

Guldsmeden Hotels Sustainable Management Plan 2019

The Sustainability Management Plan covers 5 key areas:

- A – Sustainable Management
- B – Social / Economic
- C – Cultural Heritage
- D – Environmental
- E – Improvements the previous year

A. Sustainable Management

A.1 Implement a Sustainability Management Plan

This is the full Sustainable Management Plan that gives a comprehensive insight into our hotels' long-term policy towards a sustainable management of our property covering 4 key areas of the Guldsmeden Hotels business: Environment, Socio-cultural, Quality and Health & Safety.

The Sustainable Management Plan has been developed by Guldsmeden Hotels' Green Team by following the Green Globe Certification Standard. The Green Team, which manages both new and ongoing sustainability initiatives, worked together with all departments and colleagues to invent and identify sustainability initiatives at the hotels thus creating a bottom-up approach which will simplify the integration of the Sustainability Management Plan in all departments. This is a continual process and the Sustainability Management Plan is to be used both internally and externally. Internally, in every department, as a guide to the staff's work at Guldsmeden Hotels and externally for our stakeholders, may they be guests or suppliers, to understand the way the business is run considering the triple bottom line.



The sustainability Management Plan, including the environmental policy, is communicated both externally and internally through different mediums. Internally, it is accessible to all the staff through the Guldsmeden Hotels intranet whilst it is available externally to any stakeholders, be it guests, suppliers or press, through the Guldsmeden Hotels website. Furthermore, the sustainability message is communicated to everyone present in all the hotels through small messages and actions. One example is all the serviettes/napkins in the restaurant have "Love Food, Hate Waste" printed on them which grows awareness and sparking sustainability discussions.

In addition, the Guldsmeden Hotels group understands that there is always room for improvement in our sustainability efforts.

A.2 Legal Compliance

Guldsmeden Hotels is licensed according to Danish/Norwegian/Icelandic/German law and in compliance with all relevant international or local legislation and regulations, including health, safety, labor, and environmental aspects, and insurance policies and other guest and staff protection instruments are up to date and in order.

A.3 Employee Training

Due to the relatively small size of the hotels and the different locations which these lie in, the employee training is based on "on the job training". Depending on which department the employee is employed in, they are given instructions pertaining to their duties (environmental and purchasing policies, waste and energy management, proper recycling, not throwing out food, use of cleaning products etc.).

All new employees are given a thorough introduction to our concept and our commitment to sustainability. In addition, all employees are instructed in the information that we give out to guests regarding our sustainability efforts, in order to



be able to answer questions from guests and visitors.

Key employee with responsibility for safety measures is responsible for introducing all employees to response on emergencies. All employees are informed about our efforts in the neighborhood and local community and encouraged to support them.

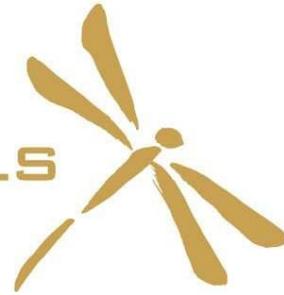
All recent new initiatives have been thoroughly communicated throughout the organization and the appropriate staff has been trained to ensure maximum implementation.

A.4 Customer Satisfaction

The satisfaction of guests is naturally a priority and we do our utmost to ensure that the customer has a satisfactory stay. We interact with guests to a great degree in that guests have to be let in the door by staff, thereby being greeted personally without the option for electronic check-in. Furthermore, no employees wear uniforms, and are therefore required to be more proactive and intuitive in regards to guests' needs, as employees are not instantly obvious. This constant interaction with guests makes it very simple to register any dissatisfaction or complaints. In case of complaints, it is our policy to do whatever it takes to turn the situation around, regardless of whether or not we find the complaint reasonable. We want all our guests to leave the house in as satisfied a frame of mind as possible.

A.5 Accuracy of Promotional Materials

All communication at Guldsmeden Hotels goes through the PR & Communication Manager, who is also the person in charge of the environmental accreditations and certification by Green Globe Certification and others. Therefore, there is no risk of lack of information regarding the sustainability efforts of the hotel group. We are very strict about not overselling our product, and prefer to underplay, rather than the opposite, thereby always surprising in a positive manner.



