

WeCare 2019

Annual Report Sustainability, Nordic Choice Hospitality Group

2019 was yet another great year for Nordic Choice Hotels. With strong organic growth and successful new openings, the company delivered its best ever operating results.

No matter how much money we make, it will never exceed the value of the contributions of our people and their job satisfaction. At the end of 2019 Nordic Choice Hotels had 17 000 employees from 188 different nationalities.

At Nordic Choice Hotels, we believe that every penny earned in an ethical and responsible way is worth more. That is the core of our triple bottom line philosophy. We base our business on three equally essential and symbiotic pillars: People, Planet and Profit.



At Nordic Choice we have a tradition and a culture of doing more than what's expected from us – for the guests, our people, the company, and for the environment. We strive to run the hotels in harmony with, not at the expense of, the world around us. In Nordic Choice Hotels we call this work WeCare.

WeCare is about how we, in our daily work, take care of our people, the planet and profitability, all at the same time. In our view, we cannot be profitable without also caring for people and our planet. We know however, that we will not be able to look after people and the planet without being profitable.

The world is changing fast, climate change is underway and we know that we must act. Our customers and guests have increased demand for sustainability, and we see that the commitment from our staff is great.

With our sustainability report for 2019, we want to summarize the initiatives we have made throughout the year, the goals we have had and our results. We have learned that we need to work harder and even more focused in 2020, but we are ready, and our sleeves are rolled up.

WeCare is part of our identity and culture – and we are proud of it.



Table of contents

WeCare 2019	1
Table of contents	2
This is how we work	3
Foundation and certifications	3
How we ensure compliance	3
Sustainability Policy	4
Focus Areas	4
WeCare Hotel of the year	5
PEOPLE	6
Overall policy	6
Relevant focus areas	6
Focus Area: Diversity	7
Focus Area: Sustainable Trading	9
Focus Area: Local community	10
Focus Area: Unicef	11
PLANET	12
Overall policy	12
Relevant focus areas	12
2019 Main Projects	13
Focus area: Sustainable Operations	16
Focus Area: Sustainable Food	21
Focus Area: Sustainable trading	25
PROFIT	26
Overall policy	26
Relevant focus areas	26
Our guests are a measure of success	26
Responsible profit	29
Certifications	30
Nordic Choice's goal overview - matched with the UN Sustainable Development Goals	31

This is how we work

Foundation and certifications

Nordic Choice Hotels wants to contribute to the realisation of the UN's Sustainable Development Goals. We believe innovation, and a new look at commonplace solutions, will play a vital role in this work. We have highlighted some areas as particularly relevant for us, combined with an overview of our goals (see final section of this report, and part 2 for the goals and results matrix and GRI table).



Nordic Choice Hotels supports and respects Global Compact's ten principles for environment, anti-corruption, human rights, and workers' rights.¹

As a member of the Ethical Trading Initiative, we are committed to respecting Human Rights and Labour Rights in our supply chains and to strengthen the support of fair trade in business life in general.

Nordic Choice Hotels is certified according to environmental standard ISO 14001:2015, and in accordance with KRAV, Debio, and MSC / ASC.

How we ensure compliance

- Our board is the driving force in our sustainability work.
- We have shared responsibility to implement measures at all hotels and entities, and we collaborate internally to achieve good results.
- We maintain a dialog with our stakeholders.
- We consult with experts.
- We have established internal notification procedures.
- We work transparently and document our results. We publish an annual report that includes the WeCare efforts.
- We use the report to analyse our work and to set new ambitious goals.

¹ This means that we will support, as a minimum: the UN Universal Declaration of Human Rights, the UN International Covenant on Civil and Political Rights and the UN International Covenant on Economic, Social and Cultural Rights, UN's Declaration on the Rights of the Child, and ILO Declaration on Fundamental Principles and Rights at Work from 1998.

Sustainability Policy

We have also mapped out how our 205 hotels in Norway, Sweden, Denmark, Finland, Latvia, and Lithuania affect the environment and society, and we have listened to what our guests, suppliers and representatives from important society groups say. The dialogs resulted in our sustainability policy:



Sustainability Policy at Nordic Choice Hospitality Group

Our three main goals:

- We will create opportunities for people inside and outside our business.
- We will drive our business towards a positive impact on our ecosystem and biodiversity.
- We will make our guests feel better when they check out than they did when they checked in.

A Hotel Company with a Beating Heart

We will create new opportunities for people inside and outside of our company.

At the Hotel

- We work for equal opportunities for all employees at all levels. We work actively to promote diversity, and all forms of discriminations are prohibited.
- Satisfied, competent, and responsible employees in good spirits are the main reasons why our guests come back, again and again.

Outside of the Hotel

- We care about the environment and working conditions in our supply chains.
- We support and participate in worthy neighbourhood projects.
- We support UNICEF's work for children who are victims of human trafficking, and contribute to their emergency work at major disasters.

This policy applies to all companies within Nordic Choice Hospitality Group (NCHG). The world is constantly changing. So is NCHG. New measures may apply, but our support and respect for the principles of the environment, anti-corruption, human rights and labour rights, will always be the baseline for new developments.

Sustainability on All Levels

We will conduct our business towards a positive impact on our ecosystems and biodiversity. We strive to be:

- a climate neutral company
 - a business that don't emit pollutants
 - a company with a sustainable and efficient use of resources.
- All hotels will be certified and revised annually according to the ISO 14001 environmental standard. We have chosen the following as our key focus areas:
 - Products
 - Water
 - Waste
 - Transport
 - Energy
 - Chemicals
 - We will provide good, useful and sustainable food.

Pushing for change, because **WeCare.**

Focus Areas

By doing this, we have also defined which areas we focus on in our sustainability work until 2021. Those six focus areas are:

<p>Diversity Enhancing diversity on all levels in organization</p>	<p>UNICEF Fighting human trafficking through our Sweet Dreams project</p>	<p>Local community Taking care of people and planet in our neighbourhoods</p>	<p>Sustainable trading Working with our suppliers to improve our planet</p>	<p>Sustainable food Serving good, healthy and sustainable food</p>	<p>Sustainable operations Operating our hotels with more positive impact on the planet</p>
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These focus areas ensure that we take responsibility both inside and outside the hotel. Responsibility inside the hotel means that we take responsibility for our most important asset - our employees. Responsibility outside the hotel means that we take responsibility for not only our employees and guests, but also for others. This includes the supplier chain as well as local and global social responsibility.

In the following, we divide our reporting based on the triple bottom line, and divide these initiatives accordingly.

WeCare Hotel of the year

According to tradition, the year started with our Winter Conference (VK), where we, among other things, appoint last year's stars in different areas. Within our sustainability work we have our own award "WeCare Hotel of the Year". In 2019, Clarion Hotel Sign took home the honored award, with the following justification:

"The Hotel had a WeCare index above 8; so they are ahead of their goals concerning Sustainability. Especially two areas stood out, in addition to being very good with the overall baseline:

- They have been good at being ahead and working on new things. They invited the society to breakfast meetings each month with a theme related to the UN's sustainability goals. They have been part of a pilot with a supplier to cut plastic usage - which has been very successful. The hotel was the first in NCH to launch CO2 labeled conference menus.
- They have also been very good at communications with their guests about WeCare, also on the business side. Their WeCare Loopon score is over 8, so customers get the message, and like what they do."



PEOPLE

No matter how much money we make, it will never exceed the value of the contribution of our people and their job satisfaction. At the end of 2019 Nordic Choice Hotels had more than 17 000 employees from 188 nationalities.

Overall policy

We create opportunities for people in and outside our business.

Relevant focus areas

- Diversity
- UNICEF
- Local Community
- Sustainable trading
- Sustainable food*

**Although the focus area “Sustainable food” is an area both impacting people and planet, it is included as a whole under the Planet-part of this report.*

The most relevant UN sustainability targets affected by this work are:



As a member of the Ethical Trading Initiative, we are committed to respecting Human Rights and Labour Rights in our supply chains and to strengthen the support of fair trade in business life in general.

