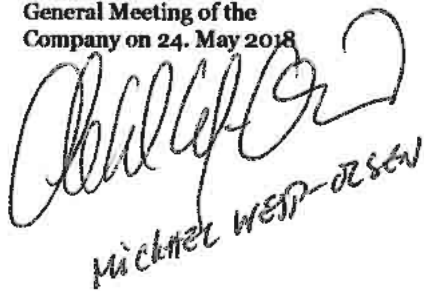

BCHG Holding A/S

Lautrupsgade 7, DK-2100 Copenhagen Ø

Annual Report for 2017

CVR No 38 24 67 12

The Annual Report has
been presented and
adopted at the Annual
General Meeting of the
Company on 24. May 2018



Michael West-Jensen



pwc

Contents

	Page
Reports	
Management's Statement	2
Independent Auditor's Report	4
Company Information	7
Financial Highlights	8
Management's Review	9
Consolidated Financial Statements	
Income Statement 1 January – 31 December	12
Balance Sheet 31 December – Assets	13
Balance Sheet 31 December – Liabilities and Equity	14
Statement of Changes in Equity	15
Cash Flow Statement	16
Notes to the Financial Statements	17
Parent Company Financial Statements	
Income Statement 1 January – 31 December	32
Balance Sheet 31 December – Assets	33
Balance Sheet 31 December – Liabilities and Equity	34
Statement of Changes in Equity	35
Notes to the Financial Statements	36
Supplementary reporting - Responsible Hospitality Report for 2017	41

Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of BCHG Holding A/S for the financial year 1 January - 31 December 2017.

The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 January - 31 December 2017.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted by the Annual Shareholders' Meeting.

Copenhagen, 24 May 2018

Executive Board

Johan Ewald Lorentzen
CEO

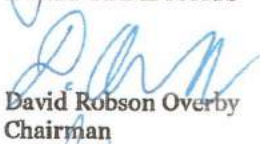


Henrik Gram
CFO

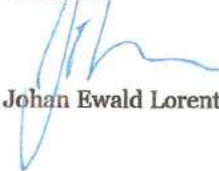


Board of Directors

David Robson Overby
Chairman



Johan Ewald Lorentzen



Mette Kapsch



Michael Dano Andersen
Staff Representative



Independent Auditor's Report

To the Shareholders of BCHG Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2017 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2017 in accordance with the the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2017 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BCHG Holding A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as cash flow statement for the Group ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review. (page 9-11)

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been

prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

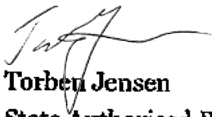
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 24 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Torben Jensen

State Authorised Public Accountant

mne18651



Claus Carlsson

State Authorised Public Accountant

mne29461

Company Information

The Company

BCHG Holding A/S
Lautrupsgade 7
DK-2100 Copenhagen Ø

CVR no: 38 24 67 12

Financial period: 1 January - 31 December

Financial year: 2th financial year

Municipality of reg. office: Copenhagen

Board of Directors

David Robson Overby (Chairman)
Mette Kapsch
Johan Ewald Lorentzen
Michael Dano Andersen (Staff Representative)

Executive Board

Johan Ewald Lorentzen
Henrik Gram

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of Solstra Investments A/S and the ultimate parent company Solstra Holdings Cyprus Ltd. As a result of the legislation in Cyprus, the Consolidated Financial Statements are not published.

Financial Highlights

Group

	2017 DKK '000	2016* DKK '000
Income statement		
Revenue	953,776	131,416
Gross profit	119,304	(266)
Depreciation and amortisation	(67,569)	(13,009)
Profit before financial items	215,192	(13,275)
Financial income and expenses	(31,816)	(4,911)
Profit before tax	183,375	(18,187)
Net profit for the year	119,674	(15,453)
Balance sheet		
Balance sheet total	1,623,783	2,970,805
Equity	561,560	983,460
Production property	431,059	427,015
Hotel property	0	1,433,365
Investment property	745,127	744,203
Credit institution	627,287	1,487,497
Cash flows		
<i>Cash flows from:</i>		
Operating activities	71,570	2,769
Investing activities	811,837	(68,060)
Financing activities	(776,861)	97,093
Change in cash and cash equivalents	106,546	31,802
No of employees	705	107
Ratios		
Gross margin	12%	2%
Solvency ratio	35%	33%
Return on equity	15%	2%

The financial ratios have been prepared in accordance with the latest "Recommendations & Financial Ratios 2017" issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

*The financial highlight for 2016 covers 2 months of operation, whereas the financial highlights for 2017 covers 12 months of operation.

Management's review

The consolidated financial statements of BCHG Holding A/S for 2017 has been prepared in accordance with the provision of the Danish Financial Statement Act applying to large enterprises of reporting class C.

It is the second financial year for the Company. The Company was founded 12 December 2016 through a demerger of Bellakvarter A/S with effect from 31 October 2016.

The Consolidated Financial Statements comprise subsidiaries from the date on which control is transferred to the group and until the date on which the control ceases.

Our Responsible Hospitality Report for 2017 are included as supplementary reporting.

Main activity

The Company's primary activity is to own and make investments. Currently through the subsidiary BC Hospitality Group A/S with activities in the hospitality area and the real estate company BCHG Properties A/S. Bella Sky A/S was sold per 30 June 2017. BC Hospitality Group A/S operates, Copenhagen Marriott, AC Hotel Bella Sky Copenhagen, Bella Center Copenhagen activities through long term rental agreements of the properties for the activities and Crowne Plaza Copenhagen Tower through management agreement. BCHG Properties A/S own the Bella Center Copenhagen property leased by BC Hospitality Group A/S.

Development in the year

In 2017, the BC Hospitality Group reinforced its business and achieved top- and bottom-line growth and a very satisfactory result with revenue of DKK 953.8 million. The Group thus consolidated the turnaround which began back in 2014, and further affirmed its position as a leading hospitality operator in Northern Europe. In 2017, the Group also continued its efforts to update, develop new products and market the various brands in the portfolio, and the positive results achieved to date pave the way for further expansion within the hospitality area.

Results for the year

Gross profit was positive by DKK 119.3 million for 2017, which is not comparable to a negative gross profit of DKK 0.3 million for 2016, which covered only the period from 31 October to 31 December. Consolidated revenue amounted to DKK 953.8 million for 2017 compared to DKK 131.4 million for 2016, which are not comparable as the 2016 figures cover only a 2-month operating period.

The positive operating figures for the year are primarily due to a significant increase in the number of sold rooms and operational efficiency measures in organising congresses and exhibitions. Moreover, the Group is seeing good progress in recurring major trade shows and international congresses; recent years' establishment of shared services within the Group continues to realise good synergies in the support and back-office functions, and the shared services contribute positively by enhancing guests' and customers' service experience. Other operating income of DKK 162.5 million and the large increase in financial expenses are primarily attributable to the divestment of the Bella Sky building, which was realised in the summer of 2017.

The BC Hospitality Group also operates Crowne Plaza Copenhagen Towers; including this revenue, consolidated revenue totalled DKK 1,118.6 million for 2017.

Hosting Moments That Matter

Focus continued in 2017 on creating ultimate guest experiences based on the BC Hospitality Group's all-round 'Hosting Moments That Matter' strategy, and, combined with a focused 'One Team' effort, this resulted in very satisfied guests and employees across the Group's business areas.

Thus, guest satisfaction at the Group's three hotels remained in top with impressive rankings on the TripAdvisor Top-25, Crowne Plaza Copenhagen Tower being in top 10, the Copenhagen Marriott Hotel in top 15 and AC Hotel Bella Sky Copenhagen in top 25 (among 119 Copenhagen hotels).

In total, the BC Hospitality Group welcomed about 1.2 million guests in 2017, 0.6 million of whom stayed at the hotels.

Also in 2017, the BC Hospitality Group participated in the 'Great Place to Work' initiative, and for the first time saw all three hotels in the portfolio - AC Hotel Bella Sky Copenhagen, Crowne Plaza Copenhagen Towers and the Copenhagen Marriott Hotel – being ranked among the 30 most attractive and versatile medium-sized workplaces in Denmark.

Awards and nominations

2017 also saw the Copenhagen Marriott Hotel being selected, for the first time, as the best hotel in the Copenhagen area in 2017 ('Bedste Hotel i København & Omegn 2017') at the annual Danish Travel Awards organised by the Danish travel industry. Moreover, in June 2017, Bella Center Copenhagen was nominated by the International Association of Convention Centres (AIPC) for its comprehensive implementation of the new wireless network service 'Tomorrow's Wi-Fi Today', and the Group as a whole was nominated for the Copenhagen Business Award 2017 in the 'Environment and Social Responsibility' category. The latter due to its focused efforts on the inclusion of vulnerable groups (in this case specifically refugees) on the Danish labour market.

Investments and divestments

In July 2017, our iconic building housing AC Hotel Bella Sky Copenhagen was sold to the Norwegian investor group Wenaasgruppen with a gain recognised under other operating income. The hotel is, however, still operated by the BC Hospitality Group, and the divestment has had no influence on day-to-day management and operation.

At the Copenhagen Marriott Hotel, 2017 also saw renovation of the hotel fitness centre and of the luxury suite The Royal Suite. Furthermore, a comprehensive reconstruction and re-positioning of the 'Sky Bar' on the 23rd floor of AC Hotel Bella Sky Copenhagen was commenced in 2017 and is expected to be completed in the early summer of 2018 when the 'Sky Bar' will be replaced by a new and exciting international restaurant and bar concept. Finally, 2017 also saw the very successful launch of the new Cruise Shuttle Bus Service for the many cruise passengers staying at the hotels.

Focus on sustainability

The Group has committed to integrating sustainability as a key element of its business strategy and therefore always chooses the most sustainable solution where it makes sense and adds value. This 360° holistic approach – 'Responsible Hospitality' – implies that – besides providing the best service to our guests and customers – everyone takes responsibility for the impact of our business on society, the environment and our surroundings – this is part of the Group's DNA.

In 2017, the BC Hospitality Group also started endorsing the UN global goal for sustainable development, and, among other things, became an active member of Global Compact Denmark. The many sustainable initiatives during the year included the efforts to introduce sustainable procedures through e.g. significant reduction of especially the Bella Center Copenhagen's energy consumption in close cooperation with Schneider Electric as well as the implementation of new food waste management tools. Thus, all chefs in our kitchens are now using a mobile food waste management App, which already in 2017 resulted in significant reduction of food waste.

As the first restaurant in Denmark, the Group's restaurant BARK at Crowne Plaza Copenhagen Towers moreover launched the so-called 'Treatbox' in close cooperation with Unilever Food Solutions in 2017 – a to-go box for guests who want to take home their good left-overs. The Group also unabatedly continued its efforts to increase diversity at the workplace – in 2017, the Group thus employed 79 different nationalities – and made an active contribution to the integration of vulnerable groups – particularly refugees – on the Danish labour market through successful local cooperation with the Municipality of Roskilde in connection with the insourcing of housekeeping at the Copenhagen Marriott Hotel. Finally, the Group successfully launched an annual event – 'Responsible Hospitality Day' – with a view to creating a shared space for the hotel, tourism and restaurant industry to exchange perspectives and challenges and jointly reach new, innovative and sustainable solutions.

More on the subject is found in the supplementary report 'Responsible Hospitality Report 2017' of the BC Hospitality Group, which is also available at www.responsiblehospitality.dk, which, too, was launched by the Group in 2017.

As regards the statement of corporate social responsibility required by section 99a of the Danish Financial Statements Act, reference is also made to the above-mentioned CSR report 'Responsible Hospitality Report 2017'.

Statement regarding the underrepresented gender in accordance with section 99b of the Danish Financial Statement Act.

With respect to the report on the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act, in which the BC Hospitality Group is required to report on diversity in the composition of the Board of Directors and gender representation at other executive levels of BCHG Holding A/S, it should be noted that the Group has equal representation on the Board of Directors (1 woman and 2 men) and at other executive levels (group executive and management levels).

Outlook

Against the backdrop of strong financial results and consolidation of the position as market leading in Northern Europe, the BC Hospitality Group is facing 2018 well-prepared – and with continued focus on outstanding service, sustainable business solutions and future growth potential.

In 2018, the Bella Center Copenhagen expects very highly profiled international and local congresses and events with estimated attendance figures reaching 73,000, while the three internationally recognised hotel brands, with a total of 1,584 rooms, are expecting to generate growing activity from both business and leisure customers. Therefore, focus will be directed also going forward at generating further synergies between the multi-faceted business areas of the Group, and despite increased competition and hotel capacity in the Copenhagen area, the hotels are expected to continue delivering good results, in terms of revenue as well as earnings, in 2018. Among other things, the relaunch of the 'Sky Bar' on the 23rd floor of AC Hotel Bella Sky Copenhagen under a new name and concept is expected to attract more customers.

In early 2018, the Group moreover announced that, in cooperation with ATP, it had embarked on the development of Nordea's former headquarters in Copenhagen – previously referred to as the 'Desert Fort' ('Ørkenfortet') – into a 400-room Hilton Hotel of a high international standard. Hilton Copenhagen City Center is expected to open towards the end of 2020, depending on the process of the local area development plan.

In conclusion, other initiatives in 2018 will include the trendsetting food fair Bite Copenhagen as well as parts of the summit 'World Food Summit - Better Food for More People' organised by the Ministry of Environment and Food of Denmark, which will in 2018 move to Bella Center Copenhagen. Generally, trade fairs will continue to have high priority, the Copenhagen Book Fair ('BogForum') and CIFF being among the key players.

Organisationally and in terms of investments, focus will continue in 2018 on reaping further economies of scale from fully integrated operations with optimised business processes and more efficient production planning. Finally, the BC Hospitality Group will also launch a new Employer Branding initiative as well as an internal BC Academy module that is to contribute towards attracting and retaining highly qualified and motivated manpower in the Group.

Based on the above as well as the annual results, the Group's expected EBITDAR for 2018 are at the same level as realized in 2017.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any judgement with significant uncertainty, see also note 2.