A.6 Local Zoning, Design and Construction

Our buildings are from between 1880 and 1950 and have all been renovated in a manner compatible with the surrounding neighborhoods. No local significant sites, water courses, wildlife of any sort, vegetation or local residents have been disturbed in an adverse manner. Ongoing maintenance and repairs are performed regularly. The renovation includes re-using as much of the original structure as possible.

Renovation/interior design is always performed with the purpose of being as sustainable, energy-saving and long-lasting as possible, and includes use of environmentally sound materials. We use long-life natural materials such as stone and wood (teak and bamboo from plantations), as these materials age well, and do not require frequent substitution. We combine elements from Asia with traditional Nordic features and native vegetation in our interior design. All appliances that are purchased for operating the hotels, are energy- and water saving.

The buildings are accessible for persons with special needs, but access varies from hotel to hotel, as some have stairs leading up to reception, and others have elevators. Where there are stairs to enter the building, we rely on manpower to carry the guest inside - we always have staff available to perform this action.

The buildings are all licensed to be used as hotels.

A.7 Interpretation

As we are a hotel chain, and have guests of many nationalities, our main language is English. Of course, we attempt to be able to communicate in as many languages as possible – our native Danish, Norwegian, Italian, French, German, Arabic and Polish is spoken in our hotels. Through intern communication all staff is updated about local events and attractions.

A.8 Communications Strategy

We communicate with our guests and visitors to the hotels and the website in a



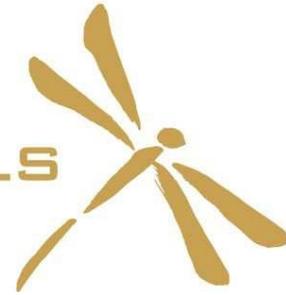
comprehensive manner. Our plans and strategy for a sustainable operation, as well as our specific implementations are clearly communicated, as is our involvement with the local community and other charity work. Our sustainable operations involve our guests, and we inform and advise them as to food-, energy- and water saving practices. Our room information also includes information as to how to recycle paper, cardboard, glass and batteries, see "Checklist guests". All visitors are given a hotel-specific "newspaper" with practical information regarding their stay as well as information as to how to make their stay as environmentally low-impact as possible. We also involve our guests by, in this newspaper, asking for their best recycling/sustainable tip, so that they can help us to continuously improve.

We are active on various social media platforms, which we use to raise our brand recognition, and to spread the word about social, political and environmental issues that we find important.

We are members of various social and sustainability initiatives on the part of the government and municipality, and Guldsmeden Hotels have gained a reputation for being on the forefront of sustainability in the hospitality sector. We are therefore often asked to speak at conferences with a sustainability angle, which we are always happy to do.

We are members of GoGreen, a Danish initiative, local for Copenhagen, who run a website and produce maps with listings of green choices for tourists and other travellers. See gogreencopenhagen.dk.

Guests are encouraged to support our cooperation with the Children's Heart Foundation, whom we have supported since 2008 – we have given several hundred thousand DKK to the foundation over the years. The CHF have a yearly bicycle race for their children members, we have connected our efforts to all things bike-related: we host their participants, families and doctor free of charge, and we donate approximately half of the proceeds from our considerable bike rental to the Foundation.



A.9 Health and Safety

Purchase and operating policy for all mechanisms, equipment and facilities is that they be as environmentally friendly as possible: low emission and consuming minimum energy. We have an experienced team of handymen and electricians who maintain the facilities etc., so that we have constant check on them being in good working condition. All necessary and mandatory safety requirements for handymen are in order.

National laws and regulations entail twice-yearly check on all kitchen equipment and food processing procedures, which we always pass at the highest level (smiley evaluation). New kitchen staff is trained on safety and procedures and must undergo a 1-day mandatory course in food handling.

B. SOCIAL / ECONOMIC

B.1 Community Development

All the 8 Green Globe-certified Guldsmeden Hotels are located in urban areas with a strong and lively community surrounding us. The area surrounding 3 of our Copenhagen hotels is, in addition to being central and a very attractive destination for tourists, also challenged by elements of prostitution and drug-dealing in the neighborhood.

Guldsmeden Hotels have always been vocal and active in the efforts against human trafficking, and the Danish Guldsmeden Hotels support HopeNow.dk by providing rooms for guest lecturers or others that they may need put up. We are also active participants in a group of local entrepreneurs in collaboration with police and government representatives to address these issues in the best and most humane way possible.

All guests are in no doubt as to our position on prostitution and trafficking.