Focus Area: Diversity

Our goal	We want our employees to thrive and learn new things at work, and there should be good collaboration between managers and employees
Why it is important	Happy, competent, and responsible employees are the main reason why our guests return again and again.
What we do	<p>The employee survey “The Beat” was developed and introduced in 2015 and is now conducted twice a year. It shows the employees’ job satisfaction.</p> <p>Group trainees were employed for the second time in 2018.</p> <p>In 2019, Nordic Choice Hotels launched an internal program called “The movement”. The Movement is a new thinking and efficient learning program aimed to keep and develop our valuable intellectual capital, at the same time attracting future leaders and employees to work - and stay - in Nordic Choice Hotels. We started with engaging about 20 of our top managers as “Game Makers” - defined as a visionary leader who looks beyond conventional methods; conceives new strategies and work to transform their industry. These leaders met throughout the year and are now part of a program that will revolutionize how Nordic Choice Hotels work with talent development, and building culture. This program will further develop and our goal is to expand our base of Game Makers, and further develop the program as a whole.</p>
What we have achieved	<p>Result from the employee survey assessing job satisfaction:</p> <p>The Beat eNPS 2017: 47 The Beat eNPS 2018: 50 The Beat eNPS 2019: 56</p> <p>(Scale -100 to 100. 30 is a good result.)</p> <p>Result from the employee survey section “employees’ involvement with and attitude to sustainability”:</p> <p>The Beat WeCare 2017: 26 The Beat WeCare 2018: 29 The Beat WeCare 2019: 33</p> <p>(Scale -100 to 100. 30 is a good result.)</p>

Our goal	Low sick leave and the lowest possible number of injuries
Why it is important	The jobs should not cause bad health to our employees
What we do	No central WeCare initiatives
What we have achieved	<p>Results sick leave and injuries (G4-LA6):</p> <p>Sick leave has been relatively unchanged since last year.</p> <p>Sick leave 2017: 4.25 % Sick leave 2018: 4.5 % Sick leave 2019: 3.71 %</p>

Our goal	The percentage of female leaders shall be the same as the percentage of female employees
Why is it important	The hotel industry is a typical female workplace, but traditionally managers have been men.
What we do	We believe the percentage of our female middle managers is on a satisfactory level compared to the percentage of female employees and will not take any specific measures to change this.
What we have achieved	Gender equality statistics (G4-LA12): Percentage female employees across NCH: 62% Percentage female department managers: 2017: Norway: 64%. Sweden: 68% 2018: Norway: 62%. Sweden: 65% 2019: Norway: 61%. Sweden: 64%

Our goal	We shall be recognised for staff diversity and increase the percentage of middle managers with non-Nordic ethnicity
Why it is important	Our guests represent diversity. Diversity among our employees is both a necessity and a competitive advantage.
What we do	The Leadership Bootcamp project continued in 2019.
Our results	At the end of 2019, Nordic Choice had more than 17 000 employees spread across 188 nationalities (G4-LA12): Percentage employees with non-Nordic ethnicity: 2017: 32% 2018: 35% 2019: 36.5 % Percentage middle managers with non-Nordic ethnicity: 2017: 15% 2018: 17% 2019: 12%

Our goal	We shall be an inclusive employer and a preferred partner for organisations within this field
Why it is important	With a large number of jobs not requiring skilled education, we have the opportunity to, responsibility for, and pleasure to employ people who otherwise often would be excluded from working life.
What we do	Cooperation with “Ringer i Vannet” and “Samhall”. Offer internships in collaboration with Red Cross for victims of human trafficking. Proud main sponsor of PRIDE.
What we have achieved	In 2019 we maintained the level from the year before, offering internships in one of Nordic Choice’s hotels through the company’s collaboration with organisations such as NAV, Arbetsförmedlingen, Samhall. and “Ringer i Vannet”.

Focus Area: Sustainable Trading

Our goal	We care about working conditions in our supply chains, and will contribute to improvements.
Why it is important	<p>We have more than 200 central suppliers, and approximately one third of what we purchase is food. All our central suppliers have offices in the countries where we operate, while their supply chains cover numerous countries.</p> <p>It is a well-known problem that working conditions in the supply chains can be very poor. The probability of social dumping and illegal working conditions is significant in several of the industries connected to hotel operations – such as construction work, cleaning services, transport and service industries.</p> <p>This means we must demand clear responsibilities and reasonable working conditions both from our suppliers and from their supply chains.</p>
What we do	<p>Our own Code of Conduct, based on recognised UN and ILO conventions, is included in all our trade agreements.</p> <p>When signing new contracts, we prioritise suppliers who care about responsible working conditions and human rights in their own businesses and those of their suppliers. As a minimum, we exclude suppliers who say they are unable to comply with our ethical guidelines. If the supplier wishes to take various improvement measures in order to meet our requirements, we will then, jointly with the supplier plan for how we can achieve compliance with our ethical guidelines. Improvement plans can also be made if our suppliers don't have targets and plans in place for their own fair trade work, or lack routines for how to follow up their own suppliers.</p> <p>Our work with suppliers is based on collaborations to achieve continuous improvements. Suppliers not wanting or failing to achieve improvements are not wanted as our business partners.</p> <p>We have been a member of Ethical Trade Initiative (IEH) since 2008.</p>
Our results	<p>Sustainable trade is a continuous work consisting of steady improvements. We can never say that we have reached our goal, and guarantee that, for example, poor working conditions will not occur in one of our supply chains, but we can guarantee that we are working systematically to prevent this.</p> <p>G4-LA14/15; G4-HR10/11: Our report of Ethical Trade Initiative (IEH) for 2018 can be ordered from e-post info@etiskhandel.no</p>

Focus Area: Local community

Our goal	We shall contribute to positive changes in the local communities we are part of.
Why it is important	Our hotels should be good neighbours, and with more than 210 hotels, there are many neighbourhoods where we can make a difference. This is part of our culture.
What we do	<p>In 2019, we continued our The Good Neighbour fund, where the hotels can apply for support for their local projects. During the year, more than 20 hotels received support from the fund for projects providing more city bikes, concerts and dances for people with disabilities etc.</p> <p>Clarion Collection Bolinder Munktell says “Through the TGN Foundation we have been able to support Eskilstuna City Mission 2018/2019, where we have had camps for vulnerable families, invited to Christmas dinner and midsummer celebrations, donated clothes, towels and hygiene items and arranged a swimming school together with the Eskilstuna Swimming Association for the families who are connected to the City Mission shall be given the opportunity to teach their children the vital thing to swim. The eyes we got to shine a little extra during the year have been many and it makes us want to do even more.”</p> <p>Below are more examples of local WeCare projects:</p> <p>Lonely Christmas Tree Seeking Presents In December every year, our hotels arrange an extensive voluntary campaign called “Lonely Christmas Tree Seeks Presents”. In 2019, we collected 53,722 Christmas presents for disadvantaged children and youths in the hotels’ own neighbourhoods. Guests are warmly welcome to participate and put a present under the Christmas tree in one of our hotels.</p> <p>Hope for children For many years, Clarion Collection has raised money, presents and clothes to families in need in the Baltic countries. The project was realised after an initiative from employees with origins in the Baltic.</p>
What we have achieved	More than 190 hotels took part in our Christmas campaign “Lonely Christmas Tree Seeks Presents”, where more than 53,722 presents were handed out to disadvantaged children in our neighbourhoods.

Focus Area: Unicef

Our goal	We shall take part in the fight against human trafficking.
Why it is important	Human trafficking is one of the three biggest illegal industries. Human trafficking is among the world's biggest criminal operations and harms more than 1.2 million children every year. Sex tourism and child abuse is an increasing problem, particularly in Southeast Asia. As a responsible operator in the travel industry, we have chosen to contribute in the fight against human trafficking of children in Cambodia.
What we do	<p>Nordic Choice is a signature partner to UNICEF and has collaborated with UNICEF since 2008. Since 2012, the collaboration has focused on human trafficking. In 2019 we continued the Sweet Dreams project, which involves our employees and guests in UNICEF's work for children affected by human trafficking. For every night a guest stays with us, we contribute to a safe night's sleep for children affected by human trafficking.</p> <p>The "Sweet Dreams Stay" concept was implemented in 2017 for all chain hotels as a part of the UNICEF project "Sweet Dreams". Sweet Dreams Stay allows guests who stay at the hotel for more than one night, to forego cleaning of the room. The solution is environmentally friendly, and the hotel donates money to UNICEF for each foregone cleaning. In 2019 Sweet Dreams Stay generated more than 4,3 MNOK to Unicef.</p> <p>Bracelets: In 2019, we sold almost 20 000 bracelets and keychains from a women's centre in Cambodia at our reception counters. The centre is supported by UNICEF and helps women exposed to trafficking. The bracelets are made from crumbled paper and the sale resulted in an income to the centre of more than NOK 800 000.</p> <p>Nordic Choice and Unicef - awarded for their partnership During UNICEF's Inspire Awards, Nordic Choice Hotels long-standing partnership with UNICEF Cambodia and UNICEF Norway received the award for their commitment in the category "Best Child Right & Business Initiative".</p> <p>Emergency response We have developed guidelines for handling of suspicious prostitution at our hotels, with input from the prostitutes. In collaboration with Red Cross, we offer internships and work practice for human trafficking victims.</p>
What we have achieved	In total, Nordic Choice Hotels donated 5,1 MNOK to UNICEF in 2019. In 2019 this resulted in 127 500 safe nights for children.



