
BCHG Holding A/S

c/o Solstra Capital Partners, Lautrupsgade 7, DK-2100 København Ø

Annual Report for 31 October - 31 December 2016

CVR No 38 24 67 12

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on

22 / 5 2017

Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of BCHG Holding A/S for the financial year 31 October - 31 December 2016.


The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 22 May 2017

Executive Board




Johan Ewald Lorentzen
CEO



Henrik Eifler Gram
CFO

Board of Directors



Oscar Claudius Crohn
Chairman



Mette Kapsch



David Robson Overby



Johan Ewald Lorentzen



Michael Dano Andersen
Staff Representative

Independent Auditor's Report

To the Shareholder of BCHG Holding A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 31 October - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of BCHG Holding A/S for the financial year 31 October - 31 December 2016, pp 10-15, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 Company 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 (pp 6-9).

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

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 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 judgement and maintain professional scepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 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 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.

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.

Hellerup, 22 May 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Torben Jensen

State Authorised Public Accountant



Claus Carlsson

State Authorised Public Accountant

Company Information

The Company

BCHG Holding A/S
c/o Solstra Capital Partners
Lautrupsgade 7
DK-2100 København Ø

CVR No: 38 24 67 12
Financial period: 31 October - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Oscar Claudius Crohn, Chairman
Mette Kapsch
David Robson Overby
Johan Ewald Lorentzen
Michael Dano Andersen, Staff Representative

Executive Board

Johan Ewald Lorentzen
Henrik Eifler Gram

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of BCHG Holding A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. It is the first financial year for the Company. The Company was founded on 12 December through a demerger of Bellakvarter A/S with effect from 31 October 2016. The investments were determined at fair value at the date of the demerger.

Main activity

The Company's primary activity is to own and make investments. Currently through the subsidiary BC Hospitality Group A/S and the activities in the hospitality area and the real estate companies BCHG Properties A/S and Bella Sky A/S, who rent out properties to BC Hospitality Group A/S.

The management review includes selected pro-forma financial figures for BC Hospitality Group for the period 1 January to 31 December 2016. Furthermore a Responsible Hospitality Report for BC Hospitality Group's hospitality activities are included as a supplementary reporting.

BC Hospitality Group A/S operates various business activities through BC Hospitality Group A/S and CPHM A/S. At 31 October 2016, Bellakvarter A/S (previously BC Hospitality Group A/S) dropped down the hospitality activities into a new BC Hospitality Group A/S ("BCHG") at the end of 2016. BCHG does not own any properties and rental agreements have been entered into with the owner of the Bella Sky property, Marriott property and Bella Center properties.

The pro-forma consolidated financial figures for BCHG group comprise BC Hospitality Group A/S and CPMH A/S. CPHM A/S was established on 31 October 2016 by ATPPD Kalvebod A/S (previously Hotelinvest Klavebod A/S) through a contribution in kind of the Copenhagen Marriott Hotel hospitality activities of ATPPD Kalvebod A/S. CPHM A/S was acquired by BCHG on 30 December 2016. The consolidation has been performed by summarizing the financial data of the companies, which have been prepared in accordance with same accounting policies. Intra-group income and expenses, rental and gains on intra-group transactions are eliminated. The pro-forma consolidated financial data has been adjusted to reflect the reorganization of Bellakvarter A/S and ATPPD Kalvebod A/S that took place during 2016 and covers BCHG's hospitality activities for financial period 1 January – 31 December, regardless what legal company carried out the hospitality activities.

Development in the year

The income statement of the Company for 2016 shows a profit of TDKK 0, and at 31 December 2016 the balance sheet of the Company shows equity of TDKK 940,833.

Management's Review

Management's Review – BC Hospitality Group

During 2016 BC Hospitality Group has elaborated on the objective to improve the company's profitability and expansion, and the strategy remains clear: BC Hospitality Group must be market leader as a hospitality operator with more influential, international and recognised brands.

The Group has been through a restructuring and rebranding process, and the 2016 portfolio included the strong hospitality brands Bella Center Copenhagen, Copenhagen Marriott Hotel, Crowne Plaza Copenhagen Towers, AC Hotel Bella Sky Copenhagen, Comwell Conference Center Copenhagen, Copenhagen International Fashion Fair and Forum Copenhagen. 2016 saw the brand awareness of these strong hospitality brands increase significantly, which increased the turnover. The targeted work will continue in 2017 and focus on the further development of the business and expansion with new significant international hospitality brands.

The group invested millions in 2016 in the portfolio and also developed new successful restaurant concepts in the hotels Crowne Plaza Copenhagen Towers and AC Hotel Bella Sky, both to adapt the concepts to the overnight visitors and to attract new customers. Furthermore, a new, large and exclusive Executive Lounge and 4 new "next generation" hotel rooms was established at Marriott. 2016 saw an upgrading of the entire guest IT infrastructure to ensure an optimal and future-proof experience for the Group's visitors. The latest initiative is a shuttlebus service between the Group's hotels and the cruise terminal at Nordhavn during the cruise season.

BC Hospitality Group had an unprecedented number of visitors totalling 1.4 million guests. Approximately 0.6 million of these were hotel guests. The 2017 ambition is having 1.5 million visitors and guests in the Group, primarily due to a considerable increase in the number of hotel guests.

BC Hospitality Group's facilities totalling 225,000 square metre of floor area include 1,584 hotel rooms, 165 modern meeting and conference rooms, 5 large congress and exhibition halls and a multi-arena. BC Hospitality Group can now pave the way for Copenhagen in the competition for the large-scaled international congresses, meetings and events.

Management's Review

Results for the year

EBITDAR (earnings before interests, tax, depreciations, amortisations and external rentals) shows a profit of DKK 193 million in 2016 (2015: a profit of DKK 120 million). The Group's turnover amounts to DKK 996 million in 2016 (2015: DKK 849 million). The 2016 increase primarily comes from the congress business in Bella Centret and hotel business. Crowne Plaza Copenhagen Towers are included in these figures with a management service fee, as Crowne Plaza Copenhagen Towers business are not owned by the Company. If revenue from Crowne Plaza Copenhagen Towers was included the total revenue amounts to DKK 1.136 million (2015: DKK 976 million)

The gross operating profit increases by DKK 74 million to DKK 258 million in 2016. The progress is due to an increase in the number of sold rooms, higher average prices and considerable operation optimizations as regards the handling of congresses and trade fairs. There is a good development for the recurring large-scaled trade fairs and the international congress events. Besides, shared services have been established in the Group, which have created good synergies as regards the support and back-office functions.

Management's Review

Expectations for the future (consolidated)

In 2016 Bella Centeret succeeded in attracting the grand international congresses and corporate events: Large-scaled and high-visibility events, which – besides improving the turnover of many business areas – have raised the profile of Bella Center Copenhagen and Denmark around the world. 2017 seems to become a good congress year with several large-scaled international congresses, albeit not last year's record level, and the turnover is expected to decrease by approximately DKK 80 million as regards the congress turnover of Bella Center.

BC Hospitality Group's portfolio including Bella Center and three strong hotel brands with 1,584 rooms is a clear competitive advantage in the competition of winning the large-scaled events for Copenhagen since it creates great synergies for the organisers having access to a range of internationally recognised hotel brands with venues. The hotel cooperation in Copenhagen through MeetingPlace further supports BC Hospitality Group's ability to offer the customers a choice to stay different places, and it increases the turnover of all the city's hotels when major congresses and events are won. The expectations for the Group's own hotels are high in 2017, with expectation of an increase both in terms of turnover and earnings due to an increase in the demand from both business and leisure customers.