All our locations are in urban areas with many new and developing initiatives. We



produce local guides, and encourage guests to visit the local shops, galleries and restaurants, especially focusing on the green and sustainable options. We communicate extensively with the local inhabitants as well as the local businesses.

B.2 Local Employment

Guldsmeden Hotels employs many local Danish, Norwegian and Icelandic staff in the hotels but we are also very proud to have a diverse working culture and therefore also employ people from other countries and cultures.

B.3 Fair Trade

Purchasing policy is that Guldsmeden Hotels only works with suppliers who are organic and/or fair trade. Purchasing policy is prominently displayed on the door of restaurant and on our homepage.

All of the Guldsmeden Hotels Green Globe certified properties except for Eyja either have the Danish Gold Ø-label, signifying above 90% organic food, or the Debio Ø label. These properties have an estimated percentage of organic produce in kitchen which is 98% or higher. The remaining percentage is food by suppliers, who are not eco-certified, but local and sustainable. All products purchased by or produced for Guldsmeden Hotels come from organic and/or fair-trade suppliers. All food and drink is organic, including coffee, tea and all liquor. Also, bathroom products (creams and shampoos), linen, towels and textiles, paper, toilet paper, napkins, cleaning products, candles. Our suppliers are many, due to our demands for organic/sustainable products.

B.4 Local entrepreneurs

Guldsmeden Hotels supports local entrepreneurs by buying products or services from them when needed. For example, most of the fresh food bought by the hotels is from local farmers and entrepreneurs and the bicycle shops maintain the hotel



bicycles.

Furthermore, by supporting and offering free GoGreen maps to the guests in Denmark, Guldsmeden Hotels supports local and environmentally aware businesses and entrepreneurs from Copenhagen.

B.5 Respect local population

Although Guldsmeden Hotels is an increasing chain of hotels, each property is solidly anchored within its local community. Given that a large amount of the hotels' staff are local, each hotel has a great understanding and respect of local culture and customs.

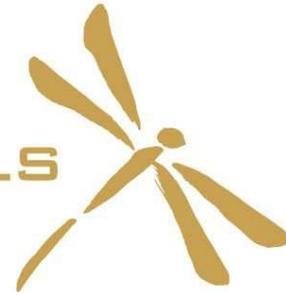
B.6 Exploitation

The area surrounding 3 of our Copenhagen hotels is, in addition to being central and a very attractive destination for tourists, also challenged by elements of prostitution and drug-dealing in the neighborhood. Guldsmeden Hotels have always been vocal and active in the efforts against human trafficking, and we support HopeNow.dk by providing rooms for guest lecturers or others that they may need put up. We are also active participants in a group of local entrepreneurs in collaboration with police and government representatives to address these issues in the best and most humane way possible.

All guests are in no doubt as to our position on prostitution and trafficking and are obviously not allowed to bring prostitutes into our properties.

B.7 Equitable hiring

Guldsmeden Hotels promotes diversity and equality on all levels of the business, and no employees or applicants are discriminated against in any way. All positions are filled on the basis of competence. Guldsmeden Hotels adheres to all local and international laws and regulations concerning labor laws, and offer conditions and wages superior



to the minimum requirements.

Guldsmeden Hotels employs people of many nationalities – at one point we counted no less than 18 different nationalities in the group, but the number varies quite a lot – and more women than men are employed. Out of approximately 30 management positions at the Guldsmeden Hotels, approximately 80% are covered by women.

Denmark has strict and extensive rules and regulations on minimum wage, max weekly working hours and other labor law related issues, which we adhere to in full.

B.8 Employee protection

Salaries and benefits exceed national regulations, and all payments required by law into insurance and holiday funds are made on behalf of all employees. Overtime is paid for hours worked beyond the established work in accordance with Danish labor law. Week hours and working hours do not exceed the legal maximums established by the national labor organization, and is sometimes less than maximum, although always at full-time salary.

All employees have the right to 6 weeks annual paid vacation and free health insurance is provided to all Danish/Norwegian/Icelandic citizens through taxes. Employees receive training and capacity building when relevant and wished for by the employee.

B.9 Basic services

The activities of the business have not impacted or jeopardized resources or services in the local area or neighboring communities in any negative manner. The activities of the business generate a number of secure jobs and is a positive influence in the community.