Unusual events

The financial position at 31 December 2017 of the Group and Company and the result of activities for Group and Company and cash flows of the Group for the financial year have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement of 1 January – 31 December

Group	Note		
		2017 DKK '000	2016 DKK '000
Revenue	3	953,776	131,416
Cost of goods sold		(172,965)	(29,478)
Other external costs		(340,098)	(51,326)
Staff expenses	4	<u>(321,409)</u>	<u>(50,878)</u>
Gross profit		119,304	(266)
Revaluations		925	0
Other operating income/expenses, net		162,532	0
Depreciation and amortisation	5	<u>(67,569)</u>	<u>(13,009)</u>
Profit before financial income and expenses		215,192	(13,275)
Financial income	6	653	18
Financial expenses	7	<u>(32,469)</u>	<u>(4,930)</u>
Profit before tax		183,376	(18,187)
Tax on profit for the year	8	<u>(63,702)</u>	<u>2,734</u>
Net profit for the year		<u>119,674</u>	<u>(15,453)</u>

Balance Sheet 31 December - Assets

Group

	Note	2017 DKK '000	2016 DKK '000
Assets			
Goodwill	9	<u>24,054</u>	<u>25,333</u>
Intangible assets		<u>24,054</u>	<u>25,333</u>
Leasehold improvements	10	17,682	4,916
Equipment	11	83,722	170,993
Production properties	12	431,059	427,015
Hotel properties	13	0	1,433,365
Investment properties	14	<u>745,127</u>	<u>744,202</u>
Tangible assets		<u>1,277,590</u>	<u>2,780,491</u>
Deposits		<u>64,993</u>	<u>27,159</u>
Financial assets		<u>64,993</u>	<u>27,159</u>
Non-current assets		<u>1,366,637</u>	<u>2,832,983</u>
Inventories		3,992	4,519
Trade receivables		81,593	71,909
Receivables from group enterprises		2,302	2,543
Other receivables		9,919	20,053
Derivative financial instruments		6,604	6,452
Prepaid expenses		14,388	544
Cash and cash equivalents		<u>138,348</u>	<u>31,802</u>
Current assets		<u>257,146</u>	<u>137,822</u>
Total assets		<u>1,623,783</u>	<u>2,970,805</u>

Balance Sheet 31 December – Liabilities and Equity

Group	Note		
		2017 DKK '000	2016 DKK '000
Liabilities and equity			
Share capital		21,871	17,266
Other reserves		88,172	58,030
Retained earnings		451,517	908,164
Proposed dividend		0	0
Equity	15	<u>561,560</u>	<u>983,460</u>
Credit institutions	16	596,863	1,339,226
Provision for deferred tax	17	184,486	179,141
Deposits		14,193	21,773
Non-current liabilities		<u>795,542</u>	<u>1,540,140</u>
Credit institutions	16	30,424	148,271
Trade payables		66,878	75,631
Prepayments received from customers		92,411	57,387
Deposits		13,620	0
Prepaid capital contribution		0	104,582
Other payables		63,348	61,334
Current liabilities		<u>266,681</u>	<u>447,205</u>
Total liabilities and equity		<u>1,623,783</u>	<u>2,970,805</u>

Statement of Changes in Equity

Group

	Share Capital DKK '000	Other reserves DKK '000	Retained earnings DKK '000	Proposed dividend for the year DKK '000	Total equity DKK '000
At 31 October 2016	17,266	976,513	0	0	993,779
Transfer	0	(923,617)	923,617	0	0
Interest rate swap	0	5,134	0	0	5,134
Net profit for the year	0	0	(15,453)	0	(15,453)
At 31 December 2016	17,266	58,030	908,164	0	983,460
Share capital increase	4,605	115,568	0	0	120,173
Transfer	0	(103,680)	103,680	0	0
Proposed interim dividend	0	0	(680,000)	0	(680,000)
Revaluation property	0	17,778	0	0	17,778
Interest rate swap	0	476	0	0	476
Net profit for the year	0	0	119,674	0	119,674
At 31 December 2017	21,871	88,172	451,517	0	561,560

Cash Flow Statement 1 January – 31 December

Group	Note	2017	2016
		DKK '000	DKK '000
Profit before financial income and expenses		215,192	(13,275)
Adjustments for income statement items without cash effect	33	(95,887)	13,009
Change in working capital	34	(15,919)	7,946
Cash flow from operating activities before financial items		103,386	7,680
Financial income received		653	18
Financial expenses paid		(32,469)	(4,029)
Cash flow from operating activities		71,570	2,769
Purchase of intangible assets		0	0
Purchase of tangible assets		(40,313)	(10,301)
Net acquisition of subsidiaries		784,874	(57,759)
Sale of tangible assets		67,276	0
Cash flow from investing activities		811,837	(68,060)
Capital increase		15,591	106,982
Repayment of mortgage		(112,452)	(9,889)
Mortgage obtained		0	0
Dividend paid		(680,000)	0
Cash flow from financing activities		(776,861)	97,093
Change in cash and cash equivalents		106,546	31,802
Cash and cash equivalents at 1 January / 31 October		31,802	0
Cash and cash equivalents at 31 December		138,348	31,802
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		138,348	31,802
Cash and cash equivalents at 31 December		138,348	31,802

Notes to the Financial Statements

Group

Note 1	Accounting policies for the Financial Statements	18
Note 2	Significant accounting estimates and assessment	24
Note 3	Revenue	25
Note 4	Staff expenses	25
Note 5	Depreciation and amortisation	25
Note 6	Financial income	26
Note 7	Financial expenses	26
Note 8	Tax on profit for the year	26
Note 9	Intangible assets	26
Note 10	Leasehold improvements	27
Note 11	Equipment	27
Note 12	Production properties	28
Note 13	Hotel properties	29
Note 14	Investment properties	29
Note 15	Equity	30
Note 16	Long-term debt	30
Note 17	Provision for deferred tax	30
Note 18	Collateral	30
Note 19	Contingent liabilities and other financial obligations	31
Note 20	Related party transactions	31
Note 21	Cash flow statement, adjustments for income statement items without cash effect	31
Note 22	Cash flow statement, change in working capital	31

Note 1 – Accounting policies for the Financial Statements

The Annual Report of BCHG Holding A/S Group for 2017 has been prepared in accordance with the Danish Financial Statements Act applying to presentation of Annual Reports of large enterprises of reporting class C.

Presentation currency and functional currency

The Annual Report is presented in Danish kroner. The functional currency is Danish kroner.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

A functional currency is determined for the enterprise. The functional currency is the currency used in the primary economic environment in which the enterprise operates. Transactions in other currencies than the functional currency are on initial recognition translated to the functional currency at the exchange rates prevailing at the date of the transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Consolidation policies

The Consolidated Financial Statements comprise all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The subsidiaries' financial statements have been prepared in accordance with the same accounting policies as applied by the Parent Company. Where differences between the accounting policy in the subsidiary and the Parent Company have occurred, on top postings have been made to eliminate these differences.

The Consolidated Financial Statements have been prepared based on the financial statements of the individual enterprises by combining items of a uniform nature and subsequently eliminating intercompany income and expenses, balances, shareholdings, dividends as well as realised and unrealised profits and losses on transactions between the consolidated enterprises. Unrealised losses are eliminated in the same way as unrealised profits to the extent that no impairment takes place.

Income statement

Revenue

Revenue primarily consists of income from hotel rooms; conferences; rental income from booths; other rental income; income from setting up and arranging booths and meeting facilities; electricity, IT, tele and AV deliveries; services (parking, security, inspection of tickets etc.), as well as restaurant and catering services.

Revenue from sale of goods is recognised at the time of holding the event or meeting. Revenue from delivery of services is recognised at the rate of delivering the service. Revenue from sale of properties is recognised when delivery has taken place. Work in progress is recognised based on percentage of completion method. Revenue is determined less VAT, charges, payments to co-suppliers and discounts.

Cost of goods sold

Cost of goods sold comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance etc. as well as operation, administration and management of factories.

Value adjustment of investment property

The Group's investment property is measured at fair value and the value adjustments are recognised in the income statement.

Depreciation and impairment losses

Depreciation of property, plant and equipment is calculated on a straight-line basis based on cost and below assessment of the expected useful lives of the assets:

	<u>Useful life (years)</u>
Production buildings (incl. hotel property)	100
Exhibition and convention centres, auditoriums etc.	10-50
Other fixtures and operating equipment	1-15

Leasehold improvements are depreciated over the remaining lease term. Land and investment property are not depreciated.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,200 are expensed in the year of acquisition.

Depreciation is determined in consideration of the asset's residual value and reduced by any impairment losses. The residual value is determined at the date of acquisition and is assessed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Property, plant and equipment are derecognised on disposal or when no economic benefits are expected to flow

to the Group in connection with use or disposal of the asset. Any gains or losses arising on derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement on derecognition of the asset.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest, dividends, realised exchange adjustments, amortisation of mortgage loans as well as repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year less the portion of tax related to changes in equity. Current and deferred tax attributable to changes in equity is recognised directly in equity. The Group is jointly taxed with group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation).

Jointly taxed companies which have paid too much tax are compensated as a minimum according to applicable rates for interest reimbursement by the administration company, just as jointly taxed companies with outstanding tax as a maximum pay a charge in accordance with applicable rates for interest charges to the administration company.

Balance sheet

Intangible assets

Goodwill acquired is measured at costs less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Property and equipment

Property, plant and equipment comprise leasehold improvements, fixtures and operating equipment, property as well as assets in course of construction.

Leasehold improvements

Leasehold improvements as well as fixtures and operating equipment are measured at original acquisition cost plus subsequent additions less accumulated depreciation and impairment losses. The acquisition cost of combined assets is divided into separate components that are depreciated individually if the useful life of each component varies. Subsequent expenses, e.g. from replacing components in an asset, are recognised in the carrying amount of the asset in question when it is probable that the occurrence of costs will result in future economic benefits for the Group. The replaced components are derecognised in the balance sheet and the carrying amount is transferred to the income statement. All other expenses for ordinary repairs and maintenance are recognised in the income statement as incurred.

An impairment test is carried out in terms of leasehold improvements, fixtures and operating equipment if there are indications of impairment. The impairment test is performed for each asset and group of assets, respectively. The assets are written down to the higher of the asset's or group of assets' value in use and net selling price (recoverable amount) if this is lower than the carrying amount.

Properties and equipment

Properties are in the balance sheet divided into investment properties, production properties and hotel properties. Investment properties comprise show rooms, office leases and undeveloped and logistic buildings. Production properties comprise auditoriums, meeting facilities and halls. The balance sheet value of properties comprises buildings and related site.

Investment property and production property are initially recognised at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Other equipment is measured at purchase cost less accumulated depreciation and any accumulated impairment losses.

Finance leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables equals landed cost. The net realisable value of inventories is calculated as the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions are determined on the basis of an individual assessment of the receivables that are estimated to be risky.

Equity

Distributable reserves are transferred to retained earnings as they are considered free reserves. Included in Other reserves/retained earnings is the hedging reserve that includes changes in the fair value of derivatives classified and qualifying as cash flow hedges. Proposed dividend is presented as a separate item under equity. Dividend is recognised as a liability at the time of declaration. Purchase and sale of own shares are recognised directly in equity under distributable reserves.

Dividend

Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

Provisions

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Taxes payable and deferred tax

Current tax liabilities are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, except for temporary differences arising on the date of acquisition of assets and liabilities and which neither affect profit/loss nor the taxable income.

In cases where determination of the tax base may be performed based on different taxation rules, deferred tax is measured based on Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under long-term assets at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Adjustment is made of deferred tax concerning elimination of unrealised intercompany profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial debts

Financial debts are recognised initially as the proceeds received net of transaction expenses occurred. Subsequently, interest-bearing debt is measured at amortised cost determined based on the effective interest rate at the time of borrowing. Remaining debt is measured at amortised cost, corresponding to nominal debt outstanding.

The amortisations from the original loans have been transferred to the new loans together with the new amortised costs, and will be amortised over the term of the new loans.

Derivative financial instruments

Derivative financial instruments, including cash flow hedges through interest rate swaps after tax, are recognised at fair value. Amortisation and changes in the fair values of derivative financial instruments are recognised on equity until the hedged transaction expires. If the hedged transaction results in an asset or a liability, the accumulated market value adjustment is recognised in the cost of the asset or liability, and if the transaction results in an income or a cost, the accumulated market value adjustment is recognised under financial items in the income statement together with the hedged item.

Cash flow statement

The cash flow statement shows the cash flows for the year, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are presented indirectly and are calculated as the net profit/loss for the year adjusted for changes in non-cash operating items, changes in working capital, paid financial items and paid corporation tax.

Cash flows from investing activities comprise payments in connection with purchase and sale of property, plant and equipment as well as securities attributable to investing activities.

Cash flows from financing activities comprise dividend distribution to shareholders, capital increases and reductions as well as raising of loans and repayment of interest-bearing debt.

Cash and cash equivalents comprise "Cash at bank and in hand" and short-term securities with an insignificant risk of value changes that can readily be turned into cash.

Financial ratios

The financial ratios have been prepared in accordance with the latest "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Gross margin:

Gross profit (contribution margin) / Revenue * 100

Solvency ratio:

Equity/Assets * 100

Return on equity:

Net profit for the year/Average equity * 100

Note 2 – Significant accounting estimates and assessments

On application of the Group's accounting policies as described in note 1, Management is required to perform assessments and use estimates as well as prepare assumptions for the carrying amount of assets and liabilities, which cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. Actual outcome may differ from these estimates.

The performed estimates and underlying assumptions are reassessed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the change takes place and in future accounting periods if the change has an effect on both current and subsequent accounting periods.

In connection with the practical application of the described accounting policies, Management has performed the following significant accounting assessments which have had an effect on the financial statements.

Fair value adjustment of properties

Investment, production and hotel properties are measured at fair value. Value adjustment of investment properties are charged to the income statement and value adjustment of production properties are charged to equity.

At the end of each reporting period, Management updates their assessment of the fair value of each property, taking into account the most recent market conditions and independent valuation reports. Management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, Management considers information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence.

The measurements contain several elements based on Management's estimate of current market conditions, including discount rate, capital structure and growth rate. For a detailed description of estimated assumptions and sensitivity analysis, please refer to current asset notes.

Fair value measurements are performed unchanged based on the capitalised value of Management's statement of expected annual cash generated from operations in a going concern context based on the required market rate of return.

Capital structure

Management anticipates to have sufficient liquidity at its disposal to support the Group's ordinary activities, payment of the Group's financial commitments and ordinary investments and consequently, the financial statements are presented under the going concern assumption. The cash resources have been determined in accordance with available operating and cash budgets for the Group approved by the Board of Directors.

	2017 DKK '000	2016 DKK '000
Note 3 – Revenue		
Geographical segments		
Denmark	<u>953,776</u>	<u>131,416</u>
	<u>953,776</u>	<u>131,416</u>
Business segments		
Hotel	404,325	54,571
Area & Entry	239,187	33,859
Technique & Services	95,482	12,535
Food and beverage	<u>214,782</u>	<u>30,451</u>
	<u>953,776</u>	<u>131,416</u>
Note 4 – Staff expenses		
Wages and salaries	272,667	42,885
Pensions	21,565	3,406
Social security costs	5,580	857
Other staff related costs	<u>21,597</u>	<u>3,729</u>
	<u>321,409</u>	<u>50,878</u>
Average number of employees	<u>705</u>	<u>642</u>
Including remuneration to the Board of Directors and Executive board of:		
Board of Directors	90	15
Executive board	<u>10,911</u>	<u>1,566</u>
	<u>11,001</u>	<u>1,581</u>
Note 5 – Depreciation and amortisation		
Goodwill	1,279	212
Leasehold improvements	2,799	366
Equipment	36,402	6,672
Production and hotel properties	<u>27,089</u>	<u>5,759</u>
	<u>67,569</u>	<u>13,009</u>

	2017 DKK '000	2016 DKK '000
Note 6 – Financial income		
Fair value adjustment of interest rate swap	503	0
Other financial income	<u>150</u>	<u>18</u>
	<u>653</u>	<u>18</u>
Note 7 – Financial expenses		
Interest on long-term debt	16,208	4,422
Lease obligations	339	66
Other financial expenses	<u>15,922</u>	<u>442</u>
	<u>32,469</u>	<u>4,930</u>
Note 8 – Tax on profit for the year		
Tax on profit	7,505	(2,544)
Change in deferred tax	<u>61,346</u>	<u>1,128</u>
	<u>68,851</u>	<u>(1,416)</u>
can be allocated as follows:		
Tax on profit/loss for the year	63,702	(2,734)
Tax on equity movements	<u>5,149</u>	<u>1,318</u>
	<u>68,851</u>	<u>(1,416)</u>
Note 9 – Intangible assets		
At 1 January / 31 October	25,545	0
Additions	<u>0</u>	<u>25,545</u>
At 31 December	<u>25,545</u>	<u>25,545</u>
Depreciation		
At 1 January / 31 October	(212)	0
Amortisation for the year	<u>(1,279)</u>	<u>(212)</u>
Depreciation at 31 December	<u>(1,491)</u>	<u>(212)</u>
Carrying amount at 31 December	<u>24,054</u>	<u>25,333</u>

	2017 DKK '000	2016 DKK '000
Note 10 – Leasehold improvements		
At 1 January / 31 October	41,389	43,305
Additions	15,967	1,084
Disposals	<u>(845)</u>	<u>0</u>
At 31 December	<u>56,511</u>	<u>41,389</u>
Accumulated depreciation		
At 1 January / 31 October	36,473	36,107
Depreciation for the year	2,799	366
Disposals	<u>(443)</u>	<u>0</u>
At 31 December	<u>38,829</u>	<u>36,473</u>
Carrying amount at 31 December	<u>17,682</u>	<u>4,916</u>
Note 11 – Equipment		
At 1 January / 31 October	326,760	318,410
Additions	17,342	8,350
Disposals	<u>(143,283)</u>	<u>0</u>
At 31 December	<u>200,819</u>	<u>326,760</u>
Depreciation		
At 1 January / 31 October	155,767	149,095
Depreciation for the year	36,402	6,672
Disposals	<u>(75,072)</u>	<u>0</u>
Depreciation at 31 December	<u>117,097</u>	<u>155,767</u>
Carrying amount at 31 December	<u>83,722</u>	<u>170,993</u>

	2017 DKK '000	2016 DKK '000
Note 12 – Production properties		
Halls/Auditoriums/Meeting facilities		
Costs		
At 1 January / 31 October	578,755	578,755
Additions	<u>2,263</u>	<u>0</u>
At 31 December	<u>581,018</u>	<u>578,755</u>
Revaluation		
At 1 January / 31 October	56,167	204,501
Revaluation	<u>22,792</u>	<u>(148,334)</u>
At 31 December	<u>78,959</u>	<u>56,167</u>
Depreciation		
At 1 January / 31 October	207,906	204,399
Depreciation for the year	<u>21,012</u>	<u>3,508</u>
Depreciation at 31 December	<u>228,918</u>	<u>207,907</u>
Carrying amount at 31 December	<u>431,959</u>	<u>427,015</u>

Production property

The fair value of production property as of 31 December is determined by discounting expected cash flows by a discount rate of 7.4% (2016: 7,4%). Income from production comprises income from events, including a specific projection of rent, additional sales as well as catering split up into fairs, meetings, conferences, conventions, concerts, company events etc.