The large-scaled and influential trade fairs in Bella Center Copenhagen are still prioritised, and investments are made to develop this business area. AC Hotel Bella Sky Copenhagen and the launch of Comwell Conference Center Copenhagen are expected to go on attracting several of these events in the years to come. As regards organisation and investments, the Group will focus on obtaining economies of scale from fully integrated operations and optimize the internal business processes to make the customers' experience even more flexible and efficient.

The expectations as regards the Group's EBITDAR are estimated at DKK 185 million in 2017. The results are primarily expected to be realised through further growth in the hotel turnover, the optimisation of the operations and a more efficient production planning to compensate for the decreasing congress turnover.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any significant uncertainty.

Unusual events

The financial position at 31 December 2016 of the Company and the results of the activities of the Company for the financial year for 2016 have not been affected by any unusual events except the reorganization mentioned in the preface.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date. However, an increase in the share capital on 31 January 2017 has been registered. For detailed information about the capital increase, see note 3.

Income Statement 31 October - 31 December

	<u>Note</u>	<u>2016</u> TDKK
Gross profit/loss		0
Staff expenses		0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		0
Profit/loss before financial income and expenses		0
Profit/loss before tax		0
Tax on profit/loss for the year		0
Net profit/loss for the year		0

Distribution of profit

Proposed distribution of profit

0

Balance Sheet 31 December

	<u>Note</u>	<u>2016</u> TDKK
Assets		
Investments in subsidiaries	1	940.883
Fixed asset investments		<u>940.883</u>
Fixed assets		<u>940.883</u>
Receivables from group enterprises	2	104.582
Receivables		<u>104.582</u>
Currents assets		<u>104.582</u>
Assets		<u>1.045.465</u>
 Liabilities and equity		
Share capital		17.266
Retained earnings		923.567
Equity	3	<u>940.833</u>
Prepaid capital contribution	2	104.582
Other payables		50
Short-term debt		<u>104.632</u>
Debt		<u>104.632</u>
Liabilities and equity		<u>1.045.465</u>

Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Contribution in kind at 31 October	17.266	923.617	940.883
Costs in connection with the establishment	0	-50	-50
Equity at 31 December	<u>17.266</u>	<u>923.567</u>	<u>940.833</u>

Notes to the Financial Statements

	2016 TDKK
1 Investments in subsidiaries	
Additions from demerger 31 October	940.883
Carrying amount at 31 December	940.883

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity
BC Hospitality Group				
A/S	Copenhagen	1.000	100%	17.517
Bella Sky A/S	Copenhagen	1.000	100%	665.017
BCHG Properties A/S	Copenhagen	1.000	100%	258.349

All 3 subsidiaries were established in 2016 and have not yet published financial statements as the first financial year for all 3 companies ends 31 October 2017.

2 Receivables from group enterprises and prepaid capital contribution

Late December 2016 it was decided to increase the share capital and a share offering was initiated. The subscription period expired 20 January 2017 and the shares were registered at the Danish Business Authority on 31 January 2017.

Before year end the Company already received notification for irrevocably subscription and upfront payment for subscription. The proceed was lend out to BC Hospitality Group to support financing of acquisition of CPHM A/S and deposits for rental agreement etc.

3 Equity

The share capital consists of 1,726,619,321 shares of a nominal value of DKK 0.01. No shares carry any special rights.

On 31 January 2017 the share capital is increased by a nominal amount of DKK 4,604,311.06 at a subscription price of DKK 0.261 per share of a nominal amount of DKK 0.01.

Accounting Policies

Basis of Preparation

The Annual Report of BCHG Holding A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Financial Statements for 2016 are presented in TDKK.

Recognition and measurement

Revenues are 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.

Income Statement

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 changes in 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.

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.

Accounting Policies

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.

Supplementary Reporting (Unaudited)

BC Hospitality Group Responsible Hospitality Report 2016

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Statement from CEO

GRI 102-14

It is with pleasure that I present BC Hospitality's first Responsible Hospitality Report for all of our business units. I also reaffirm our support of the United Nations Global Compact's Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. In addition, we are delighted that The United Nations has designated 2017 as the International Year of Sustainable Tourism for Development. As a pioneer in the hospitality industry, this gives us the unique opportunity to raise awareness and address concerns about the environmental and social responsibility in our field.

2016 has been a record breaking year for BC Hospitality Group in many ways. We have had record turnover and profit at AC Hotel Bella Sky Copenhagen. At the Bella Center Copenhagen we have also had the largest congress (21.000) and largest dinner (10.250) ever held in its 50-year history. Creating these great results is the professional and passionate employees, who as One Team ensure our guests and customers receive brilliant service.

While we are buoyed by these achievements, we know that the social and environmental impact of so many guests also commits us to ensure sustainability is a core pillar in our corporate strategy. To guide our efforts, we have this year started to implement the new GRI standards in our business, to better communicate our performance in this area to our key stakeholders. I look forward to further strengthening commitment to sustainable development through this framework.

Allan L. Agerholm
Chief Hospitality Officer

About this Report

GRI: 102-1, 102-50, 102-51, 102-52, 102-53, 102-54

Welcome to BC Hospitality Group's first annual Responsible Hospitality Report for all business units that has been prepared in accordance with the GRI Standards 2016: Core option. We made sure to align the GRI guidelines and suggestions with the United Nations Global Compact.

The report follows the financial year of the organization and contains information of BC Hospitality Group's activities for the calendar year 1 January 2016 – 31 December 2016.

For BC Hospitality Group's 2016 Responsible Hospitality report, we are reporting on GRI indicators. 2016 is our benchmark year, for which we have presented figures for AC Hotel Bella Sky Copenhagen and Bella Center Copenhagen. The entities of Comwell Conference Center Copenhagen, CIFF/CIFF Showrooms, and International House are a part of the physical structure of Bella Center Copenhagen and are included in the calculations.

BC Hospitality Group's next Responsible Hospitality report is scheduled to be published February 2018. For more information concerning this report, you are welcome to contact Group CSR Manager, Mireille Jakobsen mij@bchg.dk.

About BC Hospitality Group

GRI: 102-2, 102-3, 102-4, 102-6, 102-7

The history of BC Hospitality Group is rooted in Bella Center. Fifty years of solid development marked by innovation, success and growth has resulted in the multifaceted group we know. Today, BC Hospitality Group is one of Denmark's leading businesses in the hotel, conference, exhibition, and hospitality industry. We cater for a wide range of customers, including amongst others: non-profit organizations, corporate clients, governments, and associations. Our hotels accommodate corporate, leisure, and meetings & congresses customers from all over the world. BC Hospitality Group employees approximately 600 permanent employees and comprises:

- **Bella Center Copenhagen**, Scandinavia's biggest exhibition and congress center
- **Comwell Conference Center Copenhagen**, Denmark's biggest conference center
- **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 Hotel**, Copenhagen's exclusive and noted 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 with 93 offices/shops

Bella Center Copenhagen

Bella Center Copenhagen is one of the world's most experienced venues for large-scale events. The venue can accommodate up to 20,000 people, making it the biggest congress and exhibition center in Scandinavia. It is equipped with the very latest equipment and technology to stage any type of event. Bella Center is only 10 minutes away from Copenhagen's International Airport and approximately 10 minutes from the city center of Copenhagen.

Bella Center Copenhagen hosted the world's first ISO 20121 certified sustainable international political summit, the UN Climate Conference, which was attended by over 33,000 people and was awarded the prestigious IMEX GMIC 'Green Meetings Gold Award'.

The Bella Center Copenhagen building also houses CIFF and CIFF Showrooms, International House, and is adjoined by Comwell Conference Center Copenhagen and AC Hotel Bella Sky Copenhagen. Bella Center Copenhagen is also, where the BC Hospitality Group Headquarters are located.