PLANET

At Nordic Choice we take our responsibility for the planet further than just to the edge of the hotel steps. In 2019 we promised to cut all plastic at all our hotels and we redefined how we measure and work with our carbon footprint.

Overall policy

We will conduct our business towards a positive impact on our ecosystems and biodiversity. We strive to be:

- a climate neutral company.
- a business that do not emit pollutants.
- a company with a sustainable and efficient use of resources.

Relevant focus areas

- Sustainable Operations
- Sustainable Food
- Sustainable Trading
- Local Community*

**Although the focus area “Local Community” is an area both impacting people and planet, it is included as a whole under the People-part of this report.*

We work systematically to reduce our environmental footprint. The most relevant UN’s sustainability targets affected by this work are:



In 2019, Nordic Choice is proud to announce our 10-year anniversary as an ISO 14001 certified company! To celebrate the anniversary, Nordic Choice commissioned a thorough project to validate and analyze all consumption and generation data. The results are astounding and we take great pride in our accomplishments!

On an aggregate level², we have reduced our water consumption by 43 %, energy consumption by 11 %, use of cleaning chemicals by 43 %, and residual waste by 45 %! All this while continuing to grow our portfolio of hotels across Scandinavia. In the spirit of transparency, prior to 2016 consumption data was collected manually and may contain some errors. In 2016 we began using a Measurement Management System to automate reporting and ensure high data quality. Regardless, the trends are true. Yet we have still a long way to go before we reach our goals.

² Water as liters/guest night, cleaning chemicals as grams/guest night, residual waste as kilograms/guest night and energy as total energy consumed.

2019 Main Projects

We want to highlight some of the new 2019 projects within this area that have been extra important to us.

New Carbon Footprint calculation model

As part of our goal to reduce our greenhouse gas emissions, we have conducted a large project to further develop our calculations on our CO₂ footprint. Nordic Choice Hotels has measured its climate emissions from energy consumption and work travels for ten years, but to be able to fight climate change this isn't enough. Therefore, in 2019 we have developed a new platform for the hotels to report both direct and indirect actions causing a climate impact. All hotels receive their individual carbon footprint and the climate impact per guest night. This approach shall help to allocate individual targets and target actions.

The new platform shows climate emissions beyond hotel operation, acknowledging hotel responsibility for more emissions than strict to scope 1 and 2 according to GHG protocol. In 2019, Nordic Choice Hotels has full coverage of its climate impacts from Scope 1 and Scope 2, and partly coverage from Scope 3. Emission sources included in 2019's footprint can be seen in the table below. The reporting of indirect emissions will increase year by year, with a target to have the full knowledge of our climate impact by 2022. However, we depend strongly on technical solutions on the market and third party reporting to be able to collect all scope 3 emissions from stakeholder activities.

The first extension of the model will begin shortly, when emissions from purchased food, headquarter business travels and from guest travels will be included. Even though this continuous expansion of the reporting tool makes the figures less comparable over time, we mean that this is the only way forward in order to take actions in time to meet Paris agreement.

The same philosophy applies for including more emission sources than many other hotel companies, complicating the comparability between different hotel chains and so fore may create a disadvantage for Nordic Choice Hotels. Our approach on climate reporting differs roughly 300 %³ compared to the more common approach, often excluding cooling refrigerants and only including business travels within Scope 3. We decided to use Operational Approach of GHG, implying e.g. that since we operate the refrigeration units, Nordic Choice Hotels shall therefore bear the emissions from it even though they are often owned by the landlords. This alone accounts for 1/3 of our emissions.

Lacking an international standard that designates boundaries within the scopes, Nordic Choice Hotels has together with climate consultants agreed on that transparency is first priority and hopes to push forward in order to preserve the earth the way we know it.

³ Recalculating NCHG climate impact, based on fewer emissions sources similar to a model applied by many hotels and comparing that to the NCHG approach gives a difference of 300%, hence a third of the numbers presented in this report.

SCOPE 1	tCO2	SCOPE 2	tCO2	SCOPE 3	tCO2
Liquid fuels	176	Electricity	681	Commute	4806
Heating oil	20	District Heating	6 122	Waste	121
Gas	1 286	District Cooling	279	Business Travels	1 482
Cooling refrigerants	11 337			Laundry (outsourced)	4 375
Leasing cars	113			Indirect emissions from Scope 1 & 2	2 650
Total	12 933	Total	7 082	Total	13 434
TOTAL	33 449	tonnes CO2 (include scope 1, 2, & 3)			
Direct emissions	1.8	kg CO2/Guest night (only include scope 1 & 2)			
Total emissions	3.0	kg CO2/Guest night (include scope 1, 2, & 3)			

Since our goal is to reduce actual emissions, not just reduce figures presented in previous sustainability reports, NCHG decided to change baseline year from 2016 to 2019, due to the major update of the reporting tool. Figures from before 2019 shall therefore be seen and analyzed apart from statistics from 2019 and beyond.

How we build our hotels

Nordic Choice Hotels is a growing company, continuously finding new building projects or acquisitions. In most cases, Nordic Choice Hotels is the tenant operating the hotel while a second party owns the property, and hence the building project. We have the opportunity, and so the responsibility, to affect the building process through our leasing contract, negotiated and signed before project initiation. The leasing contract specifies Nordic Choice Hotels requirements on the property and its functions, including detailed environmental requirements. To keep pace with the rapidly evolving market, we annually revise this document together with other requirement specifications. *Sustainable Hotel Interior, Requirements FF&E Nordic Choice Hotels* was added in 2019. In contrast with the building process, Nordic Choice Hotels has full mandate over everything put into the hotel (fixed fixtures and equipment - FF&E).

Sustainable Hotel Interior was developed as part of Nordic Choice Hotels sustainability initiative. The document applies to all vendors that deliver products and systems to construction and refurbishing projects, as well as to project managers and architects working for NCHG. It should be used as a tool when investigating persistent and sustainable solutions for hotel operations. NCHG strives to source products of higher qualifications than those mandated by law and aim to continuously find more environmentally friendly products. Establishing close relationships and fostering open dialogues among partnering organizations are key factors in identifying areas of improvement that lead to more sustainable decisions.

Putting the right product in the right place is crucial. Much of a product's environmental footprint can be traced to its production and material inputs. Thus, one of the most effective ways to reduce negative impacts is to increase each products' lifespan by considering expected wear and tear,



cleaning and maintenance aspects of regular hotel operations in the design and procurement processes. How a product is packaged, transported and processed at end-of-life in our hotels is another major aspect of its footprint and we therefore list requirements on our suppliers in these areas. The *Sustainable Hotel Interior* document is hence more than a list of environmental demands - it is a document with functional recommendations from empirical experience.

How we cut single use plastic

In January this year, Nordic Choice Hotels launched a plan to stop the use of disposable plastic in its 195 hotels during 2019. We reached this goal already in June, thus showing that EU legislation bound for 2021 can already be implemented today.

Nordic Choice Hotels did this after one of the group's chains, Comfort Hotel®, last year carried out a project in which they cut disposable plastic. When it was seen how easy it was to replace disposable cups and lids, straws, egg cups and other plastic products with environmentally friendly alternatives, it was decided that the plastic cut should be implemented throughout the whole hotel group.

