status 2022
<b>Resource Preservation</b>		
Eco pest control only by licensed contractors with non-hazardous cleaning materials	2024	75%
Installation of green building facades at five hostels	2023	10%
Enhance collaboration and dialogue with waste removers to improve the separation and recycling of materials at their sites, in order to increase the reuse of materials and promote a circular economy	2025	40%
Implementation of a&o responsible sourcing standards	2023	starting
Shorten food transportation by 10% annually by prioritising the procurement of local food sources. Additionally, we plan to discontinue offering tropical fruits and seafood, with a target completion date of 2026	2027	50%
250 square metres of surface unsealing per year at a&o inner city locations to improve rainwater infiltration	2026	10%



3.1

## Environmental risk management at a&o

Environmental risk management is an important building block in identifying and addressing potential environmental risks at an early stage. We do that at a&o on a group level but also individually at each hostel location we operate. This two-stage process ensures individual challenges at specific locations are considered as well as those at the group level. Our approach is supported by external rating agencies which sees the following risks as particularly relevant for us:

- Accelerate emission reductions towards net zero
- Concretisation of environmental requirements for the supply chain
- Addressing requirements of the EU taxonomy
- Supporting a&o sustainability governance via risk management to identify, mitigate and manage risks
- Independent internal audit of risk management and internal control procedures



3.2

## Sustainable Accommodation Offers

a&o Hostels is already at the forefront of sustainable budget accommodation in Europe. We will offer all our guests the information they require to ascertain that their stay with a&o Hostels meets their own high sustainability standards. Additionally, we are going to offer special sustainability accommodation packages. The intention of such offers will be that a guest can decide not only to stay at our hostels with low CO<sub>2</sub> footprint but can compensate the remaining emissions when booking, so that the stay will then be completely CO<sub>2</sub> net zero. a&o currently anticipates this system will go live in the middle of 2023.

3.3

## Climate protection

***“By 2025, a&o will be Europe’s first net zero CO<sub>2</sub> emission hostel chain.”***

a&o sees environmental protection as one of the cornerstones to our holistic sustainability approach. Among the multitude of pressing issues, CO<sub>2</sub> – as a major climate affecting component – is of key importance. This is why we invest a lot of effort to reduce the CO<sub>2</sub> footprint of not only each and every hostel but our entire group.



3.3.1

## Climate protection for a&o buildings

While some of the factors contributing to our CO<sub>2</sub> emissions are controllable, others are limited in our ability to influence, or even beyond our control.

- We have changed our power supply to green electricity at all locations where available and thereby reduced our CO<sub>2</sub> footprint substantially
- We procure heating energy through district heating where possible
- We are installing or extending photovoltaic systems wherever viable
- We are improving the energy efficiency ratings of all our own buildings and properties
- By 2026 we will have improved each hostel by at least one class versus the 2022 status under the GreenSign scheme which evaluates hotels and hostels against ecological, social and economic criteria based on international frameworks

3.3.2

## Climate protection for a&o operations

### **a&o began the effort to become CO<sub>2</sub> net zero by 2025.**

*Net zero refers to the balance between the amount of greenhouse gas that is produced, compared to the amount that is also removed from the atmosphere.*

*We commissioned external experts to calculate our CO<sub>2</sub> footprint for 2019–2022 and, based on the findings, we are now defining a reduction path towards our goal to become a CO<sub>2</sub> net zero company by 2025.*

Based on our 2025 target, we plan to compensate the unavoidable emissions that cannot be influenced by a&o Hostels ourselves. These include, for example, the emissions from the use of natural gas for heating some of our hostels and of fuels for our company vehicles (Scope 1) and the district heating purchased from third parties which we use in the majority of our hostels for heating purposes (Scope 2).

While we focus on the CO<sub>2</sub> emissions from Scope 1 and 2, we are nevertheless aware of the challenges for Scope 3 emissions – upstream and downstream. These particularly relate to the procurement and delivery of all long-lasting hostel equipment such as furniture, machinery, kitchen equipment and many other fixtures. Furthermore, a wide-range of consumables from foodstuff and beverages to cleaning materials have substantial impact on our Scope 3 CO<sub>2</sub> emissions. The transportation, treatment and disposal of waste generated in our hostels also contributes towards

Scope 3 emissions. Finally, business travel and employee commuting generate Scope 3 CO<sub>2</sub> emissions.