Comwell Conference Center Copenhagen

Bella Center Copenhagen partnered with Comwell to open Denmark's biggest conference center. This ultra-modern and fully renovated conference center combines Comwell's attentiveness, precision, and harmony, with Bella Center Copenhagen's superb location and infrastructure. Our goal is clear: we want to make it easy and efficient to bring people together for memorable events.

Comwell Conference Center Copenhagen is Denmark's largest conference center and offers 48 individual meeting rooms for 6-930 people, auditoriums, lobby, lounge areas, coffee stations, service center, and the new Treehouse restaurant that can accommodate up to 235 guests for lunch, dinner, or parties. Comwell Conference Center Copenhagen's primary customers are Danish companies, both from the private and public sector.

AC Hotel Bella Sky Copenhagen

Next to Bella Center Copenhagen and Comwell Conference Center Copenhagen is the AC Hotel Bella Sky Copenhagen - the four-star designer hotel with 23 floors, 812 bedrooms, and 30 meeting rooms. The hotel is one of the biggest in Scandinavia, and boasts a Sky Bar on the 23rd floor with panoramic views of the Copenhagen skyline, as well as spa, fitness center, and three restaurants.

AC Hotel Bella Sky Copenhagen's primary customers stay at the hotel while participating in congresses, fairs, and exhibitions at Bella Center Copenhagen. Moreover, primary customers include employees from big corporations, who hold regular meetings at the hotel, crews of airline companies, and airline passengers. Additionally, there are many leisure guests, families and couples, who visit the hotel especially during holidays and on the weekend.

Crowne Plaza Copenhagen Towers

Hotel Crowne Plaza Copenhagen Towers is Denmark's leading hotel within sustainability and a part of the Intercontinental Hotel Group (IHG), as a franchised hotel operated by BC Hospitality Group.

The hotel has 366 rooms spread over 25 floors. Additionally, it has a congress and conference center of 3,500 m², which consists of 18 meeting rooms (with capacity for 5-90 participants) and a meeting hall (with capacity for up to 800 participants).

Crowne Plaza Copenhagen Towers is ideal for both business travelers, weekend stays, and mini-breaks. The hotel offers overnight stays and day events, meeting and conference facilities, festivity and holiday stays, family packages, romantic getaways, and ordinary stays. Crowne Plaza Copenhagen Towers also offers office space for companies and other organizations. The office space tenants in Copenhagen Towers have access to a wide variety of services and benefits.

In 2016, Crowne Plaza Copenhagen Towers launched two new features: BARK, a new restaurant, and Orango, Ørestad's new sustainable coffee shop.

BARK uses nature as inspiration and everything that it uses and serves is selected on the grounds of quality, sustainability, and locality. The meat is grilled in the open fire and only seasonal ingredients are used. There is a selection of domestic and foreign beers and wines can be of the conventional, natural, or sustainable kind.

At **Orango**, the coffee comes from Indonesia, where BC Hospitality Group has participated in building a new sustainable coffee brand, where part of the revenue goes to protecting the population of orangutans in Sumatra.

360° Venue Catering

In the autumn of 2014, Crowne Plaza launched a new catering business, Crown Plaza 360° Venue Catering, a unique all-in concept within outside venue catering. 360° Venue Catering offers creative and sustainable catering solutions for meetings, receptions, dinners, and parties. In 2016, 360° Venue Catering was selected as the Food & Beverages provider at the new Royal Arena in Copenhagen.

Copenhagen Marriott Hotel

The exclusive Copenhagen Marriott Hotel operated by BC Hospitality Group, is situated right on the canal waterfront in central Copenhagen on Kalvebod Brygge. It has 402 rooms, which boast magnificent views across the city, on one side, and across the harbor canal, on the other.

Copenhagen Marriott Hotel is particularly well-known for its conference facilities, with a total of 16 rooms of varying sizes. In the hotel, guests are also able to enjoy dinner in the Midtown Grill restaurant, where the focus is on sustainable and local ingredients, and drinks at the PIER 5 Bar & Lounge, which serves handcrafted cocktails. The hotel facilities also include a modern fitness center and steam room.

Copenhagen Marriott Hotel's guests are international leisure and business guests who travel the world staying only at Marriott hotels, harnessing the privilege of Marriott Rewards. Copenhagen Marriott Hotel has the capacity to provide perfect accommodation to big groups of both leisure and business guests.

Forum Copenhagen

Forum Copenhagen is a multi-purpose arena close to central Copenhagen, which over the years has hosted numerous events of all kinds featuring many of the biggest names in music, theatre, and entertainment. Forum is a dream venue for party and event organizers, with ample space for the most imaginative functions – and up to 3,000 dining guests.

With the Metro going directly outside its door, Forum Copenhagen is also an obvious supplement to events being staged at Bella Center Copenhagen.

CIFF & CIFF Showrooms

Copenhagen International Fashion Fair (CIFF) is the leading and most innovative fashion platform in northern Europe, presenting carefully curated areas for premium brands. CIFF is Scandinavia's largest fashion fair and a key part of Copenhagen Fashion Week.

CIFF Showrooms is Scandinavia's largest fashion house for professionals. Here, over 500 leading international and Scandinavian fashion brands have their own showroom. The CIFF Showrooms are also an integral part of the biannual fashion fair at Bella Center.

Located in Bella Center Copenhagen, CIFF and CIFF Showrooms/Shoes consist of more than 50,000 m² divided on three floors.

International House

International House provides newly renovated offices, at a premium location, that adjoin Bella Center Copenhagen. Apart from office spaces, International House offers meeting rooms, mail and package services, free parking, front desk, and many other advantages.

Stakeholder Engagement

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

We primarily identify stakeholders as parties to whom BC Hospitality Group has a legal, financial, and/or moral responsibility. Stakeholders can also be groups with whom BC Hospitality Group interacts with the most or parties with influence or decisions-making power.

Employees

On a day-to-day basis, we engage with our employees through direct communication, staff meetings, our intranet, etc. Employees and the management team cooperate formally through Works Committee and Health & Safety Committee. Through our participation in the Great Place to Work survey and Workplace assessment reviews, we gain valuable insight into the welfare and needs of our employees.

Customers & Guests

We encourage our customers and guests to give us feedback of their experience. We engage through quality reviews, social media channels, booking and travel websites, directly via email or phone, our Group and brand websites, through our loyalty programs, and through their daily interaction with our colleagues and with our sales representatives.

Suppliers

Through contractual agreements and our Supplier Code of Conduct, we specify the terms of cooperation with BC Hospitality Group. We select our suppliers strategically, based on the principles of Responsible Hospitality, and we collaborate closely through continuous dialogue throughout the year.

Trade Unions

BC Hospitality Group encourages employees to elect a trade union representative. The trade union representatives have seats in the Works Committee of BC Hospitality Group by default and thus they have the chance to discuss conditions of the workplace every 3 months. There are also collective agreements in place, between the group's trade association and the workers' unions.

Government and Advisory & Certification Services

We continuously make sure to engage with government bodies and discuss key policy issues. BC Hospitality Group is also represented in the advisory board that makes recommendations to the government regarding integration and refugees in the labor market, as well as HORESTA – the hospitality industry's leading trade association. We engage regularly with audit and certification bodies and follow their guidance concerning best practice for our management systems. Through our Responsible Hospitality report, we reaffirm our support to multi-stakeholder initiatives such as the UN Global Compact and the Sustainable Development Goals.

Owners & Board of Directors

We communicate with our owners Solstra Investments A/S and share our performance with the board of directors through our formal reporting and accounting system, through board meetings and company briefings, and through our Annual and Responsible Hospitality reports.

Marriott International Inc.