Together with Hurtigruten, Nordic Choice Hotels joined the Plastic Relay for WWF when we committed to cutting disposable plastic. Through various local projects, the hotels regularly clean up their neighborhoods for rubbish, as well as make demands on suppliers and partners for continuous development in a sustainable direction.

However, cutting disposable plastic is only one part of the solution. The real problem is that we do not know where the plastic goes, and that there are many plastic products today for which there are no good alternatives. Therefore, we must also look at how we can get better control of plastic waste, and change the way we do things to get the use of plastic in general to a minimum.

One great example of how our hotels work comes from Clarion Hotel Sign. Stockholm's largest hotel also initiated a challenge to our suppliers in the fight against plastic. First out during the summer was Grönsakshallen Sorunda, challenged to deliver their goods without plastic around the cages. We started with a 10-week period and the result turned out really well. During the test period of 10 weeks, we saved 2760 sqm of plastic, which corresponds to 1.5 ice hockey rinks - which is a lot in one year. The result was an eye-opener for the supplier Grönsakshallen Sorunda, which is now reviewing all its products and has a plan to move away from packaging plastic on all its deliveries.

This area will be further developed in 2020.

Focus area: Sustainable Operations

Our goal	All our hotels to be environmentally certified in accordance with ISO 14001
Why it is important	Greenhouse gas emissions, inefficient use of resources, and pollution threaten future generations and biodiversity.
What we do	<p>At Nordic Choice Hotels WeCare about the planet. For us, caring about the planet means coordinated action and continuous improvement. The ISO 14001 standard offers a structured way for us to coordinate the environmental work at all of our hotels. Using our self-designed Environmental Management System, NewPenguin, our hotels annually review their high-impact areas, ensure complete legal compliance, and formulate strategies to continuously improve their performance.</p> <p>New standard 2018/2019 saw a major redesign of our Environmental Management System in accordance with the updated ISO 14001:2015 standard. In short, our hotels work with one topic each month and document their sustainability work. For example, all hotels and several central departments map the sustainability landscape in their immediate surroundings and conduct stakeholder dialogues to identify common areas for collaboration.</p> <p>Environmental coordinator Each hotel appoints an environmental coordinator. This person is responsible for environmental data, documenting, initiating, and coordinating the implementation of sustainability measures at the hotel.</p> <p>Training and education In 2019 we included that it is mandatory for all General Managers to attend the Sustainable Operations course at least once in their career, and extended the invitation to other staff involved in environmental work at the hotel. Additionally, each environmental coordinator, plus interested staff, are taught their trade one-on-one with a member of the Sustainable Operations team. The Sustainable Operations Team organized five such courses in Norway, Sweden and Denmark in 2019.</p> <p>Project Managers have received training in project sustainability and ISO 14001, with focus on understanding the major environmental impact from building process and interior purchases and integrating ISO 14001 into projects to a greater degree than ever before. ISO 14001 is a great methodology in structuring the many actions in individual projects and a helping tool especially in the planning phase of projects.</p> <p>NCH's e-learning platform, Nordic Choice Academy, offers three sustainability courses. The first focuses on general sustainability at a hotel and it is mandatory for all employees to complete this course every other year. The other two focus on organic food and MSC/ASC certified seafood. These were mandatory for all people employed in our kitchens and restaurants.</p> <p>Sustainability coaches Nordic Choice Hotels understands that the planet's future lies in the hands of the younger generation of sustainability professionals. We have designed a sustainability coach program together with Sustainergies and GreenCo that offers university students interested in sustainability the opportunity to apply their smarts to coach and audit our hotels. In 2019, we hired 24 students in Sweden and 18 in Norway that together coached and audited 60 hotels.</p>

What we have achieved	<p>Nordic Choice Hotels is certified in accordance with the ISO 14001:2015 standard.</p> <p>We are proud to be certified according to ISO 14001, and also proud of DNV-GL's comment after their latest audit: "Overall, the management at the hotels shows great engagement and involvement in the sustainability work, which is essential for the company to succeed with their environmental targets"</p> <p>6590 employees completed our sustainability e-learning course in 2019, representing 42 % of our employees.</p> <p>133 employees participated in the physical training course for environmental coordinators in 2019.</p>
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Our goal	We shall reduce our greenhouse gas emissions
Why it is important	Greenhouse gases cause global warming. To preserve the Earth the way as we know it, greenhouse gas emissions must be reduced.
What we do	Reduction of our greenhouse gas emissions is a consequence of other measures NCH implements as part of our environmental work.
Our results	<p>Greenhouse gas emissions, scope 1, 2 and parts of 3 (G4-EN15 and G4-EN18) CO2-emissions per guest night:</p> <p>2016: 2.65 kg 2017: 2.64 kg 2018: 3.62 kg 2019: 3.00 kg</p> <p>Total emissions:</p> <p>2016: 25 500 ton 2017: 22 304 ton 2018: 33 619 ton 2019: 33 449 ton</p>

Our goal	We shall do waste sorting and thus facilitate recycling - our goal is to sort out 99 % of the total waste
Why it is important	Waste sorting contributes to a higher proportion of recycling, and better utilisation of waste resources.
What we do	<p>Our waste collector in Norway has, during, 2019, participated in our sustainability courses to inform our environmental coordinators how to optimize the waste sorting at the hotels. They have also visited several of the hotels to train the staff</p> <p><u>Success story: Clarion Grand Hotel Helsingborg</u> Clarion Grand Helsingborg was the Sorting Hotel of the Year 2019! Their commitment to waste handling is laudable. Here are some examples of the myriad of actions taken the past year. Hotel staff cleans waste from city streets every other month through their initiative "Let's Clean the City". Through investments, education, and new routines the hotel managed to reduce the number of waste collection bins to 3 out of 6, and pick-ups from 3 to 2 times per week. This corresponds to a greater than 60% reduction in residual waste compared to 2018. Spread the word!</p>
What we have achieved	Waste volumes based on our largest waste groups (G4-EN23): Residual waste: 40%

	<p>Wet organic waste: 27% Cardboard/paper: 10% Glass/metal: 11% Fatty acids from grease separators: 7,1% Hazardous waste: 0.7 % The distribution is obtained from Norway, as Swedish figures are not available. The distribution is presumably also representative of Sweden.</p> <p>We have reduced the residual waste volumes by 45% since 2008. 2016: 0.511 kg/guest night 2017: 0.859 kg/guest night 2018: 0.683 kg guest night 2019: 0.480 kg/guest night</p>
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Our goal	To continuously reduce our energy consumption per m². By 2021, our goal is to reach an average energy consumption of 190kWh/m².
Why it is important	It is commonly known that the energy sector is attributable to just shy of 25% of global GHG emissions. In Scandinavia, it is estimated that between 35-65% of energy produced is sourced from fossil fuels. Reducing energy consumption will therefore reduce NCHs contribution to climate change and conserve resources.
What we do	<p>At Nordic Choice Hotels WeCare about the Planet. To do so we strive to continuously improve the energy efficiency of our hotels. In 2019 we stood fast in our ambition to continuously replace incandescent and halogen light bulbs with LED bulbs. The switch is not yet complete since we do not endorse unnecessary waste - bulbs are replaced when they die out. A pilot project investigating the potential energy savings in optimizing energy, ventilation, and water systems was initiated. Its success exceeded our expectations (read more in the story).</p> <p>With the help of a Measurement Platform (Mestro), most of our energy data is collected automatically from utility providers. We have not achieved 100% automation in this area due to variability in the ability of utility providers to send data to our systems. Together with automatic transfer of KPIs from our booking systems and property data, hotels and Headquarters staff are able to analyze trends, set SMART goals and evaluate the impact of their investments.</p> <p><u>Success story:</u> In 2019, Quality Hotel Grand Borås partook in a pilot project to optimize the property's energy, ventilation, and water systems. The results exceeded expectations. With a minimal investment, the hotel saved on average 12% electricity and 14% district heating per month! Some months saw savings surpassing 30%. Not only did this save the hotel money, but also reduced their CO₂ emissions. Needless to say, Nordic Choice Hotels will continue to pursue systems optimization!</p>
What have we achieved	<p>Energy intensity – use per Sq m (G4-EN5): 2016: 204 kWh/m²/year 2017: 204 kWh/m²/year 2018: 207 kWh/m²/year 2019: 200 kWh/m²/year</p>