Sensitivity – value adjustment of production property

Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate.

In the case of production activity, a change in the discount rate of +/- 0.25 percentage point, or a permanent change in results before tax of +/- DKK 2.5 million will affect the assessment value by +/- DKK 25-30 million and +/- DKK 60 million, respectively. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point affects the assessment value by +/- DKK 10-15 million.

	2017 DKK '000	2016 DKK '000
Note 13 – Hotel properties (Production property)		
Cost		
At 1 January / 31 October	1,510,454	1,509,600
Additions	0	854
Disposals	<u>(1,510,454)</u>	<u>0</u>
At 31 December	<u>0</u>	<u>1,510,454</u>
Value adjustments		
At 1 January / 31 October	88,931	88,931
Disposals	<u>(88,931)</u>	<u>0</u>
At 31 December	<u>0</u>	<u>88,931</u>
Depreciation		
Impairment losses and depreciation at 1 January / 31 October	166,020	163,771
Depreciation for the year	6,825	2,249
Disposals	<u>(172,845)</u>	<u>0</u>
Depreciation at 31 December	<u>0</u>	<u>166,020</u>
Carrying amount at 31 December	<u>0</u>	<u>1,433,365</u>

The Bella Sky Hotel property was sold 30 June 2017.

Note 14 – Investment properties

Costs		
At 1 January / 31 October	<u>389,370</u>	<u>389,370</u>
At 31 December	<u>389,370</u>	<u>389,370</u>
Value adjustments		
At 1 January / 31 October	354,832	354,832
Revaluation	<u>925</u>	<u>0</u>
At 31 December	<u>355,759</u>	<u>354,832</u>
Carrying amount at 31 December	<u>745,127</u>	<u>744,202</u>

	2017 DKK '000	2016 DKK '000
Note 15 – Equity		
Share capital at 1 January	17,266	17,266
Capital increase	<u>4,605</u>	<u>0</u>
Share capital at 31 December	<u>21,871</u>	<u>17,266</u>

The share capital consists of 21,870,504.27 shares of a nominal value of DKK 0.01. No shares carry any special rights.

Note 16 – Long-term debt

Credit institutions

After 5 years	424,971	908,836
Between 1 and 5 years	<u>171,892</u>	<u>430,390</u>
Long-term part	596,863	1,339,226
Within 1 year	<u>30,424</u>	<u>148,271</u>
Financial obligations at amortised cost at 31 December	<u>627,287</u>	<u>1,487,497</u>

Note 17 – Provision for deferred tax

Intangible fixed assets	(3,425)	(527)
Tangible fixed assets	(842,253)	(968,880)
Receivables	2,598	3,008
Provisions	0	2,495
Deferred tax asset	0	148,538
Other timing differences	<u>4,514</u>	<u>1,088</u>
	<u>(838,566)</u>	<u>(814,278)</u>
 Provision for deferred tax 22%:	 <u>(184,485)</u>	 <u>(179,141)</u>
 Provision for deferred tax 31 October/31 December	 179,141	 178,013
Deferred income tax recognised in income statement and on equity	61,346	1,128
Sale of subsidiary	<u>(56,002)</u>	<u>0</u>
Deferred tax 31 December	<u>184,485</u>	<u>179,141</u>

Note 18 – Collateral

The following assets have been provided as collateral for debt to credit institutions:

Production and investment, carrying amount	<u>1,176,186</u>	<u>1,171,218</u>
	<u>1,176,186</u>	<u>1,171,218</u>

	2017 DKK '000	2016 DKK '000
Note 19 - Contingent liabilities and other financial obligations		
Rental and lease obligations		
Within 1 year	134,176	1,564
Between 1 and 5 years	505,418	12,573
After 5 years	<u>3,049,500</u>	<u>0</u>
	<u>3,689,094</u>	<u>14,137</u>
Rent expenses charged to the income statement during the year	138,428	1,128
Lease expenses charged to the income statement during the year	1,188	167

Joint Taxation

The Solstra Investments A/S' Group's Danish companies are jointly and severally liable for tax on the jointly taxed incomes subject to joint taxation, etc. for 2017. The total amount is disclosed in the Annual Report of Solstra Investments A/S, which is the administration company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish Withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes may increase the Company's liability.

Note 20 – Related party transactions

The Group is controlled by Bella Solstra A/S.

Related parties are considered to be the Board of Directors, key management, Solstra Investments A/S and Solstra Investments A/S' subsidiaries.

The Group has had transactions with shareholders related to intercompany receivables and payables and administrative services.

	2017 DKK '000	2016 DKK '000
Note 21 – Cash flow statement, Adjustments for income statement items without cash effect		
Revaluations	(925)	0
Other operating income, net	(162,531)	0
Depreciation, amortisation and impairment losses, including losses and gains on sales	<u>67,569</u>	<u>13,009</u>
	<u>(95,887)</u>	<u>13,009</u>

Note 22 – Cash flow statement, change in working capital

Change in inventories	527	(52)
Change in receivables	(50,770)	(20,278)
Change in trade payables, etc.	<u>34,324</u>	<u>28,276</u>
	<u>(15,919)</u>	<u>7,946</u>

Income Statement of 1 January – 31 December

Parent Company

	Note	2017 DKK'000	2016 DKK'000
Gross profit		131,248	0
Profit before financial income and expenses		131,248	0
Financial income	B	6,177	0
Financial expenses	C	(116)	0
Profit before tax		137,309	0
Tax on profit for the year	D	(1,205)	0
Net profit for the year		136,104	0
 Distribution of profit			
Retained earnings		136,104	0
		136,104	0

Balance Sheet 31 December - Assets

Parent Company

	Note	<u>2017</u>	<u>2016</u>
		DKK '000	DKK '000
Assets			
Investment in subsidiaries	E	<u>275,865</u>	<u>940,883</u>
Financial assets		<u>275,865</u>	<u>940,883</u>
Non-current assets		<u>275,865</u>	<u>940,883</u>
Receivables from group enterprises		181,618	104,582
Other receivables		92	0
Cash at bank and in hand		<u>61,753</u>	<u>0</u>
Current assets		<u>243,463</u>	<u>104,582</u>
Total assets		<u>519,328</u>	<u>1,045,465</u>

Balance Sheet 31 December – Liabilities and Equity

Parent Company

	Note	2017	2016
		DKK '000	DKK '000
Liabilities and equity			
Share capital		21,871	17,266
Dividend paid		(680,000)	0
Retained earnings		1,175,239	923,567
Equity	F	517,110	940,833
Prepaid capital contribution		0	104,582
Trade payables		170	0
Payables to group enterprises		1,205	0
Other payables		843	50
Current liabilities		2,218	104,632
Total liabilities and equity		519,328	1,045,465

Statement of Changes in Equity

Parent Company

	Share capital DKK '000	Share premium DKK'000	Retained earnings DKK '000	Total equity DKK '000
Contribution in kind at 31 October 2016	17,266	923,617	0	940,883
Transfer	0	(923,617)	923,617	0
Costs in connection with the establishment	<u>0</u>	<u>0</u>	<u>(50)</u>	<u>(50)</u>
At 31 December 2016	<u>17,266</u>	<u>0</u>	<u>923,567</u>	<u>940,833</u>
At 1 January 2017	17,266	0	923,567	940,833
Capital increase	4,605	115,568	0	120,173
Transfer	0	(115,568)	115,568	0
Dividend paid	0	0	(680,000)	(680,000)
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>136,104</u>	<u>136,104</u>
At 31 December 2017	<u>21,871</u>	<u>0</u>	<u>495,239</u>	<u>517,110</u>

Notes to Financial Statement

Parent Company

Note A	Accounting policies for the Parent Company	37
Note B	Financial income	38
Note C	Financial expenses	38
Note D	Tax on profit for the year	38
Note E	Investments in subsidiaries	38
Note F	Equity	39
Note G	Contingent liabilities	39
Note H	Related parties	39

Note A – Accounting policies for the Parent Company

Basis of Preparation

The Annual Report of the Parent Company BCHG Holding A/S has been prepared in accordance in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Parent Company Financial Statements for 2017 are presented in DKK thousand.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Gross profit

Gross profit comprise external income and expenses for the year relating to the entity's core activities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

	2017 DKK '000	2016 DKK '000
Note B – Financial income		
Interest received from Group enterprises	6,177	0
	<u>6,177</u>	<u>0</u>
Note C – Financial expenses		
Other financial expenses	116	0
	<u>116</u>	<u>0</u>
Note D – Tax on profit for the year		
Tax on profit	1,205	0
	<u>1,205</u>	<u>0</u>
Note E – Investments in subsidiaries		
Cost at 1 January	940,883	0
Disposals for the year	(665,018)	0
Additions for the year/demerger 31 October	0	940,883
Cost at 31 December	275,865	940,883
Carrying amount at 31 December	<u>275,865</u>	<u>940,883</u>

Investments in subsidiaries are specified as follows:

Name/place of registered office	Share capital DKK '000	Votes and ownership	Equity DKK '000	Net profit/loss for the year DKK '000
BC Hospitality Group A/S	1,000	100%	(5,581)	(2,522)
BCHG Properties A/S	1,000	100%	268,603	183

Note F – Equity

The share capital consists of 21,870,504.27 shares of a nominal value of DKK 0.01. No shares carry any special rights.

Note G – Contingent liabilities

Joint Taxation

The Solstra Investments A/S' Group's Danish companies are jointly and severally liable for tax on the jointly taxed incomes subject to joint taxation, etc. for 2017. The total amount is disclosed in the Annual Report of Solstra Investments A/S, which is the administration company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish Withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes may increase the Company's liability.

Letter of Support

BCHG Holding A/S has issued a letter of financial support to BC Hospitality Group A/S. BCHG Holding A/S will subordinate its receivable from BC Hospitality Group A/S in favour of other creditors in BC Hospitality Group A/S and advances that have and will be extended to BC Hospitality group A/S will not be demanded to be repaid unless the liquidity position of BC Hospitality group A/S is adequately to make such repayment justifiable. The letter of support is valid until 1 January 2019.

As of 28 March 2018 BCHG Holding A/S made a Group contribution equivalent to the receivable owned by BC Hospitality Group A/S, which improve the equity of BC Hospitality Group A/S by DKK 182 million.

Note H - Related parties

Related parties are considered to be the Board of Directors, Key management and Solstra Investments A/S' subsidiaries.

Basis

Controlling interest

Bella Solstra A/S

Lautrupsgade 7
2100 København Ø
Holding 84,6 % of the votes in the Company.

Transactions

The Company has had transactions related to intercompany receivables and payables. Interests received from group enterprises are disclosed in the income statement and note B.

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of Solstra Investments A/S and the ultimate parent company Solstra Holdings Cyprus Ltd., Cyprus. As a result of the legislation in Cyprus the Consolidated Financial Statements are not published.

<u>Name</u>	<u>Place of registered office</u>
Solstra Investments A/S	Copenhagen

2017

BC HOSPITALITY GROUP RESPONSIBLE HOSPITALITY REPORT





ABOUT THIS REPORT

GRI: 102-1, 102-50:54

This report covers the 2017 Responsible Hospitality activities for all business units in BCHG Holding A/S group (BC Hospitality Group). It follows the financial year 1 January 2017–31 December 2017.

The report is prepared in accordance with sections §99a & b of the Danish Financial Statements Act. It also follows ISO 14001 and DS 49001 CSR certification as Crowne Plaza Copenhagen Towers is certified by these standards.

Our reporting is in alignment with the GRI Sustainability Reporting Standards 2016: Core Option (64 indicators), the United Nations Global Compact and the Sustainable Development Goals.

In the report, we present data and figures for BC Hospitality Group's three hotels: Crowne Plaza Copenhagen Towers, Copenhagen Marriott, and AC Hotel Bella Sky Copenhagen as well as our congress venue, Bella Center Copenhagen. Comwell Conference Center Copenhagen, CIFF/CIFF Showrooms and International House are all part of the physical structure of Bella Center Copenhagen and therefore also included in this data.

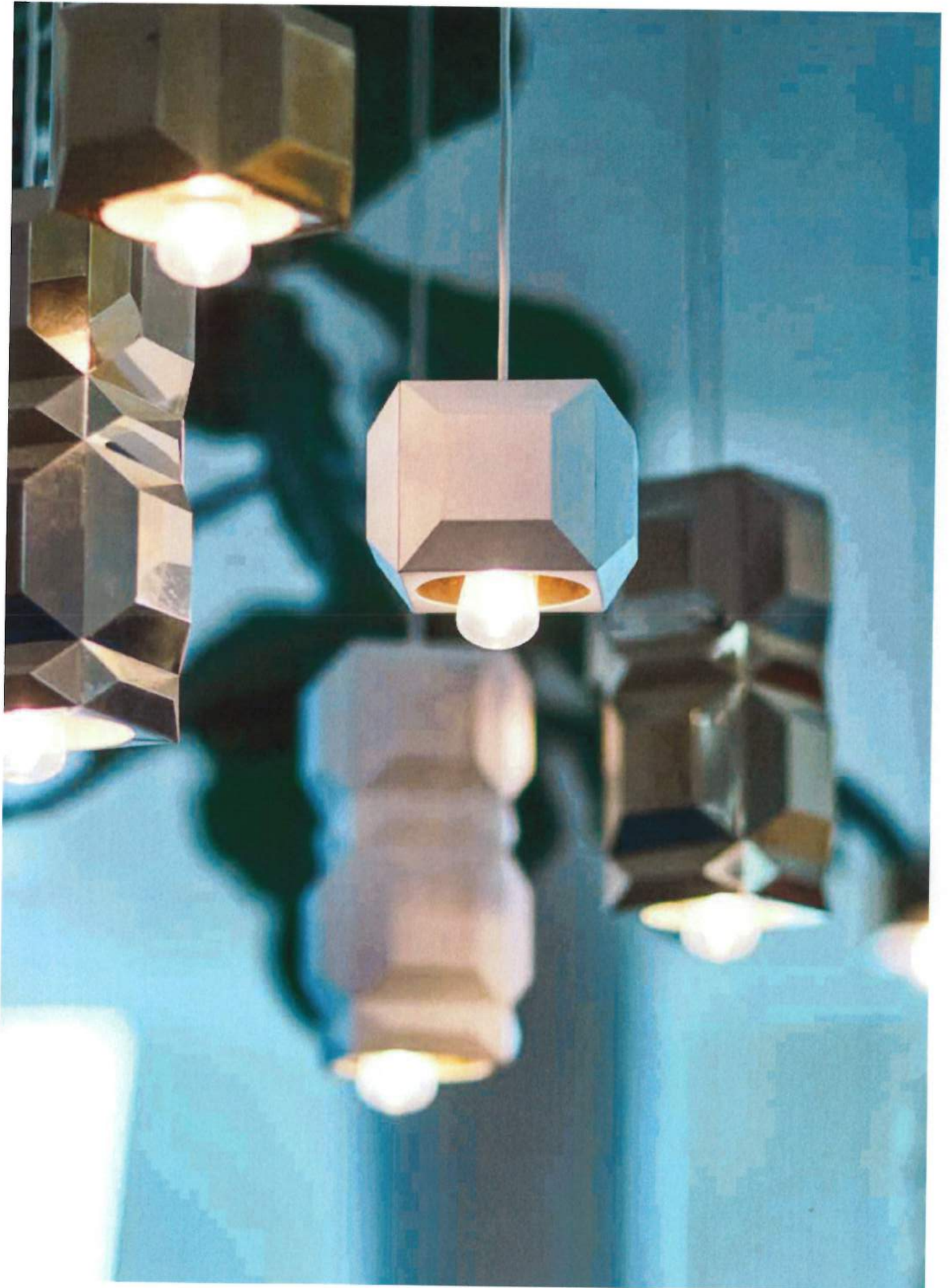
Previous responsible hospitality reports can be found at www.responsiblehospitality.dk

For further information regarding this report, please contact our Group Responsible Hospitality Manager, Ms. Mireille Jakobsen, mij@bchg.dk.