AC Hotel Bella Sky Copenhagen has a franchise agreement with Marriott International Inc. Marriott is a leading global lodging company with nearly 6,000 properties in 120 countries. We have specific responsibilities towards them formulated in the brand standards. We communicate continuously through

our contact points and during status meetings, in order to ensure that we fulfill brand expectations and standards.

Community

We are an active part of our local community. We make sure to engage in sponsorships and dialogue with the job centers, local municipalities, such as Copenhagen and Roskilde. We also work with NGOs and other organizations to cooperate on specific projects.

Business Associates & Networks

Through dialogue, networking and PR activities, our aim is to share know-how and best practices on CSR and sustainability during events, joint partnerships, and participation in associations. We are an integral part of promoting Copenhagen's local culture and Denmark as a destination. We also cooperate with Horesta, the industry's leading trade association, who communicates to us market analyses, trends and forecasts, training and guidance on legislation and government policies that are relevant to us and to our industry. We are also part of VFSA (Virksomhedsforum for Socialt Ansvar), whose task is, among other things, to consult the Danish Ministry of Labour about the social responsibility of businesses.

Responsible Hospitality

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

We call our 360 degree strategic approach to sustainability “Responsible Hospitality”. Our vision is to be pioneers in the hospitality industry, by exploring ways to create shared value through new market opportunities, partnerships and initiatives and optimizing resources used. This goes hand in hand with our promise to deliver superior service experiences.

To us, hospitality is more than just providing the best possible service and delivering the highest possible quality to our guests and customers. It is about taking responsibility for our relationships with others by listening to and responding to our stakeholders, taking responsibility for the impacts of our business on society and the environment, and proactively contributing to positive change wherever possible.

We believe that operating a profitable business and fulfilling our social, environmental and economic responsibility are – and will remain – compatible goals. We choose the most sustainable solution, provided that it makes sense and adds value. To us, it is important fulfil our promise and to integrate Responsible Hospitality into every element of our work. We aim to establish the necessary structures, policies, procedures and division of responsibilities to ensure that we act responsibly in economic, social and environmental terms.

We are a member of the UN Global Compact, through which we have committed us to operate responsibly, in alignment with the 10 universal principles of sustainability. We are also in the process of aligning our Responsible Hospitality goals with the United Nation’s Sustainable Development Goals.

Our efforts are based on ongoing assessments of relevance and our Responsible Hospitality strategy is formed around 5 key areas in which we want to make lasting positive contributions. Our initiatives are built on the foundation of our Human Rights Policy, Environmental Policy and Business Integrity Policy¹. All of the indicators included in this report are considered relevant for BC Hospitality Group. We have identified potential issues that could result from our activities and assessed how significant they are to our business and to our stakeholders. We account for key topics and concerns, management approach on these issues and evaluate our current results. Selected indicators are however merely presented as a diagram without additional comment in the Appendix.

RESPONSIBLE HOSPITALITY



¹ See Appendix/Responsible Hospitality Policies, Page 23

Workplace

GRI: 103-1, 103-2, 103-3

Our employees are the foundation of our business and the secret to our success. We are dedicated to offer a positive, challenging and inspiring work environment and the opportunity to reach full potential through training and job development. By providing a diverse workplace where everyone is treated fairly and respectfully, we simply want to be an employer of choice. 2016 was a year where we continuously made progress in being a workplace of great diversity and an employer that helps employees realize their full potential through training and opportunities for development.

Governance

GRI: 102-7, 102-8, 102-18, 102-41, 405-1

UNGC Principle: 3, 6

The governance structure of BC Hospitality Group includes a Board of directors and an Executive board. In addition, there are several specialist committees who examine matters falling within their terms of reference. This includes amongst others a BC Academy Advisory Board, as well as a Works Committee and Health and Safety Committee.

Total Number of Employees

Due to the seasonal nature of our business, we have large numbers of on-call staff, on which we rely during large events and high-season.

	On-Call	Permanent	Total
AC Hotel Bella Sky Copenhagen	78	114	192
Bella Center Copenhagen	1489	290	1779
BC Hospitality Group	1567	404	1971

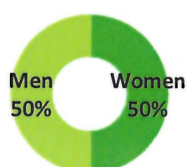
Diversity of governance bodies (Gender distribution)

BC Hospitality Group aims to have both genders represented, where possible, in all of its departments, committees and management levels.

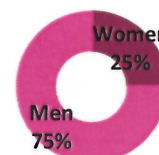
While we do not have equal gender distribution on our boards, we do not find it necessary at this time to account for additional policies, initiatives or results at this time.

BC HOSPITALITY GROUP

Executive Board

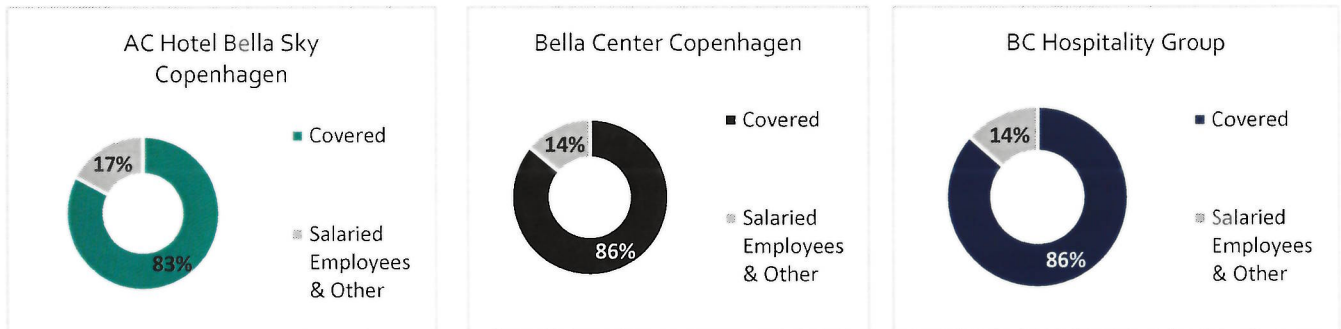


Board of Directors



Collective Agreements

The figures below show the percentage of total employees covered by collective agreements and the percentage of salaried employees², by each business unit.



Learning & Development

GRI: 404-2, 412-2

UNGC Principle: 1, 6

BC Academy

In our annual Great Place to Work employee survey, employees expressed the need for more learning and development to upgrade their skills. We recently³ launched the BC Academy, a learning platform for our employees, as a means of improving the professional development opportunities provided by BC Hospitality Group. The Academy's aim is to offer training and courses that develop and strengthen employees' competencies. BC Academy offers courses within internal training, external training and risk management training.

BC Academy got off to a very good start and feedback positive. In 2016 resources was used to ensure the proper implementation and establishment of BC Academy in all business units in BC Hospitality Group. This has resulted in new courses and educational partners in order to ensure the highest degree of professional expertise amongst our employees.

Unfortunately, we had challenges collecting precise data on training for 2016. The results featured in the Appendix⁴ is not a complete picture of employee training, but rather a presentation of available registrations. In order to provide more concise data for our 2017 report, our plan is to implement a better-organized registration system, in order to better document and follow-up on results. We also aim to have 30% of our permanent employees⁵ (ca.189 employees) to complete a course or training module offered in the BC Academy Catalogue.

² In the calculations for the collective agreements, the Bella Sky Spa is not included. For the employees at Bella Sky Spa there are different agreements in place, where their salary and other conditions are on the same range as the collective agreements.

³ October 2015

⁴ See Appendix page nr. 27

⁵ Including Crowne Plaza Copenhagen Towers & Copenhagen Marriott

	Total no. of hours	Women	Men
AC Hotel Bella Sky Copenhagen	3167,5	57,69%	42,31%
Bella Center Copenhagen	3590,4	92,86%	7,14%
BC Hospitality Group	6757,9	53,17%	46,83%

Employee Training & Human Rights

The BC Hospitality Group's Human Rights Policy⁶ is reviewed with all new employees during introduction day as part of their onboarding program at AC Hotel Bella Sky. It is our goal to implement an introduction day at Bella Center Copenhagen in 2017, which includes an introduction to our human rights policy.