For the cost-effective procurement of a wide-range of investment and consumable goods, our leverage to reduce the CO<sub>2</sub>-footprint of a&o Hostels may sometimes be limited. This applies particularly to suppliers with which we have only small purchasing volumes.

Here we are implementing our Responsible Sourcing Standards which will help and motivate our suppliers to adhere to the same high standards of environmental protection and sustainability which we follow ourselves. As a factor that we can strongly influence, 75 percent of our company vehicles are already hybrids. We have a plan to further shift our vehicle fleet towards exhaust emission-free vehicles.



3.3.2

## Extension or new installation of photovoltaic systems on our hostels

With a&o on the path towards becoming a CO<sub>2</sub>-net zero company, we are now taking the next steps to further improve our climate balance in the triad of "avoid, reduce and compensate". With this in mind, we are placing particular focus on areas with the highest potential for savings, as operations and sales using our current service range will not be fully CO<sub>2</sub> neutral in the short term. These include:

- Improving building insulation and upgrading heating systems where possible to use biogas
- Investigating the environmental and economic benefit of heat pump installation at selected locations
- Reduction of CO<sub>2</sub> emissions from company vehicles (although plug-in hybrids or purely electric vehicles only make sense ecologically for certain purposes i.e., short to medium distance emission free driving in urban areas)
- Extension or new installation of photovoltaic systems on our hostels
- Procurement of green electricity for all locations and investigation into the procurement of "green" district heating
- Implementation and supervision of our Responsible Sourcing Policy
- Motivate suppliers to supply their goods, services and capital goods at reduced or preferably with no CO<sub>2</sub> footprint
- Reduction of emissions from transport services for the purchase of goods and consumables
- Initiatives and incentives to reduce emissions from commuting employees

Reference systems

2022

- United Nations Sustainable Development Goals (SDGs)
- Greenhouse Gas Protocol (GHGP) of the World Business Council for Sustainable Development (WBCSD)
- The Paris Climate Agreement, the climate protection targets of the "European Green Deal", the German Climate Protection Act, climate protection laws of the German federal states
- Internal: a&o Integrity Code

Key figures

CO <sub>2</sub> emissions according to the GHGP (in tons CO <sub>2</sub> )	
Scope 1: <b>CO<sub>2</sub> released directly in the company from production</b> (e.g., combustion processes and <b>company vehicles</b> ) (including 5% safety margin)	2,568t
Scope 2: All <b>emissions generated off-site</b> – in the form of electricity, steam, (district) heating and cooling (including 5% safety margin)	4,805t
Scope 3: CO <sub>2</sub> emissions released from upstream processes (including 5% safety margin)	13,393t
Scope 3: CO <sub>2</sub> emissions released from downstream processes	Non applicable/minimal
<b>Total emissions</b> of a&o GmbH for Scope 1 and 2 (including 5% safety margin)	7,373t
Total emissions to be offset by a&o GmbH for Scope 1, 2 and 3 (including 5% safety margin)	20,766t

## Our medium-term goal

is to use these levers to reduce our directly controllable CO<sub>2</sub> emissions by 25 percent over the next three years (2022 to 2025).



### 3.4

## Resource conservation and recycling management

*On the environmental side, our focus is not only on climate protection **but also on resource conservation** and our commitment to the greatest possible **recycling economy**.*

For a&o there are a multitude of products we procure as investments and as consumables.

Our investments are all building related materials and fixtures from furniture and kitchen equipment to a variety of cleaning equipment. Consumables include all food, beverages, cleaning chemicals and much more.

As many of the resources we purchase and use in our business will eventually become waste, it is important for us to consider not only their function and cost-effectiveness during their use but also how to manage them during the end-of-life phase (EoL). How to best include the principles of the circular economy in our daily business is one of the challenges we face. We have identified two main levers which we are using to continuously advance resource conservation at a&o. These are first and foremost our employees! They are pivotal to conserve and reduce the consumption of our resources. They generate ideas how to become more resource efficient and how to include our most valuable partners in this undertaking – our guests.