Our goal	All our hotels shall use renewable energy, where possible
Why it is important	Energy produced with fossil fuels produce greenhouse gases as an externality, while non-renewable, non-fossil sources (such as nuclear) are associated with other human and environmental risks.
What we do	Nordic Choice Hotels began purchasing renewable source guarantees from Ishavskraft and Nordic Green Energy in 2007. In our ambition to reduce greenhouse gas emissions we continuously replace fossil and mixed energy sources with renewables, when the option is available. For example, district heating is considered renewable, but its production is still the cause of most of our energy-related emissions. We therefore opt for fuel sources with lower emissions when available from the local utility provider.
What we have achieved	<p>Percentage of hotels using renewable electricity sources:</p> <p>2016: 81%</p> <p>2017: 70%</p> <p>2018: 68%</p> <p>2019: 80%</p> <p><u>Success story (company-wide):</u> A recent survey shows that 80% of our hotels have signed green/renewable electricity contracts! For many hotels it is the property owner that holds the energy contracts. Our influence on their decisions is limited, which is why 20% of the portfolio still purchases energy from mixed sources.</p>

Our goal	We shall minimize the number of transports. By 2021, our goal is to reach on average 1200 transports per year per hotel.
Why it is important	Hotels require many transports to operate and transports using fossil fuels cause greenhouse gas emissions.
What we do	<p>Our hotels are aware of the need to reduce the number of transports - for many reasons. Many are acting upon this awareness by coordinating purchases between departments, demanding that vehicles doing deliveries and pick-ups use more sustainable fuels, and improving ordering processes overall. Several suppliers also coordinate transports to reduce the number of deliveries and pick-ups. We have simplified this process by introducing the purchasing planning tool Menybank.</p> <p>Some hotels have also noticed a reduced number of transports by taking other sustainability actions. For example, by switching to in-house chemical-free cleaning systems, many hotels have been able to eliminate deliveries of chemicals. While our Sweet Dreams concept has led to a reduced use of bedding textiles, resulting in fewer laundry deliveries and pick-ups.</p>
What we have achieved	<p>Mapping and monitoring of transports is currently being reviewed to make it possible to measure transportation emissions rather than number of deliveries.</p> <p>2016: Average of 1147 transports per hotel</p> <p>2017: Average of 1334 transports per hotel</p> <p>2018: Average of 1295 transports per hotel</p> <p>2019: Average of 1323 transports per hotel</p>

Our goal	We shall reduce our use of chemicals, especially those that are dangerous. By 2021, our goal is to reach 12 grams per guest night and eliminate all “red” chemicals from daily cleaning.
Why it is important	Many chemicals are harmful to humans, animals, and to the environment.
What we do	<p>All chemicals in use at Nordic Choice Hotels are categorized as red (should be replaced), yellow (consider alternatives), or green (good to go) based on the substances’ impact on health and the environment. Our hotels continuously work to replace red and yellow chemicals, and reduce the total amount. Together with our largest suppliers we began a major project reviewing products and cleaning methods in use to produce clear and concise chemical guidelines and a substitution guide to aid our hotels in their work. The guides will be launched in 2020.</p> <p>Several hotels in Norway and Sweden have now begun to install chemical-free cleaning systems. UltraH2O and Tersano products replace nearly 95% of daily cleaning chemicals to the benefit of employees, animals, and the environment. Nordic Choice Hotels will continue to install these cleaning systems in 2020!</p>
What we have achieved	<p>Use of chemicals (total cleaning chemicals): 2016: 33 grams/guest night 2017: 31 grams/guest night 2018: 31 grams/guest night 2019: 30 grams/guest night</p> <p><u>Success story:</u> In 2019, Our Comfort Hotels brand has a new policy - all new hotels will open with an UltraH2O cleaning system installed. At Comfort Hotel Arlanda Airport Terminal this vision was realized, effectively preventing the need for other chemicals in daily cleaning!</p>

Our goal	We shall reduce water consumption per guest night. By 2021, our goal is to reach an average water consumption of 180 liters per guest night
Why it is important	Access to clean water is a major global challenge. In the Nordic region, we aim to reduce water consumption, partly to reduce energy consumption related to heating, and partly to reduce the use of chemicals in water treatment processes.
What we do	Our hotels offer guests more than a good night’s sleep. We offer conferences, spa visits and dinner experiences. To capture these diverse interactions with guests and adapt KPIs to a multifaceted reality, we introduced environmental guests in 2018/2019. This KPI measures all forms of guest interactions at the hotel - from conferences to spa visits. Our targets will from 2020 and onwards be based on this new metric.
What we have achieved	<p>Water consumption per source (from council water source for all hotels) (G4-EN8) 2016: 229 litres/guest night 2017: 230 litres/guest night 2018: 206 litres/guest night 2019: 204 liters/guest night</p>

Focus Area: Sustainable Food

Our goal	All our hotels shall serve good, healthy and sustainable food, based on Nordic Choice Hotels' food platform
Why it is important	<p>Food production is the single biggest cause of deforestation, loss of biodiversity and destruction of the oceans. 30 percent of all greenhouse gas emissions are related to food.</p> <p>Research shows that food intake with a high share of vegetables, berries and fruits, grain products and fish, can prevent bad health and illness.</p>
What we do	<p>We established a food platform already in 2012, describing our guidelines and food focus areas for all our hotels:</p> <ul style="list-style-type: none"> • Less food waste • Less red meat, more fruit and vegetables • Increased amount of certified produced food • Sustainable fish and seafood • No red-listed animal species • Only sustainably produced palm oils <p>The food platform is continuously being developed in line with new research findings.</p>
What we have achieved	<p>All our chains have food concepts, guidelines and procurement routines in place to ensure compliance with our food platform. Our biggest partner in this transformation is EAT. EAT is a foundation working to find sustainable solutions for the way we eat and our global food system in the future, when the world's growing population is expected to reach 9 billion people. EAT will contribute to collaboration, and encourage politicians, scientists and businesses, to go in the same direction.</p> <p>EAT arranges EAT forum, other conferences, meetings, seminars, etc. and has gained a position as one of the most important global players within food, health, and sustainability within a very short time.</p> <ul style="list-style-type: none"> • NCH was part of the initiative behind EAT in 2013, and their first conference was arranged in Stockholm, at Clarion Hotel Sign in 2014. • NCH is EAT's most significant commercial contributor. • In 2019, Kitchen and Table implemented "Green Table Menu" together with EAT. The menus are green 3-course menus for larger groups and the smaller party. The menu can be pre-booked directly in the booking widget on the web so that we can prepare for the guest's sustainable experience.

Our goal	We don't waste food. We need to reduce our food waste by 10 % each year until 2021.
Why it is important	About 30 percent of all food produced in the world ends up as food waste.
What we do	<p>We perform various actions in order to reduce food waste at our hotels – here are some examples:</p> <p>Common measures and registration for all hotels</p>

	<p>We developed a common WeCare index for all hotels in 2017. Hotels who do not register their food waste receive an index score of zero, and you need to reduce your food waste by 10 % to get a positive score.</p> <p>Best Practice In 2019 We updated our “Toolkit: How to reduce food waste”, available for all our hotels. Here, our hotels can both get inspiration and where there ideas for how to cut food waste.</p> <p>Reduce food waste – “Kutt Matsvinn” 2020 We are collaborating with other players in the restaurant industry, in the campaign “Kutt Matsvinn 2020”, arranged by Matvett. Through this, we are committed to reducing food waste by 20% by 2020.</p> <p>TooGoodToGo and Karma Several hotels are collaborating with TooGoodToGo in Norway and Karma in Sweden to sell excess food at reduced prices. In 2019 we had over 70 active hotels using Karma and TGTG.</p>
<p>What we have achieved</p>	<p>A routine and system for data collection was implemented in 2017 for the measure “food waste per dining guest”, which thus also included conference guests, lunch and dinner guests. This provides a more accurate measure of all food served, not just selected meals or selected guests. With our new KPI, food waste per serving, our results looks like this: 2017: 183 2018: 165 2019: 184* <i>*Our analysis for the increased amount is that our hotels have started to measure more accurately, and our measurement routines have settled.</i></p> <p><u>Success story:</u> Quality Hotel Panorama in Göteborg reduced their food waste - 55.7 %. It all started with a new chef, John Johansson.</p> <p>Karma and TGTG: In 2019 we sold almost 33 000 portions (32 998 portions to be exact) of leftover food and we had 64 active hotels.</p>