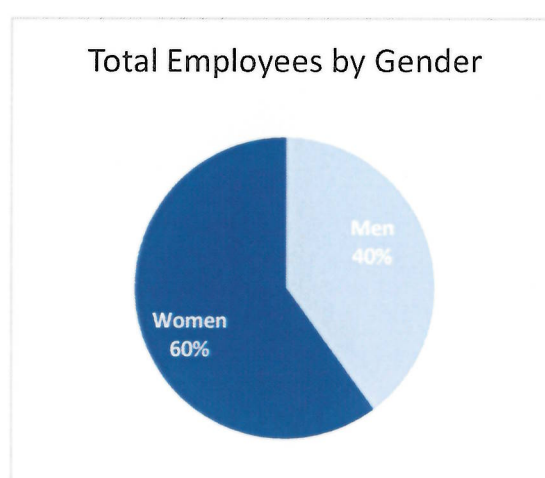
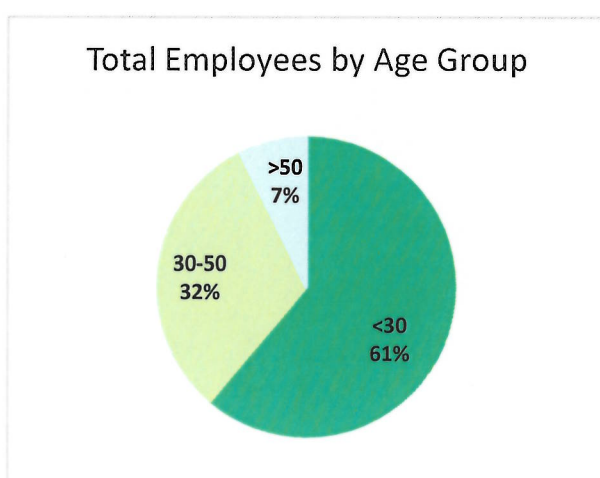
The company's Human Rights Policy is also available in the employee handbook available to all employees as well as the BC Hospitality Group's website. We recognize that one of the most important human rights issues in the hospitality industry in Europe and around the world today is human trafficking. It is therefore crucial that our associates can recognize and respond to signs of human trafficking, even though we do not consider this a high-risk issue for our specific hotels. Nevertheless, all employees of the AC Hotel Bella Sky Copenhagen must complete mandatory training regarding human trafficking by September 2017.

Diversity & Equality

GRI: 405-1

UNGC Principle: 6

Diversity and equality is a very material issue for our company. The rich diversity of our employees at all of our business units is something of which we are very proud. BC Hospitality Group is committed to diversity and inclusion across all departments and functions. To achieve it, we strive to create working environments and establish team dynamics where every group fits and everyone feels accepted, has value and contributes. We recruit and promote individuals solely on their suitability for the job without discriminating on grounds of race, color, ethnic or national origin, gender, sexual orientation, age, religion, marital status or disability unrelated to the role.



⁶ See Appendix, page 23

Employee Well-being

Great Place to Work

We are nothing without our passionate and skillful colleagues! Participating in the Great Place to Work programme gives us the means to continuously reassess and improve our performance as an employer. One of the key aspects of the programme is the annual employee survey. We use the survey insights to continuously improve the welfare of our employees. How we score on the Great Place to Work Trust Index is considered a key KPI for all business units. The (achieved) goal for 2016 was for the Senior management team to rate 80% on the trust index. We are still in the process of formulating a goal for 2017.

Great Place to Work annually publishes a list of Denmark's Top 100 workplaces. In 2016 we are very proud that AC Hotel Bella Sky Copenhagen took 29th place among the Top 30 of the list for Medium-Large Companies.

Social Events

BC Hospitality Group is not only a place of work, but also a place of fun and motivation, where employees can practice a healthy lifestyle and a company spirit. One of the ways we do this is through organizing social events and activities.

In September 2016, we participated in the DHL Relay Race (DHL Stafetten), an event where more than 3500 private and public organizations can meet and compete for 5 km. 65 runners from BC Hospitality Group participated as *One Team*.

Before Christmas, every business unit organized our *Christmas Café* and the *After Work Christmas Friday Bar*. Here everyone had the chance to celebrate Christmas with his or her colleagues and receive their Christmas present from BC Hospitality Group.

Shortly after the New Year, we hold our annual staff party. The event is held at the Bella Center, where everyone has the chance to mingle, have dinner, and party until late.

In the summer, we hold our summer event; and approximately every quarter, we have Friday Bars for each business unit.

Health & Safety

GRI: 103-1, 103-2, 103-3

UNGC Principle: 1

Health, Safety and Security is a naturally integrated part of the services provided by the BC Hospitality Group and a responsibility we take very seriously. We ensure that only the highest standards of health and safety including food safety systems, hygiene and sanitation standards. In addition, the security and safety for our customers, guests and employees is a top priority and handled accordingly.

Occupational Health & Safety

GRI: 403-1, 403-2

UNGC Principle: 1

Health & Safety Committees

Internally, we regulate occupational health and safety topics through our health and safety committee. The employees of Bella Center Copenhagen and AC Hotel Bella Sky Copenhagen, as well as those in the adjoining business units, belong to one common health and safety committee.

The committees consist of representatives from both management and employees, who meet four times a year. The Health & Safety representatives are responsible, along with the health and safety manager, of being aware of and discussing their and their colleagues' safety and health. They are elected by the employees in their department and participate in rounds and inspections of the company's operations. Through the committees, BC Hospitality Group aims to promote regular and active engagement among employees and management on material health and safety issues.

In 2016, we conducted a workplace risk assessment (APV) for all of our employees, at all units. Some of the areas in which we need to improve regards ergonomics, as well as the need to uphold a high work pace. The Health & Safety Committees of each unit actively work with the results of the survey, implementing action plans and goals for improvement.

Absence due to Sickness

We recognize absence due to sickness is a top priority issue at all BC Hospitality Group's business units. The table below shows the rates of absence for 2016. With the help of Aon, we have in 2016 conducted an in-depth analysis of our current policies and initiatives. On the basis of this analysis our goal is to develop a new health strategy, in order to address gaps and critical issues. The goal for 2017 is to reduce absence due to sickness to 4,1% for BC Hospitality Group.

	Total
AC Hotel Bella Sky Copenhagen	3,79%
Bella Center Copenhagen	4,09%
BC Hospitality Group	4,47%

Safety & Security

GRI: 410-1

UNGC Principle: 1

Safe Space

See Something? Do Something! That's the basic but all-important foundation of our comprehensive Safe Space Programme. A Group-wide initiative, set up to guarantee a safe and secure environment at every premise for our employees, guests and stakeholders. Our most important asset to success is our own employees. The Safe Space Programme actively involves all employees in security and safety training and consequently monitors parameters such as quality and response times. Through awareness and courses, we cultivate our colleagues' motivation and commitment to prevent undesired incidents and thus we create a safe space for all.

Security Personnel Training & Human Rights

Education and training is fundamental for our strategy of creating a functional and committed security culture within the company. All employees receive relevant training through our own Safety & Security Academy. Through the various courses offered, security personal become familiar with the concepts of active and passive security measures. This includes, but is not limited to, training in protocols related to intervention, incl. law and authorization, conflict understanding and management and confrontation handling.

Product safety

GRI: 416-1, 417-1

UNGC Principle: 1

Food safety

The health and safety of our guests and employees are of the utmost importance to us. All areas of food service have been inspected by the Ministry of Environment and Food of Denmark on a regular basis and have received exceptional smiley reports. The Danish Smiley Scheme informs customers on how well a company complies with food safety rules and regulations.