CONTENTS

ABOUT THIS REPORT	43
STATEMENT FROM CEO	47
ABOUT BC HOSPITALITY GROUP	48
STAKEHOLDER ENGAGEMENT	54
RESPONSIBLE HOSPITALITY	57
SUSTAINABLE DEVELOPMENT GOALS	61
MARKETPLACE	65
Collaborating on sustainability	66
Sustainability that counts	68
CLIMATE AND ENVIRONMENT	72
Energy	74
Waste	76
Carbon	79
Water	80
Resource materials used	81
Biodiversity	81
COMMUNITY ENGAGEMENT	83
Skill development and job opportunities	84
Adding social-economic value	85
Refugee Job Academy	86
Community Activities	88
WORKPLACE	91
Governance	92
Learning & Development	94
Great place to work	94
Social events & well-being	94
Inclusion, diversity and equality	97
HEALTH AND SAFETY	98
Occupational health & safety	101
Employee Health	102
Safety & Security	103
APPENDIX	104







Allan L. Agerholm

STATEMENT FROM CEO

GRI 102-14

At BC Hospitality Group, we are guided by our purpose – Hosting moments that matter. Unforgettable experiences, delivered with a genuine care for our guests. But as a company, our responsibilities reach far beyond our own doorstep. Responsible Hospitality is our strategy to grow a successful company with genuine care for the world around us.

Responsible Hospitality is more than a business philosophy. It is a devoted and transparent commitment to sustainability. We support the principles of the UN Global Compact. This also entails contributing to the Sustainable Development Goals that particularly relate to our industry.

To reach these goals we need partnerships. With our customers, industry partners and our multifaceted stakeholders. It starts with truly acknowledging the challenges we face followed by shared commitments to make a real impact.

Inside BC Hospitality Group, Responsible Hospitality plays a valuable role in bringing our brands together. By uniting our multiple units and venues around a larger commitment to society, we gain a framework for common goals and solutions. All while supporting the individual business efforts of each team.

Together, we made great progress in 2017. Some of our achievements include:

The first annual Responsible Hospitality Day. An industry event dedicated to leveraging sustainability in the hospitality business through knowledge sharing and joint initiatives.

Reducing energy consumption in Bella Center Copenhagen by 19 %. New energy efficiency initiatives have reduced our annual CO2 emissions by 564 tons, far beyond our initial goal for the year.

Group-wide food waste tracking system and a brand-new guest offer to reduce food waste. Restaurant Bark became the first restaurant in Denmark to offer TreatBox allowing guests to easily bring home left-over food.

After completing our training programme, **13 candidates with refugee background** were offered employment in our newly insourced housekeeping department at Copenhagen Marriott.

Our annual employee survey showed **increased satisfaction levels** across BC Hospitality Group. All of our hotels ranked in the top 30 of Denmark's best workplaces for medium-sized companies.

While these efforts are already delivering documented benefits to our own business and society at large, it is my hope that others too will accompany us on our continuing quest. Together as an industry, we will make a world of difference.

Sincerely,



Allan L. Agerholm,
Chief Hospitality Officer / CEO

ABOUT BC HOSPITALITY GROUP

GRI: 102-2:5, 102-7, 102-10

BC Hospitality Group (est. 2014) is Denmark's leading hospitality company. Our business includes a wide range of hotel, conference, exhibition and catering services. We serve public and private sector clients, business as well as leisure guests.

Our hotels host corporate, leisure, meeting and congress clients from all over the world. We offer 1,584 hotel rooms, 161 meeting and conference rooms, and approx. 200,000 m² of event space with a capacity of up to 30,000 people. BC Hospitality Group and all its business units are located in Copenhagen. Our organisation employs around 750 permanent employees and 2,000 temporary staff.

In 2017, our equity firm Solstra Investments sold the Copenhagen Marriott building to ATP Real Estate and PensionDanmark as well as the AC Hotel Bella Sky Copenhagen building to the investor group We-naasgruppen. The two hotels are, however, leased to BC Hospitality Group, resulting in very little change in daily management and operations. The Crowne Plaza Copenhagen Towers operates under a different CVR no. than the other business units

BELLA CENTER COPENHAGEN

Scandinavia's largest exhibition and congress centre

COMWELL CONFERENCE CENTER COPENHAGEN

Denmark's largest conference centre

AC HOTEL BELLA SKY COPENHAGEN

The largest design hotel in the Nordic region

CROWNE PLAZA COPENHAGEN TOWERS

Denmark's leading hotel within sustainability

COPENHAGEN MARRIOTT

Copenhagen's premiere five-star hotel

FORUM COPENHAGEN

Copenhagen's well-known multi-purpose event arena in the heart of the city

CIFF

Northern Europe's leading fashion fair

CIFF SHOWROOMS

16,611 sq. m. of permanent leasehold tenancies

INTERNATIONAL HOUSE

Bella Center Copenhagen's serviced offices

BC
HOSPITALITY
GROUP

**BELLA ·
CENTER**
COPEN
HAGEN

Comwell
CONFERENCE CENTER
COPENHAGEN


MARRIOTT
COPENHAGEN



AC HOTEL BELLA SKY
COPENHAGEN


CROWNE PLAZA
COPENHAGEN TOWERS
AN **IHG** HOTEL

CIFF


FORUM
COPENHAGEN

OUR
VISION
To be the Leading
Hospitality Company
in Denmark

We strive to be the leading Hospitality Company in Denmark - because **we host moments that matter**. We are convinced that great things can happen, when people come together. These are the moments when ideas are formed; solutions are found; unforgettable experiences are shared. **These are the moments when history is made** - and we are hosting when they happen.

We are hosts.
Stewards of hospitality for
the guests we serve and
the people we work with

**HOSTING
MOMENTS**
THAT MATTER

Moments that matter.
Involvement that matters.
Results that matter...
... to us, to our guests
and to the world around us.

We are in the business of 'live'.
Nothing can be undone.
Moments are finite but with
the potential to live forever.





OUR
MISSION
I AM
there
for you

We are **stewards of hospitality.**

For the guests we serve and the people we work with. We know that nothing can be undone, that moments are temporary but with the potential to live forever. We genuinely do our best to **seize these moments** and create a positive impact.





OUR VALUES

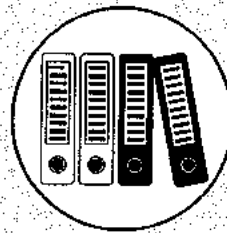
Mutual Respect
Winning Spirit
Service Heroes

WE DEVELOP OUR BUSINESS WITHIN **FOUR FOCUS AREAS:**
OUR WINNING BATTLES



FOCUS ON CUSTOMERS

We know that our customers' experiences can't be undone. Their moments with us are all equally important.



IMPROVE **FINANCIALS** **AND ADMINISTRATION**

We continuously challenge ourselves and improve our business based on curiosity and courage.



LIVE OUT **RESPONSIBLE HOSPITALITY**

We add a sustainability perspective to everything we do. We communicate and commercialise it.



ENHANCE **ONE TEAM**

We seek understanding, use empathy and leverage our individual strengths to build a team that matters.

STAKEHOLDER ENGAGEMENT

GRI: 102-12:13, 102-40, 102-42:43
SDG:17

Keeping an active dialogue with our stakeholders is a key priority for us. This is an effort that helps us identify key issues affecting our business and society.

We continuously tailor our engagement methods to our activities depending on both the issue and stakeholder(s) at hand. See examples of key groups, topics and activities in our Stakeholder Matrix. (See appendix)

RESPONSIBLE HOSPITALITY WEBSITE

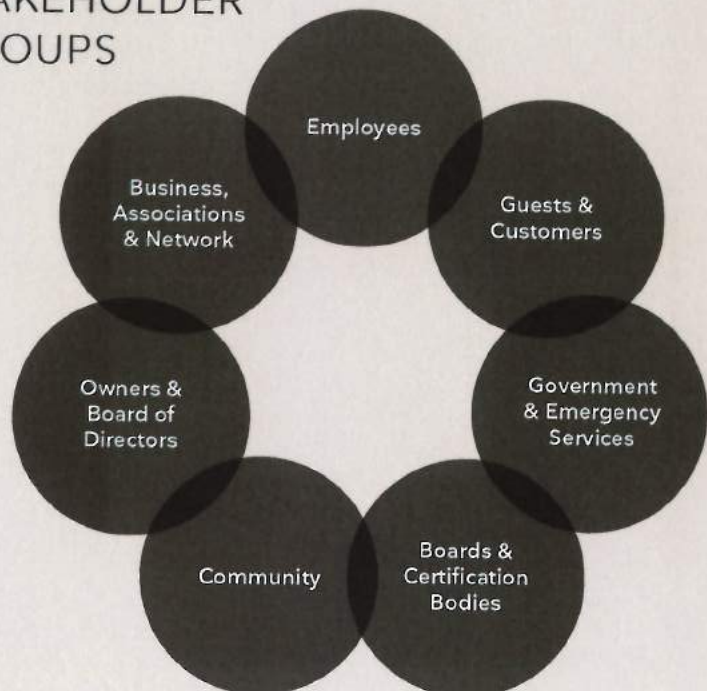
BC Hospitality Group launched a dedicated Responsible Hospitality website in 2017. Its content is available in English and Danish and covers all aspects of our sustainability initiatives and policies. On a broader scale, we hope that the platform will inspire discussions about sustainability in the hospitality sector as well as in other industries.

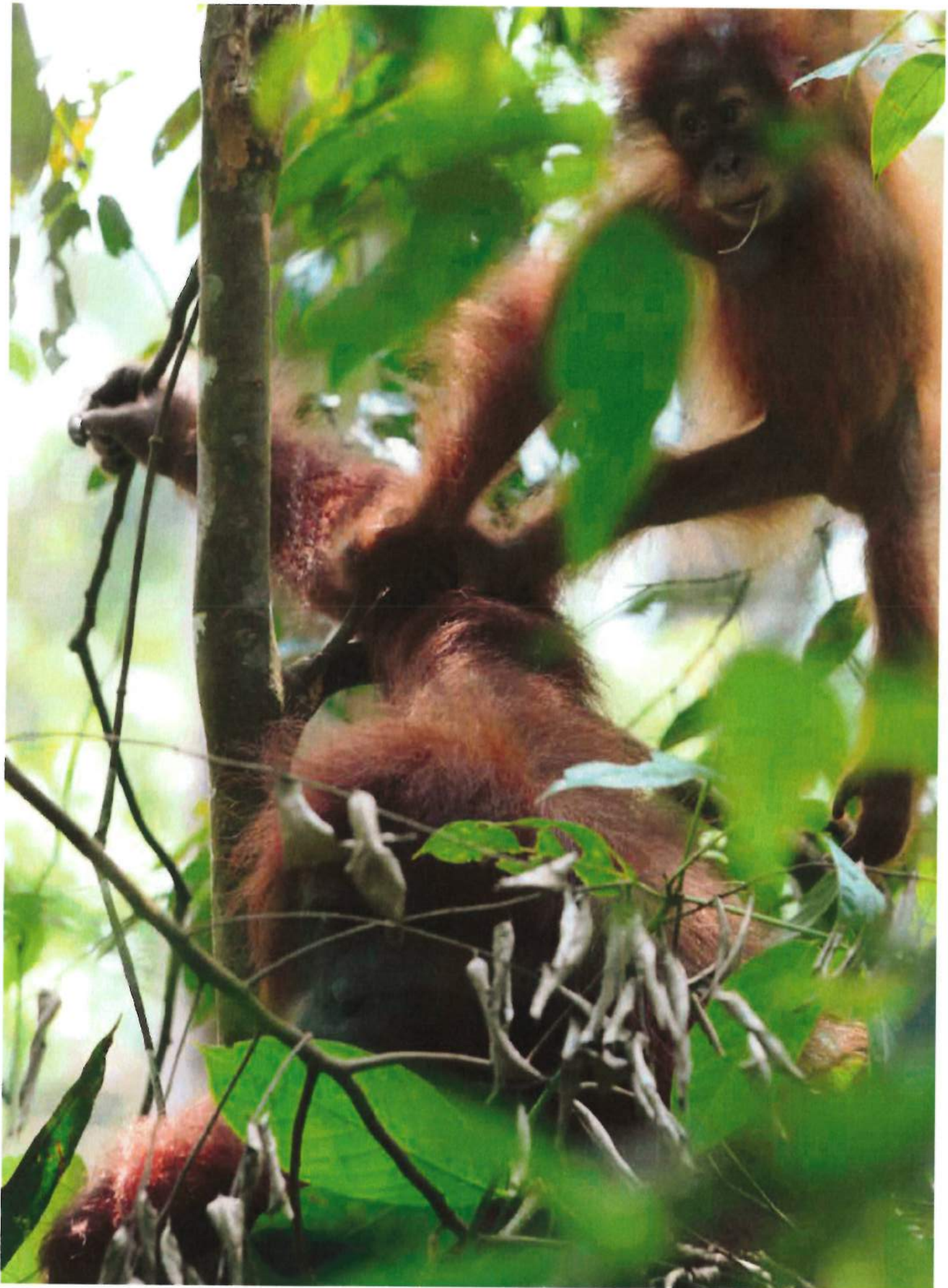
[READ MORE](#)





STAKEHOLDER GROUPS







RESPONSIBLE HOSPITALITY

GRI: 102-16, 102-44, 102-46:47

Our purpose is to create unforgettable experiences for our guests and customers. Whether it is an event to land a historic agreement or a romantic getaway for two, our hospitality plays a vital role. From the moment we extend our invitation, we carry a considerable part of the responsibility - and the credit - for the final result. And just like we care for our guests, we do the same for the world around us. Responsible Hospitality does not start and end at our gates - it is a 360 degree holistic mind-set we carry with us everywhere.

We believe that when we take individual responsibility, we also improve as a whole. We listen and respond to the priorities of our stakeholders and understand the positive and negative impacts that our business can have on individuals, society and the environment. Ultimately, we believe an environmental and socially responsible approach to hospitality adds value to our business and enables us to better care for our guests and customers. And this is what we mean by Responsible Hospitality.

FIVE FOCUS AREAS:



MARKETPLACE

At BC Hospitality Group, we want to deliver high quality services and products in a sustainable framework. We can always do better, and therefore work closely with customers, guests, suppliers and partners to adjust and perfect our practices.



CLIMATE AND ENVIRONMENT

Every year, we are hosting hundreds of thousands of guests in our venues and locations. Due to our size, we have the power to integrate sustainable solutions that make a real difference. We work hard to improve our efficiency within energy and water usage, our procurement practices, waste management and more. In other words, everywhere it makes real sense and adds real value, we will make the change. Our efforts are documented in our DS 49001, ISO 14001 and Green Key certifications.



COMMUNITY ENGAGEMENT

We have a close relationship with our local community in Greater Copenhagen. A key focus area for us are marginalised groups and people outside the job market. We partner with local municipalities, NGO's and charities to create career opportunities through employment programmes, training and apprenticeships. We also support education and research.



WORKPLACE

Our employees are the foundation of our business and the secret to our success. We are dedicated to building a positive, challenging and inspiring work environment with the opportunity for everyone to reach their full potential through training and job development. We value a diverse workplace where everyone is treated fairly and respectfully, and we strive to be an employer of choice.