<p>Our goal</p>	<p>We shall serve less red meat, and increase the consumption of fruit and vegetables</p>
<p>Why it is important</p>	<p>For the benefit of both human health and the environment, we should eat more fruit and vegetables, and less meat. 15 percent of global greenhouse gas emissions comes from meat production. On average, we eat more than twice as much red meat and processed meat products than recommended by health authorities.</p>
<p>What we do</p>	<p>All chains have created and implemented food concepts which contribute to less meat consumption, and an increase in fruit and vegetables consumption. Our purchasing department has provided better purchasing tools, and our suppliers contribute with innovative products and services. Additionally, we have carried out other initiatives – here are some examples:</p> <p>Kitchen & Table In 2019, We added a mandatory Green Burger on all K&T with menu text - K&T Classic Burger - Veggie or Not. At the end of the year, about 10% of our burgers were vegetarian</p>

	<p>URBAN GARDEN MENU CONCEPT</p> <p>The menu concept from K&T continues as before - Today accounts for about 13% of total food sales at K&T.</p> <p>URBAN GARDENS</p> <p>2019; Clarion Hotel Stockholm opens its Urban Garden - Söders Trädgård. This was inaugurated with a garden dinner cooked on homemade vegetables together with Johannes Stålhammar and Marcus Samuelsson.</p> <p>In 2019, Clarion Hotel The Hub opened its own urban garden that is called GrowHub and is now self-sufficient for herbs and leafy vegetables for Norda in season.</p>
What have we achieved	Estimating the total amount of meat and fruit/vegetables served at our hotels, will require better statistics from our suppliers than currently available. In 2019 we have started the process of getting CO2 emissions from our suppliers.

Our goal	We shall offer a good selection of certified products
Why it is important	Organic food is grown without using pesticides and fertilizers, and with a minimum use of additives. In addition, there are strict regulations for livestock farming, and the animals should live in accordance with their unique habitat.
What we do	We are certified in Norway by Debio, in Sweden by KRAV. We work systematically to find good organic alternatives and expand the selection to include more food groups.
What we have achieved	All our hotels have a minimum selection of organic food, including eggs and coffee. In 2019, we had at least 22 different organic products at our breakfastbuffè in Sweden, and at least 15 in Norway.

Our goal	We shall serve sustainable, certified seafood
Why it is important	Ocean life is an important resource, and we must manage it responsibly.
What we do	We work actively to increase our share of certified sustainable seafood, in addition to certifying our restaurants according to standards from Marine Stewardship Council's (MSC, a certification body for sustainable wild caught fish) and Aquaculture Stewardship Council (ASC, a certification body for farmed fish and other seafood). Both schemes will secure sustainable management of the oceans.
What we have achieved	<p>We are MSC and ASC certified in both Norway and Sweden.</p> <p>Sweden: More than 60% of all seafood we purchase is certified.</p> <p>Norway: More than 10% of the seafood we buy is certified.</p> <p>In 2019 Clarion Hotel the Hub was The host for MSC conference "our Ocean" and together we made a film to lift NCH's commitment to the sea through MSC. It is hoped that this will partly inspire other hotels, restaurants and producers (who do not belong to NCH, and especially in Norway) to certify. Partly for peppering other restaurants and hotels within NCH to lift MSC and its commitment. You can see our movie HERE</p>

Our goal	We do not serve foods in danger of extinction, that cause harm to the environment, or are associated with poor animal welfare
Why it is important	Serving any of these foods is against our core values.
What we do	Based on advice from WWF, the Norwegian and Swedish Biodiversity Information Centre, and the Norwegian Animal Protection Alliance, we have created our own “Red list”, which identifies the food products we are not permitted to serve at our hotels: scampi, blue and yellow finned tuna, rose fish, eel, goose liver, and duck liver. The list has now been further developed and expanded.
What we have achieved	According to reports from our suppliers, the hotels’ own reports and internal audits, our hotels did not serve any of the “red list” species in 2019.

Our goal	We allow only sustainably produced palm oil
Why it is important	Production of palm oil is related to severe environmental damage, and in breach of human rights.
What we do	Our requirement is that products containing palm oil must only contain sustainable palm oil certified according to Roundtable’s (RSPO) two strictest levels for sustainable palm oil, which means either preserved or segregated.
What we have achieved	Since 2015, we have allowed only sustainably produced palm oil in any of our hotels. According to reports from our suppliers, we did not serve any uncertified palm oil in 2019.

Focus Area: Sustainable trading

Our goal	We impose environmental demands on our suppliers
Why it is important	To achieve good outcomes with our environmental efforts, we depend on good collaborations with our suppliers.
What we do	<p>We have introduced sustainable minimum requirements regarding responsible working conditions and environments from all our suppliers. All new suppliers are assessed based on those minimum requirements.</p> <p>We have ethical guidelines (CoC) in place for our suppliers, which also include environmental requirements.</p> <p>In 2019 we have started to put further demands regarding collecting data to our stakeholders. We have also started stakeholder dialogues regarding CO2 emissions.</p>
What we have achieved	<p>All trade agreements with central suppliers include specific environmental requirements based on our sustainable minimum requirements and CoC for suppliers.</p> <p>G4-EN32: Screening of new suppliers, environment: All suppliers are assessed based on some degree of environmental requirements.</p> <p>G4-EN33 (management system): Monitoring of existing suppliers, environment: We have an action plan for existing, central suppliers, based on our own assessment of the suppliers' efforts within environmental and social responsibilities.</p> <p>In 2019, we highlighted several risk factors together with our flower supplier, and together we have set several action plans that they will continue to work with in 2020..</p>

PROFIT

In our view, we cannot be profitable without also caring for people and our planet. We know however, that we will not be able to look after people and the planet without being profitable. This connection is about how our guests interact with us, are inspired, engage, inspire us, and push us to do more. We truly believe that sustainability and guest satisfaction is linked together, hence being more sustainable also means being more profitable.



Overall policy

We will make our guests feel a little bit better when checking out than they did when checking in.

Relevant focus areas

- Diversity
- UNICEF
- Local Community
- Sustainable trading
- Sustainable food
- Sustainable Operations

The most relevant UN sustainability targets affected by this work are:



Our guests are a measure of success

Sustainability is important to our guests, and we know it will become even more important in the future. Businesses and organisations with whom we have agreements also emphasise sustainability more often when choosing which hotel chain to align themselves to, and this is highly appreciated by us. We therefore work actively to involve both customers and guests in our sustainability work as much as we can. We are open and honest in our communication about our work, and it must be simple to contribute and provide feedback on how we can improve.

Our Goal	We will make our guests feel a little bit better when checking out than they did when checking in
Why it is important	Our guests should be able to make up their own mind about our work, and give us feedback so we can improve. For guests wanting to contribute to our ongoing work, we should create solutions to make this option easily available.
What we do	All chains and all hotels shall, through their activities, campaigns, and information, involve and tell guests about our WeCare work.