AC Hotel Bella Sky have also been awarded the Elite-Smiley for having only happy smiles on their last four consecutive inspection reports. The elite-smiley is awarded to enterprises with the best inspection history. Bella Center Copenhagen is also on its way to an Elite smiley as it has not been yet inspected four consecutive times.

In addition to our smileys, we have signs informing guests that we are happy to answer any questions they may have regarding allergenic ingredients, which are added to food. Food and beverages are always labelled either on the packaging or through signs on the buffet describing the name or main ingredients of the dish/product.

Environment & Climate

GRI: 103-1, 103-2, 103-3

UNGC: 7,8,9

At BC Hospitality Group we practice environmental stewardship by integrating environmentally friendly solutions wherever it makes sense and adds value. This includes efficient use of energy, water and other natural resources, waste management, as well as using and promoting sustainable mobility options. We also incorporate environmental considerations, including animal welfare into our operations and procurement decisions.

Knowing our impact

GRI: 102-11, 302-4

UNGC: 7,8

At BC Hospitality Group, we practice environmental responsibility, by implementing environmentally friendly solutions, where it makes sense. We take a precautionary approach to environmental and social challenges and actively try to minimize the negative impacts that we might have. This is e.g. documented through our At the AC Hotel Bella Sky Copenhagen we use *Green Hotels Global* a sustainability tools that help us track and measure our hotels' environmental impact.

In 2016, we conducted an extensive energy analysis of the following buildings: Bella Center Copenhagen, AC Hotel Bella Sky, Forum Copenhagen, Copenhagen Marriott, and our transportation. With this analysis, we are able to get an overview of the overall impact that our buildings and operations have on the environment. With this information, we are able to identify and implement selected initiatives to improve our energy usage.

It was clear that our biggest risk was the lack of an energy management system at the Bella Center Copenhagen where we have the largest negative impact. With the help of experts, we will implement an energy management system in the course of 2017. As we are able to have a clearer diagnostic of our impact, we hope to be able to formulate more specific and relevant targets for our impact in the future.

Energy & Climate

GRI: 302-1, 302-3, 302-4

UNGC: 7, 8, 9

Due to the considerable every-day operations at BC Hospitality Group's hotels and conference, meeting and event centers, we have recognized that there is a significant potential for energy savings, especially for Bella Center Copenhagen. On the basis of investing in solutions regarding energy and heating, identified during our impact analysis of 2016, Bella Center Copenhagen aims for a CO2 reduction of 234 tons.

Total Energy Consumption by business unit - 2016:

2016	Total Electricity	District heating & Cooling	Total Energy
Forum	853.947 kWh	1.044.500 kWh	1.898.447 kWh
AC Hotel Bella Sky Copenhagen	4.643.009 kWh	4.118.850 kWh	8.761.859 kWh
Bella Center	14.321.121 kWh	12.733.890 kWh	27.055.011 kWh
BC Hospitality Group	25.810.932 kWh	22.124.240 kWh	47.935.172 kWh

Energy Intensity:

	2016
AC Hotel Bella Sky Copenhagen	29 kWh/ per guest night
Bella Center Copenhagen	9 kWh/ per m ²

In 2016, approximately 1600 light bulbs were changed to LED. This means that Bella Center Copenhagen has managed to make this transition for approximately one third of its light bulbs. In 2017, we plan to change 5000 bulbs. Overall, we expect to have changed all light sources in public areas to LED by 2020, approximately 90% of the total light sources.

Resource materials used

GRI: 301-1

UNGC Principle: 8

As Scandinavia's largest exhibition and congress center, Bella Center Copenhagen makes use of a wide range of materials that depend on the type of event that is held. As Bella Center Copenhagen only provides support services to customers' events, it is not possible to have a precise view of the total weight or volume of materials used. However, we recognize our impact in this area and have identified some significant materials used by us during events. In 2016, Bella Center Copenhagen used 214.521,6 m² of carpet for its events, as well as 118.000 meters of steel wires. In 2017, it is our aim to have a clearer picture for a wider variety of materials used for exhibitions and congresses.

Minimizing Food Waste

At BC Hospitality Group, we are constantly looking for ways to reduce our food waste. It is important for us to plan and manage our food preparation in order to avoid a surplus of food. This is also an area we aim to improve in the year to come by means of education and awareness.

However we have implemented several initiatives in place to avoid food waste. Employees at the Bella Center are able to buy take-away boxes of prepared food at a much reduced price. We also work with several organizations and homeless-shelters in the local community to ensure food we might have left over from large events, can be given to e.g. the homeless others who are in need of a nutritional meal.

Biodiversity

GRI: 304-1

UNGC Principle: 8

AC Hotel Bella Sky Copenhagen, Bella Center Copenhagen, Comwell Conference Center Copenhagen, International House and CIFF/CIFF Showrooms are adjacent to Amager Fælled. Amager Fælled is a nature reserve, home for varied nature, many species, and rich bird life. Many of Amager Fælled's species are listed

nationally and internationally for preservation. BC Hospitality Group's operation does not have an impact on Amager Fælled or its biodiversity.

On the contrary, by hosting up to a million urban bees with our partner Bybi in at the AC Hotel Bella Sky Copenhagen and Bella Center Copenhagen we make a positive contribution to the biodiversity of Amager Fælled and Copenhagen. The surrounding green area of the Amager Fælled around Bella Center Copenhagen and AC Hotel Bella Sky Copenhagen provides ample nectar for Bybi's bees. The produced honey is a completely natural and clean product, free from pesticides, antibiotics and other dangerous chemicals.

Bybi is a social enterprise that rents out beehives to businesses all around Copenhagen in order to create a greener city and produce honey inspired by the diverse neighborhoods of the city. Bybi also seeks to create opportunities for asylum seekers, the long-term unemployed, and the homeless.

Marketplace

GRI: 103-1, 103-2, 103-3

We are passionate about delivering high quality services and products that always have our customers front and center. To ensure continuous improvements we actively engage with our customers, guests and business partners to adjust and perfect our practices.

Supply Chain and Sourcing

GRI: 204-1, 308-1, 407-1, 408-1, 409-1, 414-1

UNGC Principle: 8

BC Hospitality Group requires all our material/main suppliers to accept and sign the criteria specified in our Supplier Code of Conduct. These regard the topics human rights, labour rights, environment, anti-corruption and other industry specific standards. Even though our ethical requirements are stated in our Supplier Code of Conduct, it is the continuous dialogue with our suppliers that make out the cornerstone of our procurement practices. Through dialogue we are able to identify potential negative impacts in the supply chain and work with our supplier to adjust practices accordingly.

Our rationale for supplier selection is supported by additional principles we find material for sourcing sustainably, as each product has a unique impact on the environment and society. First, we always prioritize local sourcing. We have defined local as a range of 300 km from and while the majority of our suppliers are local, we do not have relevant data to support it for this report. We also prioritize seasonal raw materials, take into account food miles for relevant products, and focus on sourcing sustainable seafood, not on the WWF 'Red list'.

Animal welfare

Animal welfare is also an important consideration. The following table outlines the percentage of meat (by volume) out of our total meat purchases, acquired from suppliers⁷ focusing on animal welfare:

	Animal welfare Percentage of meat purchased
AC Hotel Bella Sky Copenhagen	48%
Bella Center Copenhagen	36%

Organic Products

We also aim to buy organic food and beverages wherever possible. The table below outlines the percentage cost used on organic products out of total purchasing costs from our main supplier Hørkram.