HEALTH AND SAFETY

Health, Safety and Security are integrated and crucial parts of the services provided by the BC Hospitality Group. We operate only by the highest health and safety standards in all critical areas such as safety systems, hygiene, food, and sanitation. In addition, the security and safety of our customers, guests and employees are top priorities and handled accordingly.



SUSTAINABLE DEVELOPMENT GOALS

IMPLICIT IMPACT ON ALL GOALS:



STRONG OPPORTUNITY FOR DIRECT IMPACT:



POTENTIAL OPPORTUNITY FOR DIRECT OR INDIRECT IMPACT:



MITIGATE POTENTIAL NEGATIVE IMPACT:



SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) refer to the 2030 Agenda for Sustainable Development. 17 goals set to end poverty, protect the planet and ensure global prosperity through a new sustainable development agenda. Each goal has specific targets covering a broad range of sustainable development issues. The U.N. General Assembly adopted the agenda in September, 2015.

In 2016 alone, more than 1.2 billion travellers crossed international borders. By 2030, this figure will become 1.8 billion¹. As Denmark's leading hospitality company, we have decided to embrace our responsibility and opportunity to operate and grow in accordance

with the SDG's. We wish to mitigate our negative impact and make sure our actions leave a positive mark on our local community. We have a responsibility to protect the sustainability of our destination (Copenhagen, Denmark) as well as our business.

By aligning our company strategy and our multi-faceted Responsible Hospitality activities with the SDG's, we strengthen the link between value creation for our business and our local community. As part of these efforts, we have identified four goals where we can make the greatest impact. In this report, we use the goals to map and group our initiatives.

READ MORE

¹ <http://www.tourism4development2017.org/why-tourism/>



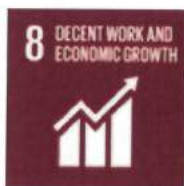
SDG: 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Goal 17 summarises everything we do in BC Hospitality Group. We see ourselves as a Responsible Hospitality pioneer, and we want to lead by example. Sharing our expertise and experiences with others has a multiplier effect that everyone gains from. We are part of several initiatives in the field of sustainability. We often speak at cross-sector events, and we generally encourage dialogue with anyone interested in sustainability issues.

Relevant SDG target: 17.17

Relevant indicators: 102-40, 102-42, 102-43, 102-44, 102-12, 102-13



SDG: 8

Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all.

We strive to be a great workplace with a safe, inclusive and diverse environment. We support collective agreements and provide attractive opportunities for our employees. Our sustainable performance indicators include GRI, ISO 14001, DS 49001 and Green Key. Targeted internships for young people and the long-term unemployed promote social mobility. It also enhances our own performance by increasing diversity in our workforce. But our contribution actually involves our entire value chain as we also require certain standards from our suppliers..

Relevant SDG target: 8.2, 8.4, 8.5, 8.6, 8.8, 8.9

Relevant indicators: 102-41, 102-8, 103-2, 201-1, 202-1, 202-2, 301-1, 301-2, 302-1, 302-3, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-4, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1



SDG: 12

Ensure sustainable consumption and production patterns.

We all have an obligation to preserve natural resources for the future generations. And as a company we strive to improve our production and consumption patterns. Food waste is a major focus area for us and we continue to integrate new solutions in the entire value chain. In 2017, we introduced Treatbox, a to-go box for guests. We also implemented a food waste-tracking app in our kitchens. Our conference centre continuously has adopted practises to reuse building materials. Waste management and energy optimisation are also prioritised in all business units.

Relevant SDG target: 12.2, 12.3, 12.4, 12.8

Relevant indicators: 301-1, 301-2, 302-1, 302-3, 302-4, 305-1, 305-2, 306-2, 417-1



SDG: 13

Take urgent action to combat climate change and its impacts

Reducing carbon emissions, energy, waste and water usage is central to our business strategy. Other issues include mobility and sustainable sourcing. BC Hospitality Group is currently focused on implementing sufficient measuring and monitoring tools and practices as a way to mitigate and reduce our climate impact. We also encourage guests and employees to participate in our efforts to reduce resource consumption and lighten the footprint of our operations and local tourism.

Relevant SDG target: 13.1

Relevant indicators: 201-2, 302-1, 302-3, 302-4, 304-1, 304-2, 305-1, 305-2, 306-1







MARKETPLACE

GRI: 103-1:3, 308-1, 407-1, 408-1, 409-1, 414-1

SDG: 3, 4, 6, 8, 10, 12, 13, 14, 15, 16, 17

UNGC: 1:10

The coming together of market potential and societal demands results in improved economic well-being for us and our business partners. This in turn improves societal outcomes. We want high-quality sustainable products that add value for our customers.

COLLABORATING ON SUSTAINABILITY

Everything we consume or throw to waste has an environmental impact. Naturally, this also includes a visit to one of our restaurants, hotels or other venues. By engaging with customers, suppliers and our employees on this issue, we have the opportunity to create awareness and inspire change. The following highlights are two initiatives we took to further this agenda.



RESPONSIBLE HOSPITALITY DAY

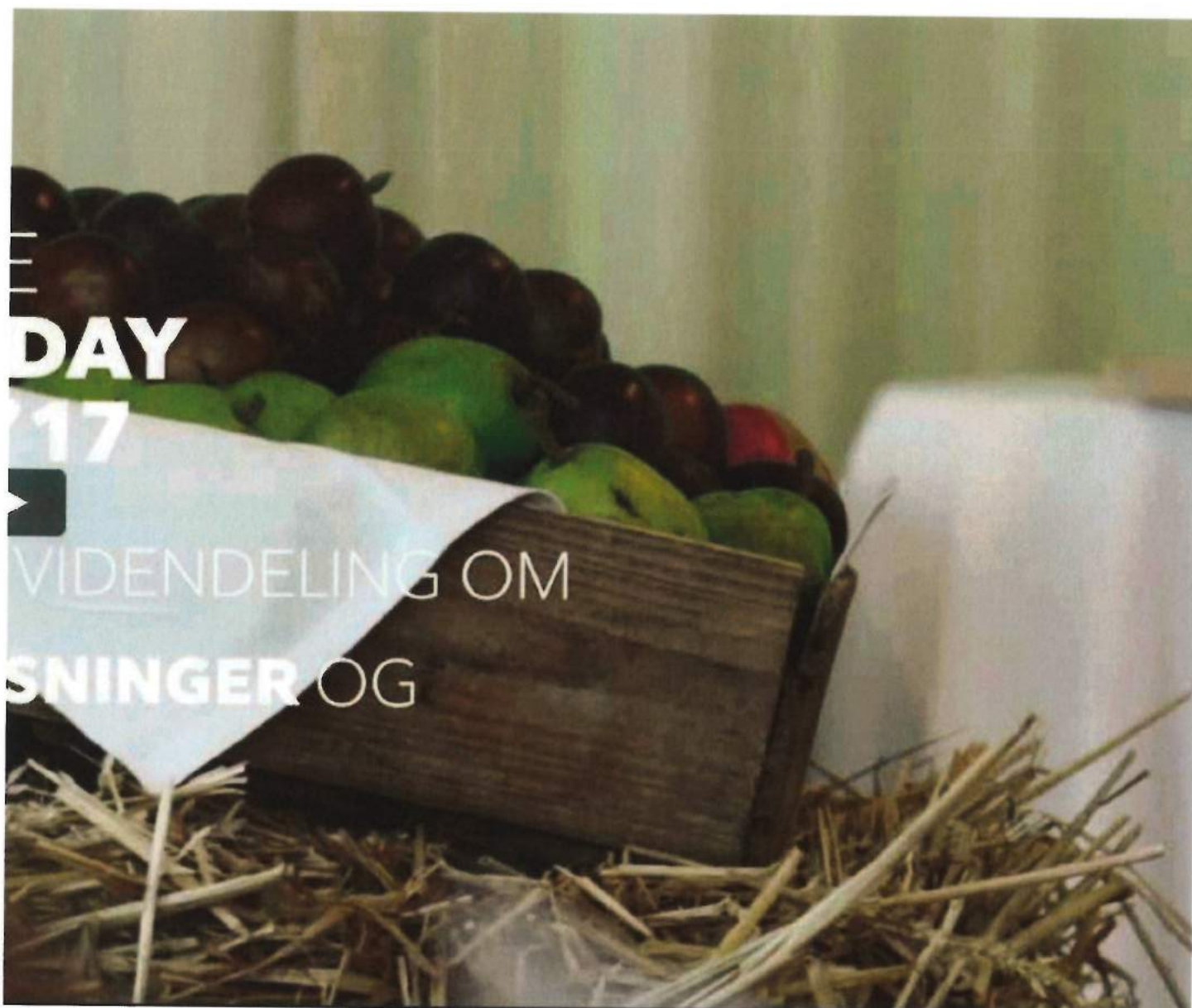
2017 marked the International Year of Sustainable Tourism for Development. BC Hospitality Group used the occasion to launch Responsible Hospitality Day in August 2017. Our ambition has been to create a new platform on sustainability in our local hospitality sector (accommodation, tourism and food). A stage for sharing perspectives and in partnership form new innovative solutions. Participants included competitors, customers and suppliers. Learning institutions, municipalities, business associations and other interested parties were also present.

Responsible Hospitality Day '17 launched with talks, best practice cases, workshops and debates. Activities all took an outset in three primary SDG's where our industry has a large impact: 8 (Decent Work and Economic Growth), 12

(Sustainable consumption and production) and 17 (Partnerships for the goals). Topics included refugees in the workplace, environmental certifications, sustainable sourcing and food waste. All participants completed ideas and challenge cards throughout the day on each topic.

As an industry, we make a big impact on our surroundings - both positive and negative. And we truly believe that solutions to promote sustainable practices need the engagement of many stakeholders. The event was a big success, and we plan to host another Responsible Hospitality Day in 2018.

See more about Responsible Hospitality Day '17 in the video below:



SUSTAINABILITY THAT COUNTS

Sustainable sourcing is a complex matter with many facets and stakeholders. Sustainability That Counts is our answer to this challenge. By taking a holistic approach to sourcing, we work to increase transparency and create a positive impact where it really counts. For example by removing links in our supply chain that do not add value. Or investing in sustainable and ethical materials, products and services. These steps all help us reduce our climate impact, promote animal welfare, safeguard fair labour practices and improve traceability. All while benefiting our business at the same time.

BC Hospitality Group requires all material suppliers to accept our Supplier Code of

Conduct. This means living up to specified standards concerning human and labour rights, environmental practices, anti-corruption and other industry standards.

As a company we are committed to improve supply chain transparency. In addition to our Supplier Code of Conduct we have open and proactive dialogues with our suppliers. This helps us to identify negative issues and work with them to adjust practices accordingly.

Food and Beverage procurement is central to our business activities. We support our supplier selection with the following additional principles for sustainable sourcing, when possible.



LOCAL

Local sourcing stimulates our local economy. Products are fresh and short transportation reduces our climate impact. We define local as a range of 300 km from our headquarters in Copenhagen.



SEASONAL

Seasonal products are healthier, more cost-effective and environmentally friendly. Seasonal food is very often also local.



FAIRLY TRADED

We support fair trading conditions and encourage sustainable farming in developing countries through our sourcing. When we have limited insight into trade and labour conditions, we prefer to buy Fair Trade certified products.

It is equally important to us that products also live up to our quality standards and are available at an affordable price. When purchasing products that are not e.g. organically certified/labelled, we practice due diligence towards the supplier. For example through direct engagements with suppliers, visiting sites and working with experts to ensure best practice regarding the product.



ORGANIC AND BIODYNAMIC

Less harmful chemicals and pesticides in our food mean healthier body and mind. It also keeps our ground water clean for future generations.



ANIMAL WELFARE

We buy meat from local farmers that are committed to animal welfare. We also believe that the highest quality meat comes from healthy animals.



SUSTAINABLE SEAFOOD

By primarily buying MCS or ASC certified seafood, we help protect our marine environment and reduce overfishing in our oceans.





ACCOMPLISHMENT OF THE ORGANIC CUISINE LABEL



The Danish foodservice industry has a state-controlled label indicating the share of organic raw food products used in the kitchen. We are very proud that our breakfast restaurant Storm at Crowne Plaza Copenhagen Towers as well as our Orango café have both been awarded the 'Silver' Organic Cuisine Label. The Silver label is proof that 60-90% produce used in the kitchen is organic. It is a great accomplishment of our staff who is both proud and motivated by the recognition.

At the same time, these certification labels are testament to our ambition of serving sustainable and high-quality food products for our guests. The share of organic food and beverages (by weight) purchased from our main supplier (Hørkram) is outlined below for each business unit:

ORGANIC FOOD SHARE	2016	2017
Crowne Plaza Copenhagen Towers	27%	36%
Copenhagen Marriott	12%	17%
AC Hotel Bella Sky Copenhagen	22%	32%
Bella Center Copenhagen	14%	18%
BC Hospitality Group	18%	26%

ANIMAL WELFARE

When it comes to meat production, animal welfare is an important pillar of sustainability. It is an issue we care deeply about. The eggs we use in our breakfast and other dishes are all organic and free-range. We prioritize meat from suppliers who offer respectful and quality care for their animals.

In 2018, we aim to provide further awareness and training for our chefs. To empower them to make even more sustainable decisions in their daily purchasing. The following table outlines the percentage of meat acquired from suppliers² with high standards in animal welfare:

ANIMAL WELFARE	2016	2017
Crowne Plaza Copenhagen Towers	51%	54%
Copenhagen Marriott	60%	70%
AC Hotel Bella Sky Copenhagen	52%	52%
Bella Center Copenhagen	60%	56%
BC Hospitality Group	56%	62%

² Hopballe Mølle, Nordic Beef Haslund, Frijsenborg, BCHG meat/Flæsk & CO



PORK BY BC HOSPITALITY GROUP

One highlight of our Sustainability That Counts philosophy is a new partnership involving our pork procurement. The pork used in BC Hospitality Group now originates from our own pigs raised at the farm, Henrikfälts Gård just 80 km from our headquarters. By making the supply chain as short and transparent as possible, we fully control that animals are treated well; that we source a local product, and that we get sustainability and high quality at a cost-competitive price

We are currently working to create a more in-depth overview of our suppliers (food and non-food). Once this analysis is complete in the spring of 2018, we will produce a materiality assessment of our products and suppliers.

The assessment will form the base of our forthcoming action plan on sustainability and transparency issues.



HENRIKSFÄLTS GÅRD

- Focus on animal welfare
- No tail docking
- Cultivation of own feed and use of own fertilizer



KNORREVÅNGEN SLAKT

- Careful transport to slaughter house
- Stress-free environment
- Use of whole animal



BC HOSPITALITY GROUP

BC HOSPITALITY GROUP

- Use of local suppliers
- Reduction of food waste
- High quality meat, cost-effective and sustainable product



CLIMATE AND ENVIRONMENT

GRI: 102-11, 103-1:3, 301-1, 302-1, 302-3:4, 303:1, 304:1, 306:2

SDG: 2, 7, 12, 13, 17

UNGC: 7,8,9

Awareness of our use of natural resources is central to Responsible Hospitality. When it comes to our waste production, energy and water usage, analysis is key to making positive change. We measure our efforts and set ambitious goals for improvements. We encourage a culture of environmental consciousness and responsible decision making.





ENERGY

Energy is a vital resource for all of our operations. We constantly focus on energy efficiency, share best practices aimed to reduce our carbon impact without harming the service experience. The on-going collection and analysis of data is crucial to improving our performance.

We set goals and implement projects to reduce energy use, all documented through our DS 49001, ISO 14001 and Green Key certifications.

Our property management teams are key to driving energy reductions and savings.

Using a combination of historical energy and weather data they forecast future energy consumption and predict the impact of performance on cost.

They invest in energy efficiency projects and guide changes in operational staff practices.

