



LOCA GRUPPEN
EVERY MEAL MATTERS

SUSTAINABILITY REPORT

2021 - 2022

PREFACE - OUR IMPERFECT JOURNEY

The development and growth we enjoy in richer countries today has come at a high price. This growth has led to large CO2 emissions, and today it is no longer debatable that climate change is a reality to which the whole world must respond, if we do not want to destroy the future for our children and coming generations.

It is estimated that the food industry is responsible for approximately a fourth of the world's CO2 emissions. At the same time, we are an industry in which the creation of sustainable change does not have to be difficult - indeed, with good ingredients and good craftsmanship, we have every possible opportunity for making sustainability an enjoyable and positive choice.

Nobody can do everything, but everybody can do something. When we created LOCA Gruppen in 2017, we did it with butterflies in our stomachs but also with a wish to contribute with what we have always been best at doing: creating TASTE & JOY. With our LOCA Manifesto in 2021, we finally wrote down the mindset behind our motivation for charging together into what we call 'our imperfect journey'.

With a starting point in the manifesto, we can now present our first sustainability report, which describes through numbers and facts how far we have come on our journey while setting new goals for where we will go next.

We work according to the mantra 'if you can measure it, you can control it', and we have in 2021 devised processes and tools that enable us to measure a large variety of the criteria we have identified in our LOCA Manifesto as important for sustainability in our industry.

This report is filled with exciting numbers and facts on our usage of local ingredients, CO2 emissions, degree of organics, animal welfare and much more that we are excited to implement and optimize in our kitchens and operations in 2022 and the years to come.

However, our guiding light on the road to sustainable gastronomy is ultimately not dull numbers but the love of food - and not least people.

For this reason, people make up the majority of the LOCA Manifesto, as we are of the opinion that the well-being of people is the most important factor in creating a bright and sustainable future together.

In 2022, a natural area of focus will continue to be the people in our own organization, as we, through the development of the concept LOCA Family, will focus on the well-being and development of individual employees in a strong LOCA community with common goals.

For the industry, the human focus is more important than ever. The restaurant industry is globally in the middle of an unprecedented lack of workers, and if we as a collective industry are to attract and retain the right people, we need to come together to clear out the antiquated traditions and cultures that scare people away from our industry.

A primary area of focus for LOCA in 2022 will for that reason also be to intensify our engagement in the industry as a whole and seek partnerships inside and outside the industry, where we can come together to improve general conditions for industry actors and ensure better wages, training, and working conditions for employees. Together, we will do our part to make the industry as a whole and the jobs as chef, server, and manager specifically more attractive for everybody with a passion for food and service - and sustainable gastronomy.

We know that the road towards sustainability is paved with constant dilemmas and compromises. And we also know that our journey and our approach will never be perfect. For this reason, the imperfect journey never ends, but with this report, we nevertheless feel that we are taking a big, exciting, and important step towards our goal.

We hereby thank all our colleagues and partners - and not least our number cruncher and LOCAs Head of Sustainable Procurement, Michael Steiin - who have all helped make this report possible.

Best regards,
Merete Holst & Dorte Østergaard





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INTRODUCTION

INTRODUCTION

When the UN panel on climate change IPCC published results in 2014 from the most extensive analysis of climate change ever, the conclusion was unambiguous:

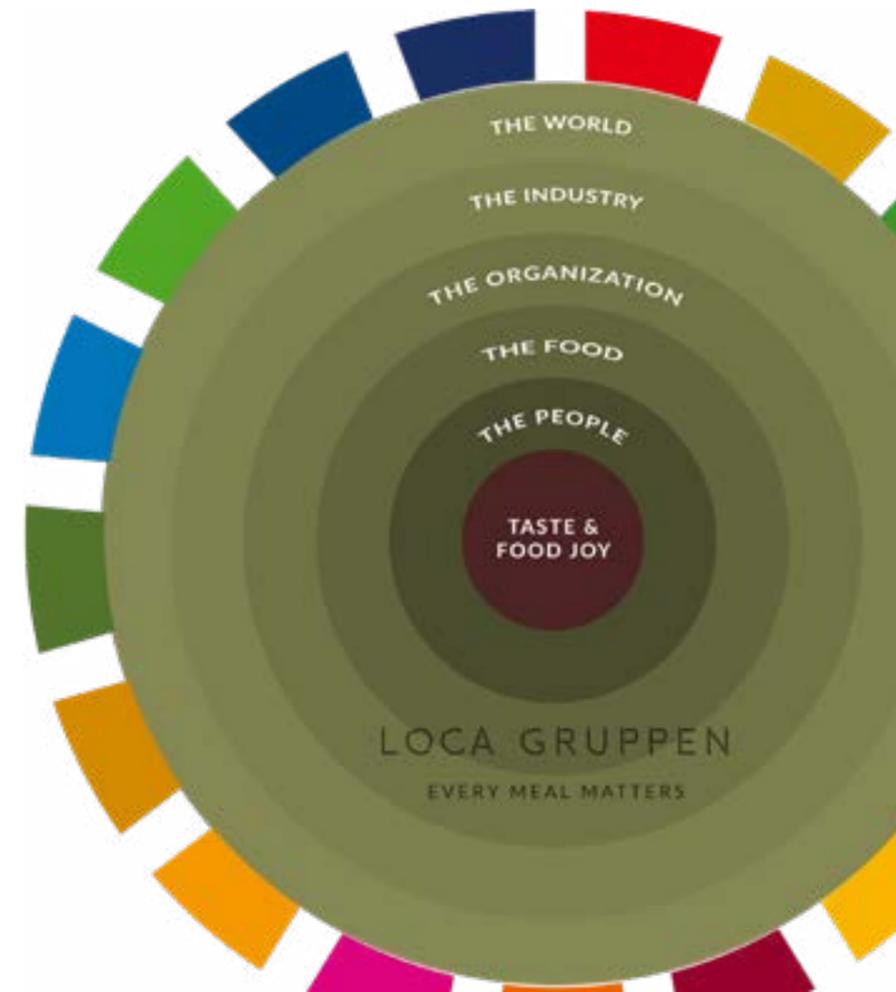
“Climate change is real and human activities are the main cause” (IPCC, November 2nd, 2014)