	Organic food and beverage Percentage of total
AC Hotel Bella Sky Copenhagen	22%
Bella Center Copenhagen	14%

⁷ This includes the following suppliers: Nordic Beef Hadsund, Grambogård and Hopballe Mølle

Doing business with us

We have high standards and we hold them to ourselves and to those we work with. At BC Hospitality Group, we fully believe that running a profitable business should coexist with our social and environmental ambitions. As a consequence, we want our suppliers to share these values and our commitment to sustainability. In our Supplier Code of Conduct, we have set a list of requirements, principles and practices to promote ethical work practices, safe working conditions in the supply chain, respectful treatment of persons and environmentally responsible practices. We strive to develop strategic relationships that add value and we always encourage our suppliers to rise above the requirements. Any supplier wishing to do business with us needs to comply with these standards, which take their departure in the 10 principles of the UN Global Compact.

Sustainability that counts

A key part of Responsible Hospitality is striving to find products for our guests that are not only excellent quality but come from a sustainable source whenever possible. We approach our journey of sustainability holistically, with all the multifaceted issues and complexity this involves.

In sourcing our raw materials, for example, we not only prioritize organic products, but local and seasonal products as well. Animal welfare is also high on our list of priorities. Our meat comes from the producers at Grambogård and Nordjysk Naturkød, who show respect and quality care to the animals, throughout their life and after.

In our search for a better and more sustainable coffee, we discovered the Orang Utan Coffee Project. Orang Utan Coffee is a premium blend that does great things for both your taste buds and the endangered wildlife in Sumatra. In exchange for sustainable farming methods, the local coffee farmer receives a premium of €0.5 for every kg of green bean coffee. The same premium is also donated to the Sumatran Orangutan Conservation Programme.

Community Engagement

GRI: 103-1, 103-2, 103-3

We have a close relationship with our local community and work actively to make a positive difference in Copenhagen. We provide venues and facilities that bring people together; we offer opportunities for people outside the job market gain new skills and find employment; and we support education and research by providing apprenticeships and trainee positions. In 2016, we focused our efforts towards creating jobs and opportunities for marginalized groups of people and enhancing our partnerships with local municipalities, non-governmental organizations, and charities.

Job creation and training

GRI: 102-8, 413-1

UNGC Principle: 1, 6

An essential part of BC Hospitality Group’s community engagement, is taking in interns in various forms. Interns do not replace support staff or conduct strictly support functions. . Interns can either be current or prospective students enrolled in educational-institutions or people who receive unemployment benefits from the municipality. The company also accepts vocational interns, as part of their education. Vocational interns are however considered as employees. They are paid as well as covered by collective agreements. All interns are accepted for a predetermined period of time. The company also uses this as one of our main channels for recruiting new employees.

	Student interns	Interns Job-Center	Vocational interns
AC Hotel Bella Sky Copenhagen	1	3	24
Bella Center Copenhagen	13	29	3
BC Hospitality Group	14	32	27

The BCHG Job School Program

As a major employer in Copenhagen, we also have a duty of ensuring future availability of skilled workforce and supporting diversity in the workplace.

In October 2016, we launched the BC Hospitality Job School programme for 30 newly arrived refugees in cooperation with Roskilde Municipality. The training programme offers refugees a 3-month internship in areas such as Food and Beverage, Facility Services and Technical Services. Participants also receive training in Danish language and culture as well as Danish workplace conditions on site at the Bella Center. In addition, we ensure that their qualifications are upgraded where needed, for example through a Certificate Hygiene Course. During the course of the program, representatives from the Municipality of Roskilde are present, in order to provide support in case an issue arises.

Most importantly, the program offers a marginalized group of people the opportunity to be part of a workplace to achieve professional insight and routine in order to start education or find employment – within BC Hospitality Group or another company. As a service organization, we firmly believe that diversity in the workplace is a strength that we greatly benefit from. In the process of training the new interns at the Job School, we hope our permanent staff members will also gain valuable experience from this cultural exchange.

In 2017, we plan to continue with the Job-School program and to create more jobs and opportunities for marginalized groups in our local community.

Big Packing Day

In 2016, BC Hospitality Group had the pleasure of supporting the Christmas Help (Julehjælp) program driven by the Danish Salvation Army. The Christmas-help program aims to support vulnerable families in Denmark who cannot afford to have the same Christmas as their peers. This year, the program offered families food, a gift voucher for a Christmas meal, candles, and children's toys, amongst other things. Before the gifts were handed out to the families in need, Bella Center Copenhagen offered a space to store all the goods donated. BC Hospitality Group employees volunteered their time and energy to help pack more than 3500 bags, just in time for Christmas. Mai Mercado –the Minister of Children and Social Affairs- also joined the effort.

Appendix

Responsible Hospitality Policies

UNGC Principle: 1-10

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.

Information on employees, workers and governance bodies

GRI: 102-8, 401-1

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME), BY GENDER.⁸

2016	Part-Time Women	Part-Time Men	Full-Time Women	Full-Time Men
AC Hotel Bella Sky Copenhagen	9	2	44	59
Bella Center Copenhagen	14	4	148	124
BC Hospitality Group	23	6	192	183

New Employee Hires

The tables below have been compiled taking employee seniority into account. Many employees are recruited internally - moved from one business unit to another and thus count as new hires. Nevertheless, they do bring their seniority from within BC Hospitality Group.

AC HOTEL BELLA SKY COPENHAGEN

	Women	Men	<30	30-50	>50
2-13 years Seniority	5	10	14	1	0
0-1 years Seniority	73	61	90	43	1
Total	78	71	104	44	1

BELLA CENTER COPENHAGEN

	Women	Men	<30	30-50	>50
2-13 years Seniority	50	19	39	28	2
0-1 years Seniority	729	500	992	194	43
Total	779	519	1031	222	45

⁸ All figures in the table below refer to permanent staff. The data is subject to seasonal variations. More specifically, there is an increase in employment in the period between March and September, especially at the hotels.

BC HOSPITALITY GROUP

	Women	Men	<30	30-50	>50
2-13 years Seniority	55	29	53	29	2
0-1 years Seniority	802	561	1082	237	44
Total	857	590	1135	393	46

Employee Turnover

Employee turnover is shown for permanent employees only. The results do not however account for employees who are recruited internally. See section on New employee hires for more information.

INDUSTRY FIGURES⁹

	Newly-employed Workers	Workers who left	Newly-employed Salaried Employees	Salaried Employees who left	Newly-employed (Total)	Left (Total)
2015	45,0%	42,9%	28,2%	26,4%	43,0%	40,9%

AC HOTEL BELLA SKY COPENHAGEN

	Newly-employed Workers	Workers who left	Newly-employed Salaried Employees	Salaried Employees who left	Newly-employed (Total)	Left (Total)
2015 (with Bella Center Copenhagen)	56,4%	37,6%	25,6%	14,2%	35,3%	21,6%
2016	62,5%	35,2%	23,8%	9,5%	55,0%	30,3%

BELLA CENTER COPENHAGEN

	Newly-employed Workers	Workers who left	Newly-employed Salaried Employees	Salaried Employees who left	Newly-employed (Total)	Left (Total)
2015 (with AC Hotel Bella Sky Copenhagen)	56,4%	37,6%	25,6%	14,2%	35,3%	21,6%
2016	73,2%	36,6%	30,9%	24,2%	38,3%	26,4%

⁹ Source: DA Statistik. Industry figures for 2015, as 2016 are not available yet.