	<p>Some examples on how what we do influence the guest experience. :</p> <p>Sweet Dreams stay This is a possibility for our guests to actively forego room cleaning. The solution is more environmentally friendly, and the hotel donates money to UNICEF for every foregone room cleaning. Hence, the guest contributes to a good cause, and hopefully gets her eyes up on the environmental impact of cleaning.</p> <p>Our environmental work We communicate around everyday actions our guests can take to reduce their environmental footprint at the hotel.</p> <p>Our food certifications This is an area where our guests meet our sustainability work up close - the food they feed their body. This is a very near and relevant area when it comes to sustainability, and here we really have the chance to make our guests think.</p> <p>Food waste Food waste has a huge impact on the planet, and this is also of great importance in private life. We communicate directly, and use nudging to indirectly change our guests behaviour, throwing less food waste.</p> <p>Loopon The guests' feedback is extremely important to us. We use Loopon as a guest feedback system, and here we get many great tips on how we can improve.</p> <p>WeCare Index In 2017 we developed a WeCare Index that gives each hotel a sustainability score based on the results from selected sustainability aspects. Both having established the index and the index being enclosed to the financial reports, ensures an increased focus and greater integration of sustainability work. In the index, we also include guest satisfaction on sustainability, giving the hotels an incentive to also focus on guest communication in their sustainability work.</p>
<p>What we have achieved</p>	<p>Our main source of guest feedback is Loopon. On the guest satisfaction question regarding WeCare - "I feel that this hotel contributes to taking care of the environment, people and community" - we have moved from 8,59 in 2018, to 8,51 in 2019. 50 % of our guests "totally agree" to this question, and 25 % "somewhat agree"</p> <p>We also use Sustainable Brand Index 2020 (showing results from 2019), as a measurement on guest awareness on what we do within sustainability.</p> <p>In Norway, Nordic Choice Hotels was ranked number 21 (down from 6 in 2018) among Norway's most sustainable brands this year, independent of industry. For the first time, a sub brand - Comfort Hotels - are ahead of the Nordic Choice brand, and for the first time we have another hotel company as the industry winner.</p> <p>In Sweden, Nordic Choice Hotels was ranked number 36 (down from 26 in 2018) among Sweden's most sustainable brands this year, independent of industry. We achieved second place in the industry "Hotels".</p> <p>Sustainable Brand Index is Scandinavia's biggest survey of businesses and sustainability. The survey is conducted annually and covers the largest companies in Sweden, Denmark, Finland, and Norway. In total, 24 000 consumers contributed to the evaluation.</p>










Responsible profit

Our goal	Our business must be operated free of bribery and corruption
Why it is important	Corruption is a crime and damages trust in the businesses involved.
What we do	We have our own guidelines for employees and suppliers, focusing on bribery and corruption.
What we have achieved	Results, legally enforceable verdicts (G4-SOS): No legally enforceable verdicts in 2019.

Our target	We shall have good procedures in place to handle both internal and external whistleblowers.
Why it is important	A good whistleblower process will enable us to solve issues at an early stage if improper behaviour is revealed.
What we do	We have ethical guidelines for employees and suppliers, focusing on our whistleblower procedures and why whistleblowing is important. In 2017, we implemented a new whistle blower tool for employees and external partners (e.g. suppliers and guests). The whistleblower feature is accessible for everyone on our website .
What we have achieved	8 whistleblowing warnings were received in 2019


Certifications

Nordic Choice shall serve good, healthy and sustainable food. Acknowledged certification schemes help us live up to our goals. Below are the certification schemes we are part of:

	<p>“KRAV” is the official Swedish marking for organic food, and guarantees that the product is organically grown.</p>		<p>Fairtrade is an international certification system supporting farmers and workers in third world countries, and guaranteeing a minimum price to the grower.</p>
	<p>The “Ø-mark” by Debio is the official Norwegian marking for organic food, and guarantees that the product is organically grown.</p>		<p>MSC (Marine Stewardship Council) is a certification system guaranteeing that the seafood origins from sustainable wild caught fish.</p>
	<p>“EU organic ” is the EU’s official marking for organic food, and guarantees that the product is organically grown.</p>		<p>ASC (Aquaculture Stewardship Council) is a certification system guaranteeing that the seafood origins from sustainable fish farming.</p>
	<p>“Luomu” is the official Finnish marking for organic food, and guarantees that the product is organically grown.</p>		<p>ISO 14001:2015 is an environmental certification system.</p>
	<p>The “Ø-mark” is the official Danish marking for organic food, and guarantees that the product is organically grown.</p>		

Nordic Choice's goal overview - matched with the UN Sustainable Development Goals

	<ul style="list-style-type: none"> - Low sick leave and the lowest possible number of injuries. - We shall serve less red meat, and increase the consumption of fruit and vegetables. - We shall reduce our use of chemicals, especially those that are dangerous.
 	<ul style="list-style-type: none"> - We want our employees to thrive and learn new things at work, and there should be good collaboration between managers and employees. - The percentage of female leaders shall be the same as the percentage of female employees. - We shall be recognised for staff diversity and increase the percentage of middle managers with non-Nordic ethnicity. - We shall be an inclusive employer and a preferred partner for organisations within this field. - We care about working conditions in our supply chains, and will contribute to improvements. - We shall take part in the fight against human trafficking.
	<ul style="list-style-type: none"> - We will make our guests feel a little bit better when checking out than they did when checking in. - Our business must be operated free of bribery and corruption - We shall have good procedures in place to handle both internal and external whistleblowers.
	<ul style="list-style-type: none"> - We shall contribute to positive changes in the local communities we are part of.
	<ul style="list-style-type: none"> - We impose environmental demands on our suppliers. - We don't waste food. - We shall do waste sorting and thus facilitate recycling. - We shall reduce our use of chemicals. - We care about working conditions in our supply chains, and will contribute to improvements.
	<ul style="list-style-type: none"> - All our hotels to be environmentally certified in accordance with ISO 14001 - We shall reduce our greenhouse gas emissions. - We shall do waste sorting and thus facilitate recycling. - We shall reduce our energy consumption per m². - All our hotels shall use renewable energy, where possible - We shall minimise the number of transports. - We shall reduce our use of chemicals, especially those that are dangerous. - We allow only sustainably produced palm oil. - We don't waste food. We need to reduce our food waste by 10 % each year until 2021.
	<ul style="list-style-type: none"> - We shall serve sustainable, certified seafood. - We shall reduce water consumption per guest night. - We don't waste food. - We do not serve foods in danger of extinction, that cause harm to the environment, or are associated with poor animal welfare.

	<ul style="list-style-type: none"> - We shall serve less red meat, and increase the consumption of fruit and vegetables - We shall offer a good selection of certified products - We allow only sustainably produced palm oil. - We don't waste food. - We do not serve foods in danger of extinction, that cause harm to the environment or are associated with poor animal welfare.
	<ul style="list-style-type: none"> - We cooperate actively with the guests to achieve our sustainability goals. - We listen to and collaborate with experts and others who are concerned about our business. - We were part of the initiative behind EAT in 2013, and the most significant commercial contributor. - We are a member of the Ethical Trade Initiative.

Annual report 2019 part 2 - Goal and result matrix – ENVIRONMENT AND SOCIAL RESPONSIBILITY

Targets and relevant GRI-indicator**	Result 2016	Target 2017	Result 2017	Target 2018	Result 2018	Target 2019	Result 2019	Target 2020
Sustainability on all hotels								
Develop and implement a sustainability indicator on all hotels (WeCare Index)		Develop WeCare Index	WeCare Index developed.	Implement WeCare Index on all hotels	Implement WeCare Index on all hotels	Develop integrated measurements in PMI	WeCare Index implemented on all hotels, maintain.	Further develop system.
Sustainable operations								
Increase proportion of hotels using renewable energy	81%	-	70 %	New target for 2021 will be set	68%	+5 %	80 % (+18%)	+5 %
Reduce energy consumption (kWh/t) GRI: G4-EN5	216 204*	set new goals to 2021	(0%*) 205, 204*	-5%	+2% (207)	-5%	-3,4 % (200 kWh)	-3%
Reduce water consumption (liter/guest night) GRI: G4-EN8	229*	set new goals to 2021	+1% (230*)	-5%	206 (-10%)	-5%	204 (0,1 %)	0 %
Reduce residual waste (kg/guest night) GRI: G4-EN23	0,511	set new goals to 2021	+ 64%* (0,859*)	- 10 %	-19 % (0,683)	-10 %	- 30 % (0.480)	-5 %
Reduce consumption of chemicals (gram/guest night)	33	set new goals to 2021	31	20	31	20	30	25
Total CO2 emissions for all hotels in the chain (tonneses) GRI: G4-EN15	25 500	N/A	22 304	N/A	33 619	N/A	33 449	N/A
CO2 emissions per guest night (kg CO2/guest night) GRI: G4-EN18	2,65	N/A	2,64	N/A	3,62	N/A	3,0	-10 %
Reduce number of transports /hotel	1147*	Will be audited	1334*	Work to improve data quality	1295	Work to improve data quality	1323	Work to improve data quality
Ensure that all hotels are internally audited annually (ISO 14001) GRI: Management system, environmental indicators	3-years circulation	3-years circulation	2-years circulation	2-years circulation	2-years circulation	2-years circulation	2-years circulation	2-years circulation
Ensure that all hotels are ISO 14001-certified (The Norwegian Veritas) GRI: Management system, environmental indicators	100%	100%	Comfort Hotel Ole Tobias did not achieve certificate in 2017	100%	100%	100%	100%	100%
Increase proportion of staff who have taken e-learning in environment GRI: Management system, environmental indicators	35%	65%	35 %	Develop new Environment training for all	35 %	40%	42 %	45 %
Staff and diversity								
Increase well-being for staff measured in employee survey (The Beat)(1)	39,6	42	46,5	48	50	55	56	58
Increase the portion of positive answers about sustainability in the employee survey.	-	-	26	+2 ppt	29 (+11.5 %)	+5 %	33 (13,8 %)	+5 %