TOTAL ENERGY CONSUMPTION BY BUSINESS UNIT:

	Total Electricity (MWh)		District Heating & Cooling (MWh)		Total Energy (MWh)	
	2016	2017	2016	2017	2016	2017
Forum	854	671	1045	892	1899	1563
Crowne Plaza Copenhagen Towers	2514	2349	1080	1689	3594	4038
Copenhagen Marriott	3479	3324	4119	3471	7598	6795
AC Hotel Bella Sky Copenhagen	4643	4666	3776	3835	8419	8501
Bella Center Copenhagen	10123	8767	12734	7986	22857	16753
BC Hospitality Group	21613	19777	22754	17873	44367	37650

**ENERGY INTENSITY ACROSS HOTELS
(ENERGY CONSUMPTION PER GUEST NIGHT):**

	kWh / PGN	
	2016	2017
Crowne Plaza Copenhagen Towers	28,2%	29,6%
Copenhagen Marriott	43,3%	37,6%
AC Hotel Bella Sky Copenhagen	28,0%	26,5%

While energy usage has been reduced at most units, Crowne Plaza Copenhagen Towers is currently undergoing renovations of its ATES Groundwater heating and cooling system. As a consequence 2017 and 2018 sees a spike in the use of district heating and cooling, until renovations are complete.

ENERGY REDUCTION AT BELLA CENTER COPENHAGEN

In 2017, we continued our collaboration with Schneider Electric to reduce energy consumption at our congress venue, Bella Center Copenhagen. We have since implemented multiple initiatives with immense positive impact on electricity and heating usage.

Results that are benefiting our bottom-line as well the climate in terms of reduced CO2 emissions. The reductions stem from investments in new equipment, a new energy management system and training of key staff members.

We compare our progress to a baseline (2014-2016), and have in 2017 reduced our total energy usage by 19% and 564 tons CO2 reduction. In the year to come, Bella Center Copenhagen aims at additional energy reductions from better insulation and a three-year LED project. Our goal is to reduce our energy usage by 25% by 2021 compared to our baseline.

See more on our energy optimization collaboration with Schneider Electric here:

WATCH VIDEO

WASTE

At BC Hospitality Group we have incorporated a series of initiatives aimed to reduce, reuse and recycle our waste. In the course of 2018, Copenhagen Marriott and AC Hotel Marriott Copenhagen will introduce waste separation bins in all hotel rooms.

	Incineration (KG)	Sorted (KG)	Landfill (KG)	Organic (KG)	Hazardous (KG)	Total (KG)
Crowne Plaza Copenhagen Towers	180.160	34.925	320	64.000	55	279.460
Copenhagen Marriott	199.740	32.940	3.100	41.540	332	277.652
AC Hotel Bella Sky Copenhagen	268.840	45.040	200	26.819	0	340.899
Bella Center Copenhagen	503.520	200.617	19.320	13.100	260	736.817
BC Hospitality Group	1.152.260	313.522	22.940	145.459	647	1.634.828

FOOD WASTE REDUCTION

In 2016, we launched a food waste reduction pilot at Crowne Plaza Copenhagen Towers. The goal was to identify opportunities for reducing waste through self-audit procedures in our kitchens. The pilot sparked a cross organisational project, where all business units now measure food waste for each serving. This in turn has led to a re-evaluation of our actions within our entire food and beverage operations chain, from purchasing habits to plate preparation.

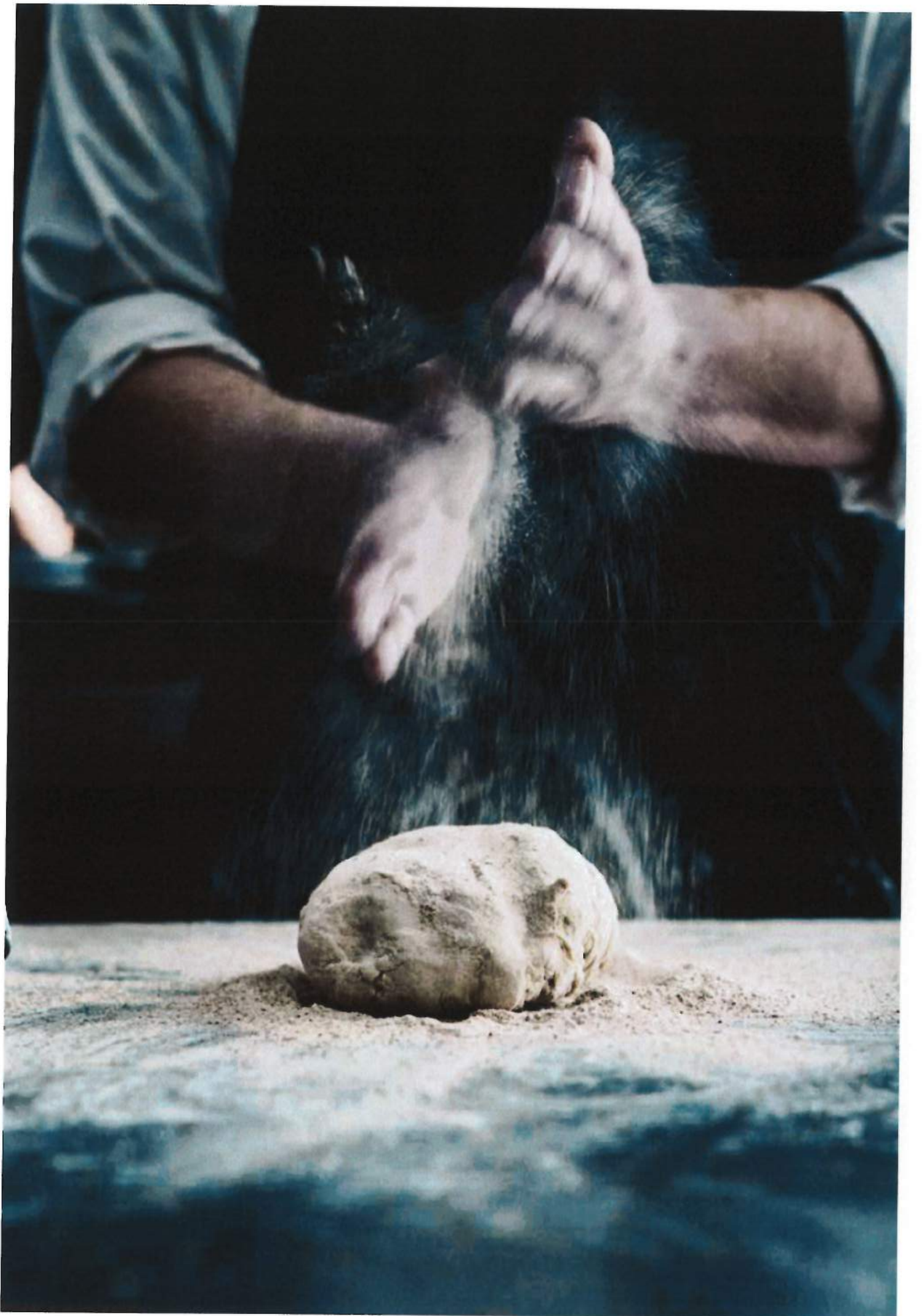
Wise up on waste

Instead of manually registering our food waste, we have now implemented a dedicated app, Wise Up on Waste, which makes registration and documentation much more convenient. Despite

not having data for the entire 2016, we quickly detected reductions in our food waste following the launch of our app. The daily digital reminders created noticeable changes in kitchen procedures, and our chefs now work together across business units to optimise and improve results.

At the time of writing, we have set specific goals on food waste for our hotel breakfast servings. Goals for other servings will follow in the first quarter of 2018. The breakfast buffet is one of our main serving periods and we have decided to start by focussing here. Through a combination of staff training, guest awareness and new tableware, we hope to accomplish the following goals:

Grams of breakfast waste per cover			
	Crowne Plaza Copenhagen Towers	Copenhagen Marriott	AC Bella Sky Copenhagen
2018	60	80	55





Treatbox

When it comes to fighting food waste, Restaurant BARK at Hotel Crowne Plaza Copenhagen Towers is at the forefront. As the first restaurant in Denmark, it offers guests the new Treatbox, a 100% biodegradable box that replaces doggy bags made of foil and plastic. Treatbox was developed through a partnership with Unilever Food Solutions, KLS Pureprint and REFOOD. The initiative is open for other restaurants and food outlets in both Denmark and abroad.

While Danish consumers are generally good at combating food waste, very few take leftovers home after a restaurant visit. A recent survey³ shows that 75% of Danes would like to take leftover food home, but only 25% has been offered the opportunity.

BC Hospitality Group wants to support the movement of overcoming these barriers rooted in Danish Culture, where many also consider it embarrassing to take home food from a restaurant. Instead, we like to think the courteous offer of a Treatbox is just an extra element in a good service experience.

Likewise, café Orango will also continue its partnership with Too Good To Go, where food with a short expiration date can be bought via an app at heavily discounted prices. This initiative helps us reduce food waste dramatically at the café.

CARBON

Tracking carbon emissions⁴ gives us a great opportunity to understand our tangible impact on climate and the environment. We focus on driving reductions in energy usage, which has the most influence on our carbon emissions; as well as reducing food waste in our venues.

We reduced actual carbon emissions by 14% in 2017 over 2016.

TON CO2	Scope 1	Scope 2	Total (1&2)	
	2017	2017	2017	2016
Forum	0,4	279	279,36	344
Crowne Plaza Copenhagen Towers	140	0,2	140,2	54,6
Copenhagen Marriott	56,9	1.258	1.314,9	1.446
AC Hotel Bella Sky Copenhagen	16,2	1.628	1.644,2	1.615
Bella Center Copenhagen	2,1	3.163	3.165,1	4.119
BC Hospitality Group	215,6	6.328,2	6.543,8	7.578,6

³ See more: <https://treatbox.dk/>

⁴ Carbon emissions calculated via klimakompasset.dk

WATER

WATER USAGE

While we already encourage our guests to re-use their towels, Copenhagen Marriott will implement the brand-wide Respect the Towel initiative. This means that linen and towels will only be changed upon explicit request from the guests.

The increase in water usage at Crowne Plaza Copenhagen Towers, can be attributed to an increase in catering events and the subsequent production process

	Total Water m3		Usage per guest night m3	
	2016	2017	2016	2017
Crowne Plaza Copenhagen Towers	25,462	29,549	0.20	0.22
Copenhagen Marriott	37,512	37,778	0.21	0.21
AC Hotel Bella Sky Copenhagen	50,885	38,292 ⁵	0.17 ⁶	0.12
Bella Center Copenhagen	29,550	27,557		
BC Hospitality Group	122,383	133,176		

GROUNDWATER

In recent decades, more and more groundwater in Denmark has been affected by contamination due to the use of pesticides. By purchasing organic products, we support farmers in reducing the risk of polluting our valuable groundwater.

In 2017 alone, BC Hospitality Group spared some 178 million litres of groundwater from contamination due to our organic purchases.

⁵ Due to a faulty water meter these numbers are not accurate

⁶ Due to a faulty water meter these numbers are not accurate



RESOURCE MATERIALS USED

As Scandinavia's largest exhibition and congress centre, Bella Center Copenhagen uses of a wide range of materials in its temporary event productions. As we only provide support services when customers organise their own events in our facilities, it is not possible to make an accurate assessment of the total weight or volume of materials used. We are, however, aware of our own use and have identified some significant facts. In 2017, Bella Center Copenhagen used 119,879 m² (2016: 214,521 m²) of carpet, as well as 92.000 m (2016: 118,000 m) of steel wires for its events.

BIODIVERSITY

Bella Center Copenhagen, AC Hotel Bella Sky Copenhagen and Crowne Plaza Copenhagen Towers are all neighbouring Amager Fælled, a nature reserve with a rich animal and plant life. We make sure that our operations do not leave a negative impact on our surrounding nature and its biodiversity. In collaboration with the social enterprise Bybi, we are hosting thousands of urban bees. The bees contribute positively to the biodiversity of Copenhagen and despite a cold and rainy summer in 2017, 114 kg of honey was harvested from our eight beehives produced. The bees are attended to by a team of 35 beekeepers and assistants from the local community. They included formerly homeless persons, refugees and long-term unemployed people from 13 different countries.





COMMUNITY ENGAGEMENT

GRI: 102-8, 413-1

SDG: 4, 8, 10, 17

UNGC: 1, 6

Our hotels and venues stimulate the economy of Copenhagen and surrounding communities by attracting and accommodating business and leisure tourists alike. Through our venues and exhibitions, we host and create events that also enrich our community culturally. We provide numerous jobs and work with local organisations, municipalities and educational institutions to make a positive difference. BC Hospitality Group has special focus on skill development and creating job opportunities for those finding it difficult to join the Danish labour market.

SKILL DEVELOPMENT AND JOB OPPORTUNITIES

One of the major risks facing our organisation is a shortage of qualified work candidates. Forecasts of the Danish labour market predict this risk to increase within our industry over the coming years. BC Hospitality Group has always sought to create jobs and opportunities for skill development for those finding it difficult to join the Danish labour market. We will continue this strategy as it helps disadvantaged groups as well as our own business.

We work with local municipalities and Job Centres to provide internships. This is a good opportunity for us to find and cultivate new talents for our organisation. BC Hospitality Group also

provides vocational internships and work experience opportunities for students of educational institutions. In the year to come, we will engage ourselves even more in youth development projects in order to make our industry and relevant educations more attractive for the future workforce.

The table below shows our internships distributed across BC Hospitality Group. In 2017, 43% of Job Centre and student internships resulted in employment within our organisation. In addition, 22% of student interns were offered employment at the end of their internship during 2017.

	Student Interns		Job Center Interns		Vocational Interns	
	2016	2017	2016	2017	2016	2017
Crowne Plaza Copenhagen Towers	4	6	24	2	12	10
Copenhagen Marriott	7	8	8	27	2	3
AC Hotel Bella Sky Copenhagen	1	9	3	2	24	30
Bella Center Copenhagen	13	14	29	13	3	5
BC Hospitality Group	25	37	64	44	41	48

ADDING SOCIAL-ECONOMIC VALUE

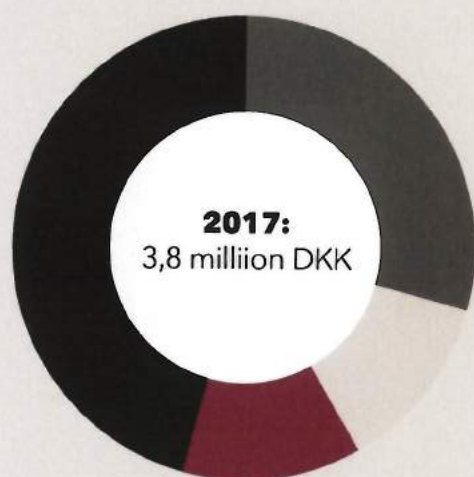
BC Hospitality Group is an active member of The Business Forum for Social Responsibility (VFSA - Virksomhedsforum For Social Ansvar), an advisory board to the Danish Minister of Employment. The forum has developed a tool that shows the socio-economic value a company creates by employing people from the margins of the labour market (e.g. long-term unemployed, refugees, etc.).

For BC Hospitality Group, the tool can help make the socio economic value of our CSR initiatives visible and track our on-going developments.

Calculations are made from two simple parameters⁷: Saved public expenditure of government benefits and increased tax revenues.

Calculations are made based on Job Center interns and persons on a wage subsidy, whom BC Hospitality Group consequently offered employment⁸, as well as their average annual income. These calculations are not exact science but should be considered as an approximate indication of the socio-economic value impact.

[WATCH VIDEO](#)



24 persons:

- 11 Integration benefits (integrationsydelse)
- 3 Unemployment compensation (dagpenge)
- 3 Unemployment benefits (kontanthjælp)
- 7 Unemployment benefits (ledighedsydelse)

⁷ It does not take into account derived effects such as savings in healthcare, activation, housing, lower crime rates etc.

⁸ We have only included persons who received permanent positions within BC Hospitality Group and have not included the numerous on-callers who work an uneven number of hours each year.