	Newly-employed Workers	Workers who left	Newly-employed Salaried Employees	Salaried Employees who left	Newly-employed (Total)	Left (Total)
2015	65,9%	35,7%	30,2%	22,8%	43,6%	27,6%
2016	56,4%	37,6%	25,6%	14,2%	35,3%	21,6%

Collective Agreements

GRI: 102-41, 403-4

UNGC Principle: 1,3

At BC Hospitality Group, there are the following collective agreements:

- Salaried Employee Agreement between Horesta and HK/Privat - applicable to the hotels' employees who work with sales, service, business and office work
- Salaried Employee Agreement between HK and Dansk Erhverv - applicable to salaried employees in BC Hospitality Group, who work with business, sales, service, and office work
- The Main Collective Agreement between Horesta and 3F - applicable to employees in the hotel and restaurant industry, including, but not limited to: receptionists, waiters, food preparation employees, assistants, and service employees
- 3F: Lager, Post og Servicearbejdernes Forbund (LPSF) [Warehouse Workers', Postal Workers' and Service Workers' Union] - applicable to security and controllers
- Elevoverenskomst mellem Horesta Arbejdsgiver og 3F Privat Service, Hotel og Restauration [Apprentice Collective Agreement between Horesta Employer and 3F Private Service, Hotel and Restaurant] - applicable to reception apprentices, waiter apprentices, catering apprentices, sandwich maker apprentices, and cook apprentices

Employees who are subject to the main collective agreement with 3F (United Federation of Danish Workers) are referred to PensionDanmark's healthcare scheme. The members of PensionDanmark's healthcare scheme can have free and quick access to any type of treatment, if they become ill.

The collective agreements also contain provisions on the election of union representatives. The union representatives have a duty to address any arising disputes and to maintain a peaceful cooperation in the workplace. BC Hospitality Group encourages employees to elect a trade union representative. Currently, there are seven union representatives at BC Hospitality Group, from three different trade unions.

All salaried employees¹⁰ with more than 3 months of company-seniority and more than 30 hours of work a week are members of 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.

¹⁰ Salaried employees: people who perform professional, managerial, or administrative work.

Total hours of training per year per employee

GRI: 404-01

Unfortunately, we had challenges collecting precise data on training for 2016. The results featured below is not a complete picture of employee training, but rather a presentation of available registrations.

Internal training

	No. of Hours	Women	Men
AC Hotel Bella Sky Copenhagen	1716	57,69%	42,31%
Bella Center Copenhagen	347,8	92,86%	7,14%
BC Hospitality Group	2063,8	65,15%	34,85%

Risk Management Training

	No. of Hours	Women	Men
AC Hotel Bella Sky Copenhagen	1369,5	48,2%	51,8%
Bella Center Copenhagen	3094	51,6%	48,4%
BC Hospitality Group	4463,5	50,0%	50,0%

External Training

	No. of Hours	Women	Men
AC Hotel Bella Sky Copenhagen	82	0,0%	100,0%
Bella Center Copenhagen	148,6	66,7%	33,3%
BC Hospitality Group	230,6	33,3%	66,7%

Total number of employees by employment contract, gender, age group, and nationality¹¹:

GRI: 405-1

AC HOTEL BELLA SKY COPENHAGEN

	Women	Men	<30	30-50	>50	Danish	Scandinavian (SE, NO, FI, IS)	Non-Scandinavian	Total no. of nationalities
On-Call	46	32	55	20	3	38	1	39	19
Permanent	53	61	59	51	4	83	7	24	20
Total	99	93	114	71	7	120	8	63	32

¹¹ Note: Concerning *Nationality*. Due to an error 6 employees in BCHG are not registered as having a nationality in our registration system. Unfortunately, we do not have the correct information on on-call employees' nationalities at this time. There is a margin of error of 308 duplicates, as there are some employees who work in more than one business unit. There are 2069 unique individuals in the system.

BELLA CENTER COPENHAGEN

	Women	Men	<30	30-50	>50	Danish	Scandinavian (SE, NO, FI, IS)	Non-Scandinavian	Total no. of nationalities
On-Call	921	568	1114	289	86	N/A	N/A	N/A	N/A
Permanent	162	128	70	176	44	252	10	28	19
Total	1083	696	1184	465	130	N/A	N/A	N/A	N/A

BC HOSPITALITY GROUP

	Women	Men	<30	30-50	>50	Danish	Scandinavian (SE, NO, FI, IS)	Non-Scandinavian	Total no. of nationalities
On-Call	967	600	1169	309	89	N/A	N/A	N/A	N/A
Permanent	215	189	129	227	73	335	17	52	39
Total	1182	789	1453	751	173	N/A	N/A	N/A	N/A

Employee Benefits

GRI: 401-2

Both full-time and part-time/temporary employees qualify for company benefits. All permanent employees benefit from the same employee benefits after the first three months of their employment. The exception is on additional health insurance for employees which only applies for employees who work for more than 8 hours a week. The company does distinguish between on-call and permanent staff. Members of the on-call staff do not receive any employee benefits.

Parental leave

GRI: 401-3

According to Danish legislation, all permanent employees have the right to take leave (right to absence). Permanent employees with a minimum of nine months of company seniority have the right to receive full or partial pay during parts of the leave.

No. of employees who took parental leave in 2016

	Women	Men
AC Hotel Bella Sky Copenhagen	4	3
Bella Center Copenhagen	14	11
BC Hospitality Group	18	14

No. of employees who returned to work in 2016 after parental leave ended

	Women	Men
AC Hotel Bella Sky Copenhagen	2	1
Bella Center Copenhagen	8	11
BC Hospitality Group	10	12

No. of employees that returned to work after parental leave ended and were still employed 12 months after their return to work

	Women	Men
AC Hotel Bella Sky Copenhagen	3	2
Bella Center Copenhagen	4	6
BC Hospitality Group	7	8

Personal Development Reviews

GRI: 404-3

Below, the percentage of employees registered as completing a personal development review. We did have technical challenges with some users on the registration system. We thus believe the actual numbers to be somewhat higher. It is our aim that all permanent employees receive a personal development review.

	Percentage	No. of employees who received PDR	Total permanent employees
AC Hotel Bella Sky Copenhagen	65,79%	75	114
Bella Center Copenhagen	72,07%	209	290
BC Hospitality Group	70,30%	284	404

Water

GRI: 303-1

	2016
AC Hotel Bella Sky Copenhagen	50885 m ³
Bella Center Copenhagen	29550 m ³
Forum	4436 m ³
BC Hospitality Group	84871 m³

Waste

GRI: 306-2

	Incineration	Sorted	Landfill	Organic	Hazardous	Total
AC Hotel Bella Sky	245.470 kg	37.060 kg	N/A	42.535 kg	N/A	325.065 kg
Bella Center Copenhagen	574.910 kg	199.305 kg	7.860 kg	6.400 kg	1.722 kg	790.197 kg
BC Hospitality Group	820.380 kg	236.365 kg	N/A	48.935 kg	N/A	1.115.262 kg

Senior Management & Local Community

GRI: 202-2

Local is defined as the Capital Region, as well as the municipalities of Copenhagen and Frederiksberg.

Senior management is our top management layers, consisting of the directors of each business unit¹².

	Senior Management
AC Hotel Bella Sky Copenhagen	0,0%
Bella Center Copenhagen	70,0%
BC Hospitality Group	63,6%

Supported Investments

GRI: 203-1

As of September 2015, BC Hospitality Group entered into an agreement, with Bellakvarter Projektselskab A/S. The agreement pledged BC Hospitality Group to support Bellakvarter Projektselskab A/S with funding to its development activities concerning Bellakvarter. Bellakvarter is a newly constructed neighborhood that will comprise of homes, shops, kindergartens, cafés, public spaces, and parks. Bellakvarter's ambition is to create housing and urban spaces that combine the modern Copenhagen lifestyle with nature and sustainability¹³.

¹² Note that AC Hotel Bella Sky Copenhagen has only one Group Hotel General Manager in the Senior Management Team.

¹³ For more information see Annual financial report of BC Hospitality Group 2016

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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	-