C. CULTURAL HERITAGE

The reception staff at Guldsmeden Hotels' properties is trained to guide guests towards the cultural sights and events and/or entertainment/restaurants that the guests are



most interested in. Danish/Norwegian/Icelandic culture and idiosyncrasies can be explained and discussed with guests, but mainly in a nice-to-know form, as culture is not significantly different from anywhere else in the western/developed part of the world, where our guests come from.

Historical and archeological artifacts are not sold, traded, or displayed, except as permitted by law.

Business complies with laws, standards and regulations concerning the protection of historical sites and cultural heritage.

Guldsmeden Hotels places great emphasis on being a part of the local environment in regards to cultural and social activities, as well as incorporating use of local food and competencies from local businesses. We take great pride in our vast network, and spend a lot of time and energy explaining our collaboration with local suppliers and businesses to guests.

D. ENVIRONMENTAL

Purchasing policy states that Guldsmeden Hotels only work with suppliers who are organic and/or fair trade. All GG-certified hotels except for Eyja have been awarded the official Danish golden ø-label or Norwegian Debio label, signifying above 90% organic food. Latest check by Ministry of Food officials showed a percentage between 98% and 100% organic food in all our kitchens. Suppliers must be on official government list of organic and sustainable suppliers in order to qualify. Remaining percentage is food by suppliers, who are not eco-certified, but local and sustainable, and known to us personally.

All products purchased by or produced for Guldsmeden Hotels come from organic and/or fair-trade suppliers. All food and drink is organic, including coffee, tea and all liquor. Also bathroom products (creams and shampoos), linen, towels and textiles, wooden keycards and business cards, paper, toilet paper, napkins, cleaning products, candles. Our suppliers are many, due to our demands for organic/sustainable products. We cooperate with suppliers in the manner that they help us to serve local and seasonal food, by letting us know what is available before we order. This means



that we must be flexible, and prepared to change menu according to availability and season. We know all our suppliers personally.

GENERAL HIGHLIGHTS:

FOOD & FOOD MANAGEMENT

- Policy in restaurant is to serve approximately 20% meat dishes max. vegetarian and vegan options always available.
- Refrigerator and freezer temperatures are measured and monitored on a constant basis.
- Our most recent implementation regarding food-waste, is sorting all food from other trash, and sending it to recycling for production of biodiesel and biogas in all Guldsmeden Hotels countries. This also enables us to weigh our food waste more accurately and have an added focus on minimizing further.
- Paper napkins are unbleached and made of recycled paper. Printed with our "Love Food, Hate Waste" message, to support guest understanding of our less waste programme.
- No disposable cutlery or other eating utensils are used in Guldsmeden Hotels.
- All water is tap water only, as both clean and healthy in Denmark, Norway, Germany and Iceland.
- We have developed a number of dishes, particularly salads, that have long-lasting qualities, thereby prolonging their lifespan. These dishes can be served at all meals, and if not finished at one meal, they can enter as an element into another dish.



- At the breakfast buffet, we recommend to guests that they take smaller portions, and several trips to the buffet, in order to minimize waste.
- "To-go" coffee cups made from recycled material
- Water and ice for human consumption is provided by national water supply, and checked by appropriate legislative body.

DAILY OPERATIONS

- Goods are mostly purchased locally and delivered by car or bike. We own a carrier bicycle in Denmark, that is used for additional light shopping.
- Trash can liners are made of fully compostable material.
- We almost exclusively use fair-trade and eco-certified suppliers – we will usually choose to not have a service, rather than compromise our integrity.
- No air condition except for Manon Les Suites, only fans in warm weather. Windows can open.
- We communicate extensively through our CO2-neutral website and social media. We do not produce printed matter unnecessarily, and all printed matter is eco-certified.
- All bathroom products are organic, packaging is sustainable. Our products are produced by IloveEcoEssentials
- Our suppliers often bring their products in crates and cases, which are reused and taken back.