The second pillar is our Responsible Sourcing Policy. Here suppliers must use natural resources, such as water, raw materials or energy, as consciously and economically as possible in their production processes. Wherever technically and qualitatively possible, suppliers should use secondary, bio-based and renewable materials. With this approach we aim to reach out as far as possible into the upstream processes of our suppliers. This also reaches into the downstream processes of a&o where recycling efforts and waste avoidance (in line with the hierarchy of prevent, reduce, recycle, recover, dispose) will be continuously intensified. Here we work together with collection contractors to improve the separation processes of some waste at our hostels but foremost at their specialised separation facilities. The process of waste generation at source and the highly efficient separation of waste have to work together. Service suppliers can then effectively ensure separation and recycling activities at their own facilities to channel back the maximum percentage of materials into the circular economy.

# Social Commitment of a&o

## The “S” of ESG

Alongside governance and environmental protection, the social dimension (the social of ESG) forms the third important pillar of a&o's commitment to sustainability. We have also set ourselves ambitious goals for the future in this regard.

Target	Target Horizon	Status 2022
<b>Employees</b>		
Creation of sustainability training for all employees	2023	10%
Development and implementation of a biennial employee satisfaction survey	2024	In progress
Implementation of new human resources software	2023	100%

Target	Target Horizon	Status 2022
<b>Human Rights</b>		
Develop a human rights policy statement	2023	10%
Conduct a human rights risk assessment	2023	10%
Assessment of human rights at all 39 (=100%) a&o locations	2024-2025	10%
All potentially human rights critical materials and products assessed/addressed	2023–2025	10%
Integration of human rights decision-making criteria in procurement processes and purchasing conditions	2023	30%

4.1

## Employees at a&o

*Our 1,200 employees (465 permanent staff and 735 seasonal workers) use innovative thinking and diverse skillsets to provide our guests with an exceptional travelling experience. Every day they do everything to ensure we continue to thrive as a company and we are proud to have such a committed team working together towards our shared goals.*

a&o believes in prioritising the health and well-being of our employees. We understand that a healthy and motivated team is essential to our success and our reputation as an attractive employer. To support our team, our human resources efforts include a variety of initiatives such as a group pension scheme organised through direct insurance, rigorous health and safety standards, ongoing training and education opportunities, and competitive compensation models.

The requirements for occupational health and safety in operating our hostels and their administration at our company are regularly checked and documented for potential hazards. Any necessary measures are implemented. Among other things, this includes ergonomic workplaces, procedures for handling hazardous substances, fire protection, safety of electronic devices and systems, machine safety, noise protection, lighting or preventive measures for the avoidance of back/muscle injuries and other illnesses. a&o employees are also regularly trained in this area.

Starting in 2020 and continuing through the reporting year, a&o has taken extensive hygiene measures to protect both our employees and guests from the risk of Covid-19 infections.

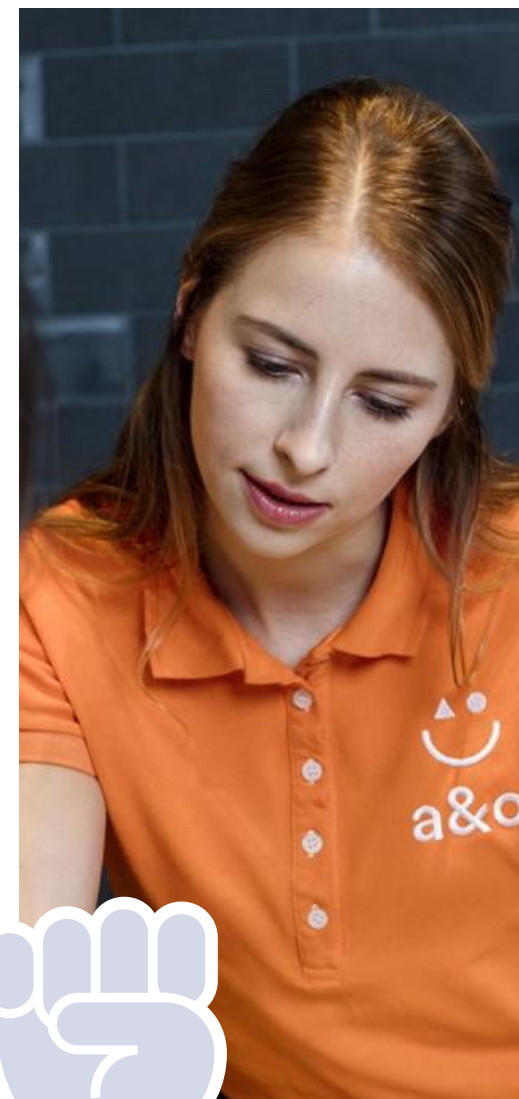
### Employees at a&o:

references, key figures 2022

Reference systems	
<ul style="list-style-type: none"> <li>Requirements of the German Occupational Health and Safety Acts (in Germany e.g., the ArbSchG)</li> <li>Internal: a&amp;o Integrity Code</li> </ul>	
Key figures	
Total workforce	465 fix staff 735 part-time
Turnover rate headquarters (excl. seasonal staff)	12.5%
Men/women	
• in top-management	85%/15%
• middle management	58%/42%
Median gender pay gap (man to women)	18%
Mean average gender pay gap using bonus pay	24%
Investment in education/training	250,000 €
Reported occupational health incidents/deaths	12/0

We are committed to the health and safety of our employees, customers, and community. We have an established system of incident reporting in place, and it is important that we share information about these incidents to learn from them and improve our practices.

Fortunately, there have not been any serious injuries or loss of life at any of our facilities in 2022. However, 12 health and safety incidents have been reported, and we are working continuously to keep these to a minimum.



4.2

## Human rights and responsible supply chain at a&o

We bear responsibility within the scope of possibility for respecting and safeguarding human rights as well as fair conditions in our supply chain. Therefore, we will conduct systematic human rights due diligence to ensure our products are produced and offered without any human rights violations. In our procurement process, we prioritise working with associations, organisations, and suppliers who share our values and commitment to human rights whenever possible.

Potential risks of human rights violations in the a&o value chain exist at our locations but, to the best of our knowledge, we are not aware of any violations within our hostels or at service providers working for us. However, as human rights form a strategic pillar of our sustainability strategy, the implementation of a comprehensive human rights due diligence is planned from 2023 onwards.

Regarding our supply chain, it is possible that some of the goods we purchase (e.g., food and beverages) may present human rights issues, despite the countries of origin following international laws and regulations. Against this background, we have planned/initiated a dialogue with selected main suppliers and will incorporate the results into our procurement processes.

### Human rights and responsible supply chain at a&o: references

#### Reference systems

- United Nations Sustainable Development Goals (SDGs)
- UN Guiding Principles on Business and Human Rights
- International Human Rights Charter and Core Labour Standards of the International Labour Organization
- Internal: a&o Responsible Sourcing Policy and Integrity Code



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4.3

## a&o Corporate Citizenship

*Beyond our economic activities, a&o thrives as a good corporate citizen and engages in society with a clear focus on sport, art and education around our hostel locations across Europe. We also take action when our core business can contribute to mitigating human tragedies.*

### **Support of Ukrainian refugees**

Following the Russian invasion of Ukraine in February 2022, a&o provided what was needed most for the refugees: free stays for thousands Ukrainians, particularly in our two Berlin hostels but also across our sites. We cooperated very closely with the emergency coordinators of Berlin's local government. Beyond safe accommodation, and for those interested, a&o also offered training and job opportunities.



Beyond such disaster relief engagements, in 2022 a&o gave more than 18,000 beds for free to groups with educational purposes – and this as a matter of business policy, where every 21st person in a group stays for free at a&o.

Another area where our hostels can set the stage for cultural diversity and contribute to livable cities where we operate is through our “art&o” project, which is bringing together artists, musicians, and guests. Musicians play gigs, visual artists redesign our rooms, exhibit their works, or give workshops. Local talents and performers can also implement their ideas with us and present them to a curious audience. art&o is a homage to art.

**For more information see:**

<https://www.aohostels.com/de/artando/programmes/>

4.3

## a&o Corporate Citizenship

Furthermore a&o is a supporter of the “Kunsthalle Leipzig e.V.” – where joint projects include exhibitions in Leipzig or Warsaw, master program exhibitions for talented artists and the establishment of a European-wide network of art galleries and institutions.