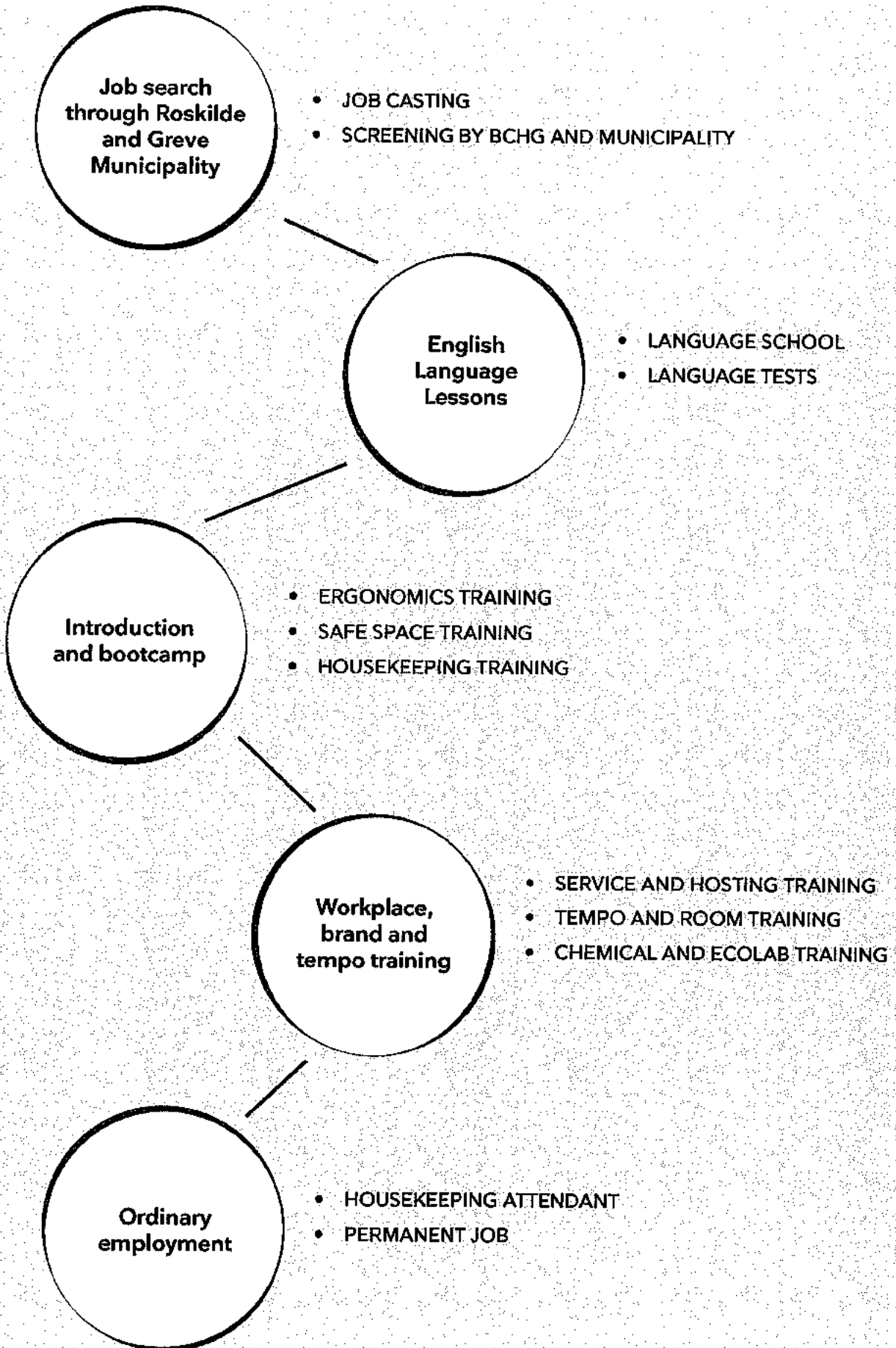
REFUGEE JOB ACADEMY

During May-August 2017, BC Hospitality Group once again teamed up with Roskilde Municipality to train recently arrived refugees as well as long-termed unemployed. 29 participants underwent training as Housekeeping Attendants in the Housekeeping Department at Copenhagen Marriott.

Participants received English language lessons, additional skills training as well as on-the-job training. The municipality also made mentors available to assist with cultural or other challenges.

The programme led to the permanent employment of 12 Housekeeping Attendants from this group.





COMMUNITY ACTIVITIES

We support charitable and educational organisations on an on-going basis. Some of the organisations and events supported by BC Hospitality Group and our employees include:



PAVING THE WAY FOR YOUTH IN HOSPITALITY

The growing hospitality sector in Denmark demands a call for action. We need to attract qualified candidates while also helping young people get a good start to their careers. As part of these efforts we have formed a partnership with a local public school.

The partnership aims to create a better connection with the youngest generation. Activities include visits to our hotels, meeting employees and different project work. In 2018, we will continue to invest in creating more opportunities for the youth. This include pre-employment initiatives, on-the-job training and partnerships with community stakeholders.



LITTLE BIG HELP

Copenhagen Marriott was once again the main sponsor and host venue of the Little Big Help Charity Event 2017. It was a unique evening with entertainment from several major Danish artists in the music and entertainment industry.

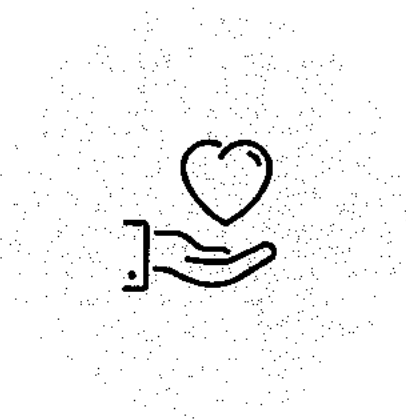
The fundraiser and auction raised a record DKK 1.8 million for more than 500 vulnerable children and women in India.



CHRISTMAS HELP

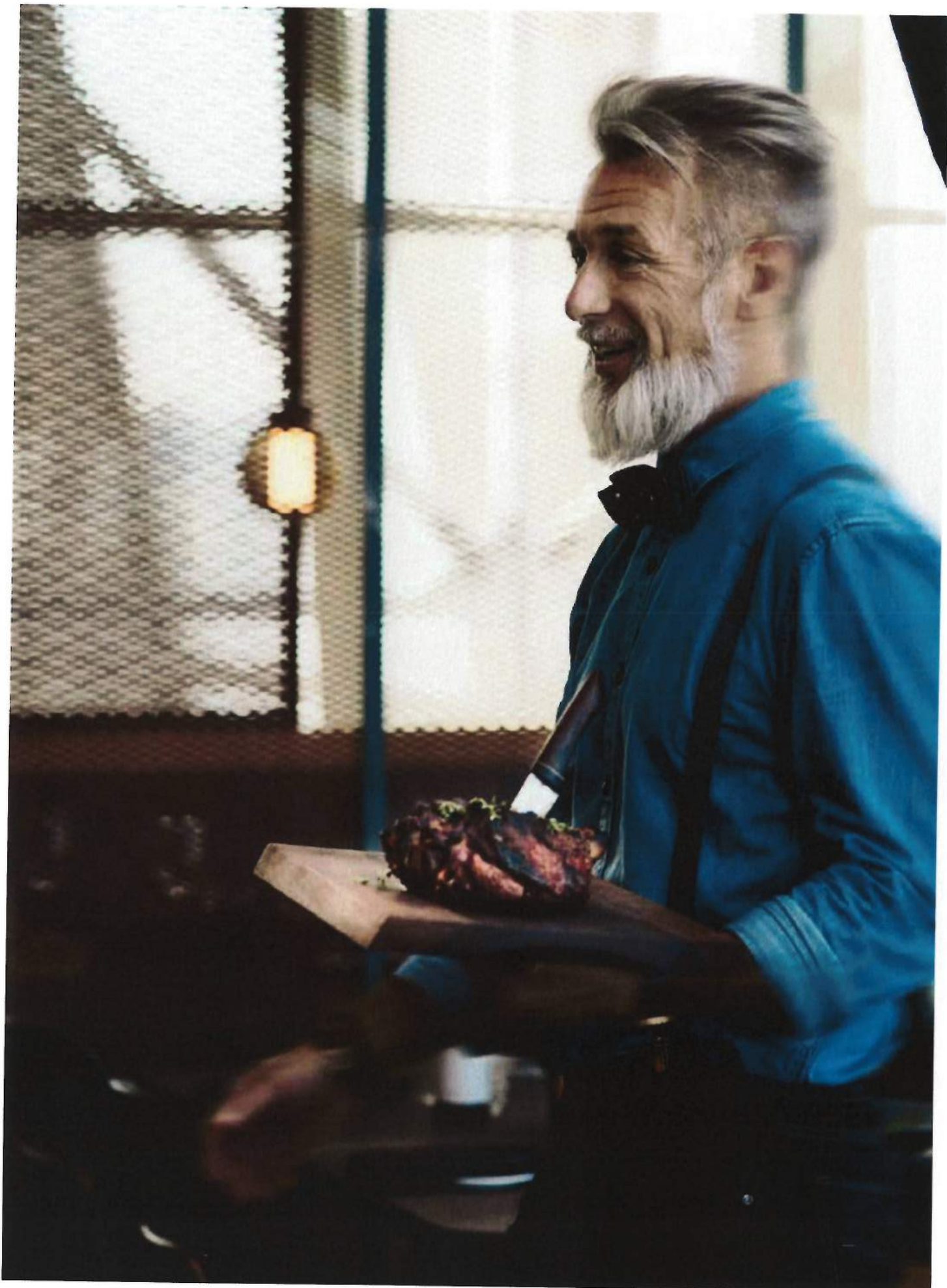
BC Hospitality Group once again had the pleasure of supporting the Salvation Army's Christmas Help programme in 2017. The programme supports vulnerable families in our local community with food and toy donations. In addition to providing storage space at Bella Center Copenhagen, many employees across the Group helped pack thousands of Christmas presents for the disadvantaged families.

In addition, our hotels sponsored food and volunteers for a Christmas lunch for 70 people at a local homeless shelter. Hotel Crowne Plaza Copenhagen Towers also hosted a Christmas party for 40 refugees and their families for Egedal Refugee Network



SUPPORT AND AWARENESS OF WORTHY CAUSES

BC Hospitality Group also supports various other events and organisations either via donations or through awareness campaigns. In 2017, these included UNICEF, Løkkefonden, Team Rynkeby, The Danish Cancer Society and Ronald McDonald House at Copenhagen University Hospital for the families of children with cancer.





WORKPLACE

GRI: 102-7, 102-18, 103-1:3, 404-2, 405-1, 412-2

SDG: 3, 4, 5, 8, 10, 17

UNGC: 1-6

Our people are our most important asset. To create exceptional service experiences, we need skilled and motivated colleagues - and we are determined to give them the best opportunities for development. We aspire to be a workplace where inclusion, respect and fairness are front and centre. We simply want to be a great place to work.

GOVERNANCE

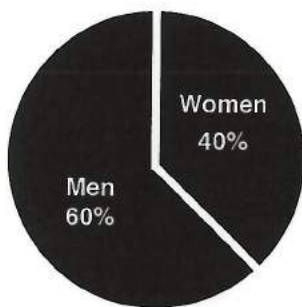
The governance structure of BC Hospitality Group includes a Board of Directors and an Executive Board. In addition, there are several specialist committees dealing with matters falling within their respective fields. These include our BC Academy Advisory Board, Works Committees as well as our Health and Safety Committees in all business units.

The governance structure of Crowne Plaza Copenhagen Towers involves a separate Board of Directors and Executive Board.

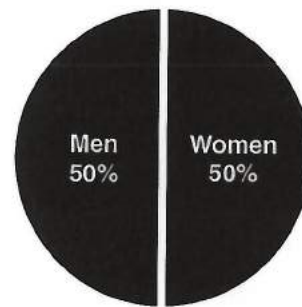
DIVERSITY OF GOVERNANCE BODIES (GENDER DISTRIBUTION)

Where ever possible, BC Hospitality Group strives for equal gender representation within its boards, departments, committees and management. While we acknowledge, that we have not yet reached our own ambitions, at this time we do not find it necessary to initiate additional policies or specific initiatives on the matter.

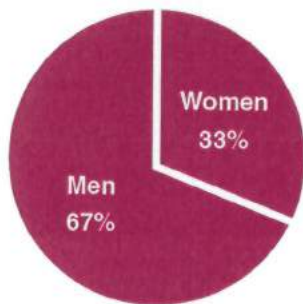
BC Hospitality Group Board of Directors:



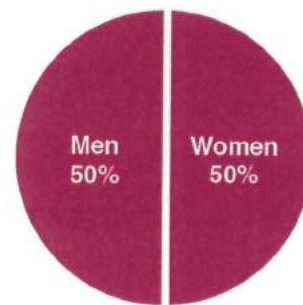
BC Hospitality Group Executive Directors:



Crowne Plaza Copenhagen Towers Board of Directors:



Crowne Plaza Copenhagen Towers Executive Directors:



EMPLOYEE DEMOGRAPHIC

The seasonal nature of our business means that we have a large number of on-call staff members.

Still, our permanent workforce has increased by 22,7% over the past year.

TOTAL NUMBER OF EMPLOYEES



COLLECTIVE AGREEMENTS

The figures below show the share of total employees covered by collective agreements and the share of salaried employees in each business unit. The collective agreements also contain provisions on the election of union representatives.

The duty of the union representatives is to address any arising disputes and to maintain a peaceful co-operation in the workplace. BC Hospitality Group encourages its employees to elect trade union representatives. Currently, there are six union representatives at BC Hospitality

Group, representing three different trade unions.

All salaried employees with more than 3 months of company-seniority and a 30+ hour workweek are covered by the health insurance agreement with Mølholm Health Insurance. Salaried employees are covered by The Employers' and Salaried Employees' Act (Funktionærloven). This contains provisions regarding notice periods, severance pay, unauthorized dismissals, expulsion, illness, competition clauses, bonus, maternity and pregnancy leave, among others.

COLLECTIVE AGREEMENTS



SALARIED EMPLOYEES



LEARNING & DEVELOPMENT

Our in-house learning platform, BC Academy has been running successfully for about two years now. It offers regular training and courses to our employees with a number of benefits. It brings people together across our various departments and functions. It develops competencies and skills of our employees and managers.

At the same time, it allows us to pursue our ambition of being an attractive workplace, by giving people the opportunity to develop their professional expertise. In our employee survey, it is also clear that employees appreciate opportunities for learning and development.

In 2017, we especially promoted our human rights and human trafficking courses. In 2018, we aim to implement a standard Responsible Hospitality Module to foster more sustainable practices in our company culture.

BC Academy offers internal, external and risk management training. 561 participants were part of the academy in 2017. A great improvement from 126 in 2016. In 2018, our goal is to retain this participation rate

GREAT PLACE TO WORK

We care deeply for the wellbeing of our passionate and skilful colleagues, which is why we choose to participate in the Great Place to Work survey.

The workplace assessment is based on confidential and anonymous feedback of our employees. It measures the behaviours that lead to a trusting workplace environment, the most critical factor for creating a healthy workplace.

Our score on the Great Place to Work Trust Index is considered a central KPI for all business units. And we use the survey insights to continuously improve the welfare of our team.

We are proud of the fact that all units met their Trust Index goal for 2017. Great Place to Work annually publishes a list of Denmark's Top 100 workplaces. In 2017, all three of our hotels ranked in the Top 35 in the list for Medium- Large Companies, which was also our own ambition

TRUST INDEX	Goal 2017	Result 2017	Goal 2018
Crowne Plaza Copenhagen Towers	85%	85%	85%
Copenhagen Marriott	80%	86%	85%
AC Hotel Bella Sky Copenhagen	85%	88%	85%
Bella Center Copenhagen	80%	81%	80%

SOCIAL EVENTS & WELL-BEING

We are convinced that a healthy lifestyle and a great company spirit are prerequisites for motivated and happy employees. One of the ways we promote this is through our social events and activities. Once again we participated in the annual DHL Relay Race (DHL Stafetten), we

organized running teams, after work Friday Bar, gave Christmas presents, annual staff party etc. Furthermore, BC Hospitality Group offers many attractive staff benefits such as discounts on hotels and restaurants, skin care, fitness and more.