Reduce absence due to illness (%) (2) GRI: G4-LA6.	Per country: DK: 4,75 NO: 4,75 SE: 3,7	Per country: DK: 4,75 NO: 4,5 SE: 3,63	Per country: DK: 4,88 NO: 4,9 SE: 3,8	Per country: DK: n/a NO: 4,8 SE: 3,7	Per country: DK:n/a NO: 5.18 SE: 4.15	Per country: DK: n/a NO: 4,8 SE: 3,7	3,71	3,6
Ensure that the proportion of female managers reflects the organisation. GRI: G4-LA12. Comment: NCH have no targets related to age, so not measured.	63% (63% female employees in the organisation in total.)	The proportion should reflect the organisation.	65% (63% female employees in the organisation in total.)	The proportion should reflect the organisation.	Norway: 62%. Sweden: 65%	The proportion should reflect the organisation.	Norway: 61%. Sweden: 64%	The proportion should reflect the organisation.
Increase the proportion of middle managers with non-Scandinavian origin. GRI: G4-LA12. (5)	11%	14%	15%	The proportion should reflect the organisation.	17%	The proportion should reflect the organisation	12 %	The proportion should reflect the organisation
Tasty, healthy and sustainable food								
Ensure that all hotels serve a selection of organic food with KRAV and Debio certification in NO and SE	100%	100%	100%	100%	100%	100%	100 %	100 %
Ensure compliance of Nordic Choice's Red list	Controls and monthly follow-up	Continue monthly controls	Good compliance.	Continue, controls	Good compliance.	Update red list and add greenlist	Good compliance.	In line with red list, add greenlist
Phase out all bad palm oil (3)	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain	Maintain
Develop indicators for sustainable food	Continue work to register all food guests	Automatic registration of food guests	Registration automatized. Indicator developed. WeCare index.	WeCare Index=8 (target for all indicators)	Project with scales	All hotels should have scales in 2019	Project with scales started but not rolled out.	All hotels should have scales in 2020
Reduce food waste kg/guest night food waste kg/serving	0,3 kg/guestnight	New KPI. Food waste per serving.	0. 175 kg / serving	- 10% compared to 2017.	0.172 kg/serving	- 10% compared to 2017.	0,184 kg/servings	- 10% compared to 2017.
Fair trade								
Assess risk in supply chain GRI: G4-EN32;LA14;HR10	Implementing sustainable minimum requirements has started	Ensure compliance of sustainable minimum requirements	Controls and dialogue with suppliers	Follow up implementation of sustainable minimum requirements	n/a	Follow up implementation of sustainable minimum requirements	Controls and dialogue with suppliers	Follow up implementation of sustainable minimum requirements
Implement improvement initiatives in supply chain GRI: G4-EN33; LA15;HR11 (Management system)	Several initiatives implemented	Develop and continue	Several initiatives implemented	Develop and continue	n/a	Develop and continue	Several initiatives implemented	Develop and continue
Local social responsibility								
Increase the proportion of hotels with at least one local initiative.	Numbers N/A due to delayed survey for hotels taking part in event "Lonely Christmas tree".	80%	79 %	80 %	71 %	75 %	90 %	90 %
Guests								
Increase the proportion of guests that answer positively to the question: "I experience that this hotel takes	69,1	74,1	73,2	+2ppt	74.3 (1.5 ppt)	+ 2 ppt	72.6 (-2.3 ppt)	+5 ppt

responsibility for the environment, people and society.” (4)								
Increase the proportion of guests who will recommend the hotel to others, guest satisfaction NCH (NPS) GRI: G4-PR5	45,2	50	46,6	Only goals on chain level: Clarion 50, Clarion Collection 50 Comfort 40, Quality 40 NH&R 53	Clarion 54.3, Clarion Collection 53.6 Comfort 31.8, Quality 35.4 NH&R 53.4	Only goals on chain level: Clarion 56, Clarion Collection 55 Comfort 40, Quality 40 NH&R 55	Clarion 57.8, Clarion Collection 55.8 Comfort 32.7, Quality 40.6 NH&R 56.0	Only goals on chain level: Clarion 60, Clarion Collection 56 Comfort 40, Quality 40 NH&R 55
Responsible operations								
Operations free of bribes and corruption GRI: G4-SO5	No legally enforceable verdicts in 2016.	None	No legally enforceable verdicts in 2017.	None	No legally enforceable verdicts in 2018.	None	No legally enforceable verdicts in 2019.	None

** Indicators relevant for GRI (Global Reporting Initiative) will be mentioned with their GRI-name, underneath the respective indicators.

* New, more accurate measurements.

(1) Scale -100 to 100. 30 is a good result.

(2) Statistics for absence due to illness include all our operating hotels. Absence due to illness/injuries is not registered per gender.

(3) Bad palm oil refers to palm oil not certified according to RSPO's two strictest levels, or equivalent.

(4) After their stay, hotel guests are given the opportunity to respond to questions about how satisfied they were with their stay.

(5) Comment: NCH have no targets related to age, so not measured.

GRI: STANDARDREDEGJØRELSE

GRI-indicator	Page number or website	
G4-1	Introduction	Report p. 1
G4-3	Name	Nordic Choice Hospitality Group as
G4-4	Product	https://www.nordicchoicehotels.com/about-nordic-choice-hotels/annual-reports/arsrapporter/
G4-5	Main office	Fredrik Stangs gate 22-24, Oslo, Norway
G4-6	Online presence	https://www.nordicchoicehotels.no/hotell/?resetDestination=true
G4-7	Ownership	Nordic Choice Hospitality Group is 100% owned by Strawberry Hospitality Group AS
G4-8	Markets	https://www.nordicchoicehotels.no/hotell/?resetDestination=true
G4-9	Size	https://www.nordicchoicehotels.com/about-nordic-choice-hotels/annual-reports/arsrapporter/
G4-10	Staff	Report p. 7-8
G4-11	Collective trade agreements	100 % of staff are trade union members and covered by collective agreements in Sweden. In Norway we don't have this statistics, but all employees are paid in accordance with collective wage agreements.
G4-12	Supply chain	Report p. 9
G4-13	Substantial changes	https://www.nordicchoicehotels.com/about-nordic-choice-hotels/annual-reports/arsrapporter/
G4-14	Pre-cautious	Report p. 17
G4-15	Support of sustainability initiatives	Report p. 3, 21
G4-16	Central position in advocacy group	-
G4-17	Overview, business	https://www.nordicchoicehotels.com/about-nordic-choice-hotels/annual-reports/arsrapporter/
G4-18	Description of contents	Report p. 2
G4-19	Priorities	Report p. 3-4
G4-20	Limitation, internally	Report p. 3
G4-21	Limitation, externally	Indicators for follow-up of suppliers
G4-22	Change of reporting method	See table Targets and results, p. 30-31

G4-23	Change of measuring method	See table Targets and results, p. 30-31
G4-24	List stakeholders	Report p. 3
G4-25	Selection criteria	Report p.: Introduction
G4-26	Description of dialogue	Report p. 7-11, 21-24, 26-28
G4-27	Subject matters	Report p. 7-11, 21-24, 26-28
G4-28	Reporting period	2019
G4-29	Last report	2018
G4-30	Intervals	Annually
G4-31	Contact details:	Harald.bjugstad-holm@choice.no
G4-32	GRI-report type	G4/Core
G4-33	Audit	This report has not been audited
G4-34	Corporate governance	Nordic Choice Hospitality Group AS is a private limited company and Petter A. Stordalen is the only owner. Petter A. Stordalen is the chairman of Nordic Choice Hospitality Group AS.
G4-56	Ethical guidelines	https://www.nordicchoicehotels.com/social-responsibility-in-nordic-choice-hotels/ethical-trade/