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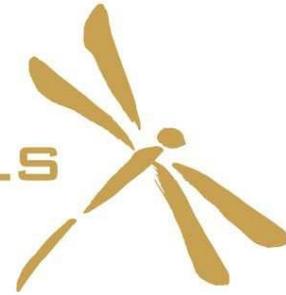
- In-house linen is dried outside on clothes lines, weather permitting, dryer only used when raining or freezing.
- No Styrofoam, papertowels or CFC-based refrigerants.
- Bed linen, duvets and towels that are too used for hotel use but still usable, are resown into pillow covers or donated to charity.
- No yellow pages, but guest computer available for information gathering.
- No guest newspapers are delivered, only common use in common areas.
- No uniforms for employees exist in Guldsmeden Hotels. Dry cleaning service for guests is by sustainable supplier, and coat hangers are reused.
- Towel reuse program in place
- Linen reuse program in place
- Printer cartridges are refilled.
- We have a checklist for housekeeping team, with rules for how to clean our rooms for maximum re-usability and minimum negative environmental impact, see "Housekeeping Golden Rules".
- New and replacement equipment is completely free of CFC-based refrigerants
- No paper towels.
- Amenity dispensers in all rooms, minimal use of separately packaged toiletries.



- All employee laundry (no uniforms) is washed in-house with environmentally friendly detergents.
- Recycling bins for paper are placed around the communal areas in hotel, and housekeeping sorts trash in rooms.
- Program for evening light reduction in lobby is in place, and all back-office computer and electronic equipment is shut down when work-day is over.
- Meeting room's lights and equipment is shut down when not in use.
- We only use certified wood cards for business cards, provided by sustainablecards.com.
- Property is 100% non-smoking.
- We offer allergy-friendly bedding for guests with chemical sensitivities or allergies.

GUEST RECOMMENDATIONS

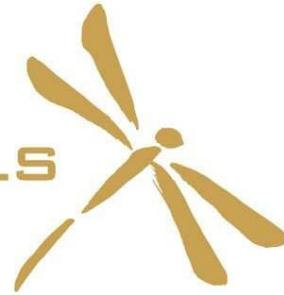
- Almost all Guldsmeden Hotels supply bikes for rent, and the turnover goes to charity.
- No airport pick-up, we advise our guests to use public transportation.
- We have a checklist for guests, with tips for a more sustainable stay, see doc. "Checklist guests".
- We recommend guests to use gogreencopenhagen.dk for guides for a



sustainable stay in our cities. Visitoslo.com, the official city guide, has a green guide built in.

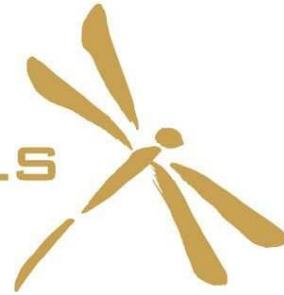
ENERGY, WATER, WASTE & MAINTENANCE

- Black and gray waste water is managed by the city in a non-polluting way, and does not affect public health. This is mandatory and unavoidable by law for all countries, where our hotels are located.
- Energy is supplied by Natur Energi in Denmark who supply 100% sustainable energy from renewable sources. For Norwegian and Icelandic energy it comes from water- and geothermal energy respectively.
- Waste goals are monitored by monthly invoices by renovation company.
- Energy usage is specified and recorded.
- Only low-energy light bulbs are used throughout the property, and outdoor lighting is controlled by a timer.
- Motion sensors are established in all hallways. Furthermore, all of our hotels need room key in order to turn on lights – whereby all electric appliances are turned off when guest is not in room.
- Energy efficient equipment is purchased wherever available, and only used when needed.
- Hard-to-recycle items are recycled in city´s communal recycling.
- Thermal windows throughout to ensure minimal loss of heating.



- Faucets and dual-flush toilets are low flush.
- Monthly water usage and costs are recorded
- Active system in place to detect and repair leaking toilets, faucets and showerheads in guest rooms, and is run by housekeeping department.
- Active system in place to detect and repair all machinery and equipment on a regular monthly basis, and is run by handyman department.
- Native plants or low water plants used in landscaping to minimize water use in outdoor garden.
- Rainwater is captured for use, and used for watering plants. No exotic species are introduced to hotel areas.
- No captive wildlife, endangered species, products thereof or any other form of unethical items are used, sold or allowed on Guldsmeden Hotels properties.
- Property vehicle fleet is bicycles, and 2 cars.
- No bodies of water are polluted with toxic and/or hazardous products
- Properly treated wastewater or effluents are reused, when feasible (irrigation, toilet or other)
- Measures have been implemented for storm water adequate channelling, use and disposal.

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- Stormwater managed to avoid contamination, erosion and siltation and maintain catchment integrity.
- Guldsmeden Hotels recycles above and beyond the national requirements. We have asked for specific glass, cardboard, paper and food waste recycle bins, and encourage guests to help us with our recycling.
- Water usage is monitored and specified.
- All appliances are set at the most efficient level, to save energy, money and appliances.
- All paint is environmentally friendly and lead free.