INCLUSION, DIVERSITY AND EQUALITY

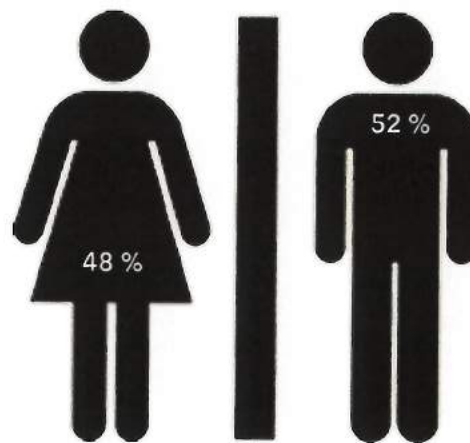
When employing and serving people of so many backgrounds, cultures and nationalities, it is important that we foster inclusive environments.

We also believe that our diversity is a strength that sparks innovation and a dynamic environment. In our recruitment and team creations, we use tests of characters to ensure that colleagues com-

plement each other, and that we create diverse and inclusive teams.

We are proud of having a very equal gender distribution in our collected workforce. Another factor we look at in measuring diversity is the number nationalities represented in our workplace. With more than 69 nationalities - we are truly a global workplace in Denmark

TRUST INDEX	Number of nationalities (Permanent Employees)
Crowne Plaza Copenhagen Towers	38
Copenhagen Marriott	44
AC Hotel Bella Sky Copenhagen	27
Bella Center Copenhagen	27
BC Hospitality Group	69



EMPLOYER BRANDING CAMPAIGN

In order for BC Hospitality Group to attract the best talent, we are launching a new employer branding campaign in the beginning of 2018. We have involved many of our talented employees to show the development and career opportunities that await inside our organisation.

While acquiring new employees is important, we also understand how critical it is to inspire and retain our existing loyal colleagues.

[WATCH VIDEO](#)

HEALTH AND SAFETY

GRI: 103-1:3, 403-1:2, 410-1, 416-1, 417-1
SDG: 3,5
UNGC: 1, 2

Health, Safety and Security are the most important services that we provide for our guests, customers and employees. We want to create an environment where safety is deeply embedded in our daily operations. We operate by the highest health and safety standards including food safety systems, hygiene, sanitation standards, safety and security systems.







OCCUPATIONAL HEALTH & SAFETY

HEALTH & SAFETY COMMITTEES

BC Hospitality Group has an Occupational Health and Safety Committee for each business unit. Both employees and management are represented. Fellow colleagues elect their own representatives, and committees meet four times a year. The committee works with the review and development of health and safety incidents and procedures in the workplace. The workplace risk assessment performed by each business unit also helps identify relevant health and safety issues for employees.

OCCUPATIONAL INJURIES

During 2017, the Health and Safety committees have focused on fostering a workplace culture where accidents are always reported - no matter their severity. It is important to follow up on reasons for why accidents happen. There has been an increase in occupational injuries, especially at Bella Center Copenhagen and AC Hotel Bella Sky Copenhagen. An analysis of the accidents shows no tendencies in the rise of specific accidents. The Health and Safety Committee will appeal for increased attention and awareness in work tasks.

A general focus on registering accidents during 2017 could in part also explain an increase in registered accidents.

OCCUPATIONAL INJURIES

	No. of accidents registered	
	2016	2017
Crowne Plaza Copenhagen Towers	3	6
Copenhagen Marriott	1	1
Bella Center Copenhagen & AC Hotel Bella Sky Copenhagen	9	19
BC Hospitality Group	13	26

EMPLOYEE HEALTH

Absence due to illness has been a focus point the past year, and we have managed to reduce the absence rate, but not quite meeting our goal of 4.1%.

	Absence due to illness	
	2016	2017
Crowne Plaza Copenhagen Towers	5,74	5,34
Copenhagen Marriott	4,69	3,93
AC Hotel Bella Sky Copenhagen	3,79	6,23
Bella Center Copenhagen	4,11	3,50
BC Hospitality Group	4,48	4,44

BC Hospitality Group wants to make it easy for our employees to lead healthy lifestyles. As part of our Health strategy 2017/2018 we conducted several courses e.g. on stress management, quit smoking courses, etc. Furthermore, several awareness campaigns have been completed. Campaign topics include health, healthy

choices, employee benefits, health insurance as well as the launch of our employee bike and running clubs. The HR department also hosted three Health Days. Here, all employees could engage in dialogue with relevant experts and see demonstrations of different healthy initiatives



SAFETY & SECURITY

The safety of our guests and employees has always been one of our top priorities. We understand and appreciate that individuals and companies are more concerned than ever about their safety and security; whether it is of a leisure traveller or a large corporate event. Our procedures are reviewed often and we work closely with the relevant authorities. In 2017, we have developed a new risk assessment tool to expertly customise security solutions for events.

SAFETY AND SECURITY ACADEMY

In order to assess and respond appropriately to threatening or emergency situations, our staff receives continued training in our own Safety and Security Academy. The most important message to all employees is: See something? Do something! and is the foundation of our comprehensive Safe Space Programme. Employees receive different training. Depending on their position, this includes training in human rights, human trafficking, conflict understanding and management, confrontation handling etc. Through awareness campaigns and courses, we encourage and cultivate our employees' commitment to prevent undesired incidents and actively create a safe space for all.

DATA PRIVACY

We comply with data privacy laws when we collect and process personal data. This includes data on our own employees, our guests and customers. In 2017, BC Hospitality Group turned special attention to implementing the necessary actions to ensure compliance with the EU Data Protection Regulation beginning in May 2018

FOOD SAFETY

Our chefs and Food and Beverage managers continually reinforce the principles of food safety, a top priority within our organisation. All business units at BC Hospitality Group have only received elite smileys and exceptional reports from the Danish Ministry of Environment and Food. This attests that our units comply with food and safety rules and regulations. In addition, we operate with signs to encourage guests to ask about allergenic ingredients if pertinent to them. We also label and pack our food and beverage with full descriptions of ingredients.



APPENDIX

RESPONSIBLE HOSPITALITY POLICIES

HUMAN RIGHTS POLICY

- We will support and respect the protection of internationally proclaimed human rights - in particular. Those of our employees, our business partners and within our local community.
- We will strive to not be complicit in human rights abuses and require our suppliers to do the same.
- We will ensure a healthy and safe environment in all hotels and venues.
- We will promote diversity in the workplace and will not tolerate discrimination
- We will respect our employees' rights to voluntary freedom of association and recognize their right to collective bargaining
- We will support employees with training and opportunities for promotion to help them reach their potential and maximize their contribution to our company strategy
- We will recruit, employ and promote employees on the basis of objective criteria, their qualifications and abilities required for the job to be performed
- We will provide several channels for complaints to ensure any concerns are efficiently addressed

ENVIRONMENTAL POLICY

- We will continue to improve our environmental performance and we will implement environmentally friendly solutions, wherever it makes economic and environmental sense without compromising the experience of quality and comfort at our hotels and venues
- We will make the most efficient use of resources our energy, water and other natural resources, promoting conservation and savings wherever possible and practical.
- We will incorporate environmental considerations, including animal welfare into our actions and procurement decisions
- We will raise awareness of environmental matters among our employees and stakeholders
- We will optimize our waste reduction through reusing materials where possible, recycling and limiting our use of hazardous materials where alternatives are available, economical and suitable.
- We will monitor, record and benchmark our environmental performance on a periodic basis

BUSINESS INTEGRITY POLICY

- We conduct our operations in accordance with the principles of fair competition and will abide by applicable laws and regulations
- We will in all dealings with business partners, seek to preserve the highest standards of integrity, objectivity, fairness, efficiency, courtesy and professionalism and will look to them to set similar standards.
- We will apply a zero-tolerance approach with respect to corruption, extortion and bribery
- We will not accept any personal gifts, gratuities, premiums or other incentives when choosing suppliers. We prefer incentives expressed in acceptable business terms, e.g., quality, service and price.
- We will only purchase goods and services, which supports the purposes of business for BC Hospitality Group.
- We will aim to ensure that the best value for money is being obtained and that its resources are being used to the greatest benefit.
- We will work towards a system of ensuring that our suppliers and business partners are environmentally responsible, are not complicit in any violations of human rights or labour rights and do not participate in or permit corruption in all its forms.

STAKEHOLDER ENGAGEMENT MATRIX

	Key Topics	Form of engagement
EMPLOYEES	<ul style="list-style-type: none"> To promote the welfare and productivity of our employees. Creating safe and inclusive work environments. Encourage collaboration Talent and career development Employer branding and reputation 	<ul style="list-style-type: none"> Direct communication: staff meetings, intranet, bulletin boards, email, etc. Works Committee (incl. seats for trade union representatives) Health & Safety Committee Great Place to Work survey Workplace assessment reviews Suggestion boxes Collective agreements between our trade association and the workers' unions. Responsible Hospitality website and report
CUSTOMERS & GUESTS	<ul style="list-style-type: none"> Customer and guest satisfaction Quality experience Safety, security and hygiene Personal service Business ethics Value for money 	<ul style="list-style-type: none"> Direct interaction with our staff and sales representatives (in-person, phone, email, etc.) Quality reviews and surveys Group-, brand- and Responsible Hospitality websites, Social media profiles, booking and travel websites Loyalty programs Site visits Online web portals Responsible Hospitality website and report
SUPPLIERS	<ul style="list-style-type: none"> Product and operational improvement Responsible sourcing 	<ul style="list-style-type: none"> Contractual agreements Supplier Code of Conduct Continuous dialogue Responsible Hospitality website and report
GOVERNMENT & EMERGENCY SERVICES	<ul style="list-style-type: none"> Hosting government officials Business ethics, governance and transparency Safety and security Working with emergency management services, Police, etc. Sustainability performance Compliance with laws and regulations Best practice 	<ul style="list-style-type: none"> Participation in industry bodies influencing key policy issues Annual financial report Responsible Hospitality Report Fire and evacuation drills Dialogue with relevant emergency and security services regarding events and VIP's.
OWNERS & BOARD OF DIRECTORS	<ul style="list-style-type: none"> Transparent, timely, relevant and reliable information 	<ul style="list-style-type: none"> Annual financial report Responsible Hospitality website and report Board meetings and company briefings
BRANDS & CERTIFICATION BODIES	<ul style="list-style-type: none"> Compliance with standards Fulfilling brand expectations 	<ul style="list-style-type: none"> Continuously through our contact points, during status meetings, etc. Regular Brand and Safety Audits Responsible Hospitality website and report
COMMUNITY	<ul style="list-style-type: none"> Good corporate citizenship Community engagement Creating jobs in local community Environmental awareness Research and development Employee engagement Media relations 	<ul style="list-style-type: none"> Partnerships with local job centers Sponsorship activities Employee volunteering Responsible Hospitality website and report Liaison with NGOs and other private and public organizations on specific projects. Member of VFSA (Virksomhedsforum for Socialt Ansvar), whose task is to counsel the Danish Ministry of Employment about the social responsibility of businesses
BUSINESS ASSOCIATES & NETWORKS	<ul style="list-style-type: none"> Development of regulations, policies and standards Research and innovation Best practice exchange and development Insight into market analysis, trends and forecasts, training and guidance on legislation Promoting Copenhagen's local culture and Denmark as a travel destination 	<ul style="list-style-type: none"> Dialogue, networking, events Partnerships and participation in associations Presentations at conferences government policies etc., with relevance to us and to our industry

GRI CONTENT INDEX

GRI: 102-55

INDICATOR	DESCRIPTION	CHAPTER/COMMENTS	PAGE NR.
102-1	Name of the organization	About this report	43
102-2	Activities, brands, products, and services	About BC Hospitality Group	48
102-3	Location of headquarters	About BC Hospitality Group	48
102-4	Location of operations	About BC Hospitality Group	48
102-5	Ownership and legal form	About BC Hospitality Group	48
102-6	Markets served	About BC Hospitality Group	48
102-7	Scale of the organization	About BC Hospitality Group Workplace See also Annual financial Reports: Crowne Plaza Copenhagen Towers BC Hospitality Group	48 91
102-8	Information on employees and other workers	Workplace Community	91 83
102-10	Significant changes to the org. and its supply chain	About BC Hospitality Group	12
102-11	Precautionary principle or approach	Climate & Environment	72
102-12	External Initiatives	Stakeholder Engagement	54
102-13	Membership of associations	Stakeholder Engagement	54
102-14	Statement from senior decision-maker	Statement from CEO	47
102-16	Values principles, standards, norms of behavior	Responsible Hospitality	47
102-18	Governance structure	Workplace	91
102-40	List of stakeholder group	Stakeholder Engagement	54
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	54
102-43	The organization's approach to stakeholder engagement	Stakeholder Engagement	54
102-44	Key topics and concerns raised through stakeholder engagement	Responsible Hospitality	57
102-45	Entities included in the consolidated financial statements	See Annual financial Reports: Crowne Plaza Copenhagen Towers BC Hospitality Group	
102-46	Defining report content and topic boundaries	Responsible Hospitality	57
102-47	List of material topics	Responsible Hospitality	57
102-50	Reporting period	About this report	43
102-51	Reporting cycle	About this report	43
102-52	Date of most recent report	About this report	43
102-53	Contact point for questions regarding the report	About this report	43
102-54	Claims of reporting in accordance with the GRI Standards	About this report	43
102-55	GRI Content index	GRI Content Index	106
102-56	External Assurance	No external assurance	

INDICATOR	DESCRIPTION	CHAPTER/COMMENTS	PAGE NR.
103-1	Explanation of the material topic and its Boundary	Workplace Health & Safety Climate & Environment Marketplace Community	91 98 72 65 73
103-2	The management approach and its components	Workplace Health & Safety Climate & Environment Marketplace Community	91 98 72 65 83
103-3	Evaluation of the management approach	Workplace Health & Safety Climate & Environment Marketplace Community	91 98 72 75 83
201-1	Direct economic value generated and distributed	See Annual financial Reports: Crowne Plaza Copenhagen Towers BC Hospitality Group	
201-3	Defined benefit plan obligations and other retirement plans	See Annual financial Reports: Crowne Plaza Copenhagen Towers BC Hospitality Group	
201-4	Financial assistance received from government	See Annual financial Reports: Crowne Plaza Copenhagen Towers BC Hospitality Group	
202-1	Entry Level Wage	There is no legally stipulated minimum wage in Denmark. Wage rates are specified in the collective agreements that are in place	
301-1	Materials used by weight or volume	Climate & Environment	72
302-1	Energy consumption within the organization	Climate & Environment	72
302-3	Energy intensity	Climate & Environment	72
302-4	Reduction of energy consumption	Climate & Environment	72
303-1	Water withdrawal by source	Climate & Environment	72
304-1	Operational sites owned, leased, managed in, or adjacent areas and areas of high biodiversity value outside protected areas.	Climate & Environment	72
306-2	Waste by type and disposal method	Climate & Environment	72
308-1	New suppliers that were screened using environmental criteria	Marketplace	65
402-1	Minimum notice periods regarding operational changes	Covered by collective agreements	
403-1	Workers representation in formal joint management-worker health and safety committees	Health & Safety	98
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Health & Safety	98
403-4	Health and safety topics covered in formal agreement with trade unions	Covered by collective agreements	
404-2	Programs for upgrading employee skills and transition assistance programs	Workplace	91
405-1	Diversity of governance bodies and employees	Workplace	91
406-1	Incidents of discrimination and corrective actions taken	No incidents	

INDICATOR	DESCRIPTION	CHAPTER/COMMENTS	PAGE NR.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Marketplace Workplace	65 91
408-1	Operations and suppliers at significant risk for incidents of child labor	Marketplace	65
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Marketplace	65
410-1	Security personnel training in human rights policies or procedures	Health & Safety	98
412-2	Employee training on human rights policies or procedures	Workplace	91
413-1	Operations with local community engagement, impact assessments, and development programs.	Community Engagement	83
414-1	New suppliers that were screened using social criteria	Marketplace	65
416-1	Assessment of the health and safety impacts of product and service categories	Health & Safety	98
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents	
417-1	Requirements for product and service information and labeling	Health & Safety	98
417-3	Incidents of non-compliance concerning marketing communications	No incidents	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No incidents	
419-1	Non-compliance with laws and regulations in the social and economic area	No incidents	