# a&o Corporate Citizenship Engagement

Selected examples

### Society, culture and education

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- Financial support and internships for the of SOS-Children's Villages Vocational Training Centre in Berlin Moabit since 2004
- Support for "Berlin lacht!" & "Carneval of Cultures" with overnight stays for artist
- Energy saving champion competition for Berlin schools on environmental protection and sustainability

### a&o sports engagement

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- Football: Cooperation partner of SK Sturm in Graz (Austria), the U17 team of Union Berlin (Germany) and U19 of Viktoria Pilzeň (Czech Republic)
- Ice Hockey: Sponsor of the professional club Eisbären Berlin
- Partnering with local Berlin sport, a&o is supporting numerous events, including triathlon, volleyball, swimming and is listed as a hotel, i.e., for cycling events (6-day race, kids-tour, Berlin Cycling Union) or road races (Berlin Half Marathon)

# Appendix

## 4.4

### Report profile

The a&o Sustainability Report 2022 is fundamentally based on the reporting requirements of the Global Reporting Initiative (GRI) - without, however, as a first-time reporter, fully following its requirements as a medium-sized company. The reporting period is the year 2022. We are currently planning annual updates, with the next reporting on 2023 to be published in 2024.

## 4.5

### CO<sub>2</sub> calculation

In general, climate justice means that for the climate-impacting gases released directly or indirectly by a company, corresponding emission quantities are simultaneously avoided elsewhere. In order to create the conditions for this, a&o has commissioned *Dr. Heger & Experten* as an experienced service provider with the survey of the corporate CO<sub>2</sub> footprint. Data from original documentation, like supplier invoices, were analysed, transformed and calculated into CO<sub>2</sub>e emissions by Code Gaia GmbH and then forwarded to *Dr. Heger & Experten*. All CO<sub>2</sub>e emissions include the following seven greenhouse gases covered by the Kyoto Protocol: Carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFC), Perfluorinated hydrocarbons (PCF), Sulphur hexafluoride (SF<sub>6</sub>) and Nitrogen trifluoride (NF<sub>3</sub>). For ease of reading only CO<sub>2</sub> instead of CO<sub>2</sub>e has been used in this report.

The calculation of the CO<sub>2</sub> footprint used the internationally recognized method of the Greenhouse Gas Protocol (Scope 1, 2 and 3)<sup>1</sup> – for delimited, selected standard products and under the following system limits:

#### **Accounting period:**

Calendar year 2022

#### **Organisational boundaries:**

All 39 European hostels and headquarters of the a&o Hostels GmbH & Co. KG Adalbertstr. 50, 10179 Berlin

#### **Reference products:**

Inexpensive accommodation centrally located for backpackers, youth groups, families and business travellers, co-working spaces and conference rooms

#### **Evaluation measures:**

Recognised emission factors are used to determine the a&o CO<sub>2</sub> footprint – e.g., those of the German Federal Environment Agency (UBA) or the British Department for Environment, Food and Rural Affairs (DEFRA)

In principle, a safety margin of 5 percent was applied to all CO<sub>2</sub> emissions classified as relevant in Scope 1, 2 and 3. This conservative approach ensures that any uncertainties have been sufficiently considered mitigated. In line with the requirements of the Greenhouse Gas Protocol, all CO<sub>2</sub> emissions were included - those in the company itself, eight categories in the upstream chain and a further seven categories in downstream product use and disposal. In the sense of a basic initial assessment, *Dr. Heger & Experts* classified all CO<sub>2</sub>-contributions from approximately 1 percent of total CO<sub>2</sub>-emissions as relevant.

# Appendix

4.6

## Imprint

**Publisher:**  
a&o GmbH

**Responsible for the publisher:**  
Phillip Winter, Chief Marketing Officer

**Concept, consulting and editing:**

**Dr. Heger + Experten**  
NACHHALTIG - ERFOLGREICH - JETZT!

[www.nachhaltig-erfolgreich-jetzt.de](http://www.nachhaltig-erfolgreich-jetzt.de)

**Greenhouse Gas data:**  
Greenhouse Gas Emissions collected and processed by Code Gaia

**Design:**

**i-pointing.**

i-pointing ltd. | [www.i-pointing.com](http://www.i-pointing.com)

**Photos:**

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You can find additional information on sustainability at a&o at: <https://www.aohostels.com/en/green/>

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