The Guldsmeden Hotels group operates with a flat organizational structure with little distance between colleagues in operations and decision makers. We are able to make decisions and changes, and implement them throughout the organization without delay. Furthermore, our very large portfolio of selected organic and sustainable local suppliers, who are a constant source of information and inspiration to us, play a great part in educating us regarding new and improved products and operational processes. We avail ourselves of the possibilities for being voluntarily checked and approved by the authorities that we find sufficiently serious and dedicated: Green Globe certification (greenglobe.com) and the Danish and Norwegian Ministry of Food and Agriculture regarding our organic kitchen, which is above 90% certified organic. These organizations motivate us to constantly raise the bar for our ambitions for running a seriously sustainable chain of hotels.

We do also find it important to take an active part in the society around us, and not only focus on our own situation and viewpoint. We have in recent years been vocal about issues regarding social problems in one of our areas in Copenhagen - problems



that are present everywhere in the world - and have collaborated with and supported organizations that work to improve conditions for the people who suffer under these conditions. We will continue to give our thoughts, time, money and effort to improve living conditions for vulnerable groups of people.

Finally – we thank our guests, the heart of the Guldsmeden Hotels existence, for your support, your company and your loyalty. You are a daily inspiration to do better.

E. Improvements in 2018-2019

Over the past year (2018/19), we have made improvements in several different areas and departments:

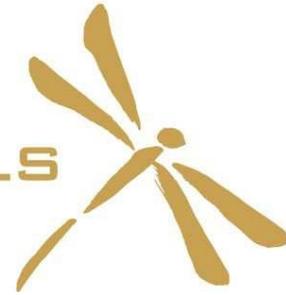
- Water/energy savings
- Premium Purity coating
- Food Waste Program
- Purchasing Processes Optimization
- Vegan Options

E.1 Water/energy

We have installed Orbital Shower Systems into 8 newly established bathrooms, and the success we've experienced with these water & energy saving showers have convinced us to install them in all our coming newly-established bathrooms. The water is recirculated, minimizing water usage by more than an average of 70%. Furthermore, due to recirculation, the water saves a great deal on heating.

E.2. Premium Purity Coating

We are in the process of coating our bathrooms with Premium Purity, which reduces the water usage dramatically, by at least 50% during cleaning. In addition, as the coated rooms can only be cleaned with mineralized water, we save 100% on bathroom



cleaning products.

E.3 Food waste

We have intensified our efforts to reduce food waste and have hired a person responsible for overseeing our purchasing and processing of food. In combination with the centralization of our purchasing process, we have reduced our purchasing costs with approximately 30% in the first month, and our food waste amounts are declining by the same percentage.

E.4 Purchasing Process Optimization

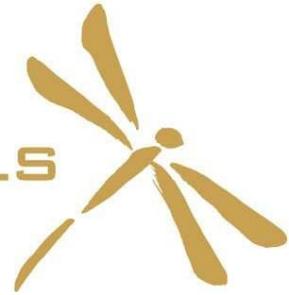
We have made an agreement with one major supplier (Aarstiderne, Danish for seasons) who now deliver all our food and drink, except alcohol. Aarstiderne are experts in what is in season when and are also excellent advisors regarding recipes that ensure all food is put to good use. We have reduced our purchasing costs by approximately 10-12% in the first month, of course also fueled by our added focus on food waste. Centralizing our purchasing has also allowed us cut down on the amount of deliveries meaning that we have more than 25% fewer deliveries every week. Reducing our CO2 from transportation significantly.

E.5 Vegan Options

We have expanded our vegan options on the menus, and now offer 4 different vegan main dishes as well as 5 smaller dishes amounting to almost 30% of our menu being vegan. Our Caesar salad dressing is now always vegan and can be served with falafel instead of chicken.

We commit ourselves to constantly improve ourselves when it comes to taking more sustainable measures in running our business. This we do by partnering up with specialist in the various fields and areas of sustainability instead of simply settling with suppliers of products and services. This way we can continue our growth and expand

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our knowledge on how to make a stay at Guldsmeden Hotels the most sustainable stay possible.

Kirsten Skovgaard Aggersborg

PR & Communication Manager

Environmental officer for the Guldsmeden Hotels group