In 2022, it is no longer debatable that climate change is a reality the whole world must face going forward. It was for this reason that we in 2021 wrote our LOCA Manifesto, in which we have considered the 8 UN Sustainable Development Goals regarding which we as a company think we can make the biggest impact. This includes not only climate change, but also e.g. life on land and below water, global inequalities and gender equality. With the LOCA Manifesto, we share what we want to do – and not least how we will do it.

Luckily, it is not too late to change course. As the UN also emphasizes, we have the tools, but we need to also have the will and the ambitions.

This first **Sustainability Report** that you currently have in your hands is meant as a direct extension of our LOCA Manifesto. During 2021, we have measured the results of our efforts aimed at a higher degree of sustainability in our restaurants and canteens. We have developed tools to measure and analyze the CO2 emissions from all our ingredients and dishes. In this way, we can specifically measure our progress and notice areas where we need to tighten the screws moving forward. But for us, sustainability is not just about whether the carrots are locally grown, and whether the pigs have had a good life. We also care about human sustainability – throughout many years this has been lacking in the restaurant industry – and in this report we also outline all the specific efforts we have carried out to create a good working environment, where employees want to stay and grow throughout many years.

We want to benefit from our employees for a long time, and we can only do that if we give them better working conditions, fair wages, and good quality continued training. We are ambitious when it comes to our gastronomy – we want to be among the best in the country, but not at the cost of our employees' well-being. We want to be known for being one of the best workplaces in the industry.



As a teaser for the report, you can watch this video (www.shorturl.at/nwKQ7), in which our founder Merete Holst gives you a short and clear explanation of our ideology and our ambitions for ourselves and our industry.

The LOCA Manifesto was written in collaboration with the renowned Basque Culinary Center in San Sebastián with the aim of becoming a generically applicable guideline for the entire culinary industry and those who work in it, from Michelin restaurants to canteens in Copenhagen and China.

The report was written with a point of departure in the Manifesto's 5 pillars with elements in sustainability that we along with Basque Culinary Center have identified as the most important for our industry.

The five pillars are:

The Food – The People – The Organization – The Industry – The World and SDGs

The general focal point for everything will always be TASTE & JOY. You can only achieve this through proper craftsmanship – and we must take care of and protect this craftsmanship.

We hope that this sustainability report can inspire more action, both at the short and long term.

The industry needs it.

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

Gro Harlem Brundtland, FN and the Brundtland commission, 1987





EVERY MEAL MATTERS



1. THE FOOD

"We want to create meaningful, flavorful meals through uncompromising quality and conscious choices. We refuse food waste and choose local ingredients, organics, animal welfare, and sustainable fish and shellfish. We choose less meat, more greens and responsible suppliers that live up to the UN sustainable development goals and the values that we aim at. But all this doesn't matter if the food doesn't taste good. Good choices must always go along with innovation, curiosity, and good craftsmanship, because the sustainable meal can and must make the angels sing."

LOCAS MANIFESTO 1. THE FOOD



EVERY MEAL MATTERS

THE FOOD

For registration and optimization of our sustainable purchasing of ingredients and drinks, we have established a calculator that can analyze the purchasing behavior in each of our restaurants and canteens. Please note that this report was composed for LOCA Gruppen as a whole, and that the stated data is an average of the group's total purchasing for all businesses.

In this section about THE FOOD, you will find a selection of our data, results, and areas of effort within:

- Share of animal versus non-animal ingredients
- CO2 emissions
- Organics
- Local ingredients
- Animal welfare
- Sustainably caught fish and shellfish
- Food waste

Our guiding principle on the journey towards sustainable gastronomy is not numbers, however, but our love of food.

Great TASTE & JOY is for that reason at the core of everything we do. To us, sustainable food is only sustainable when it is eaten and when it is chosen as a joyful and positive option. Our biggest goal is that our food tastes amazing – and for that reason our most important data will ultimately always be:

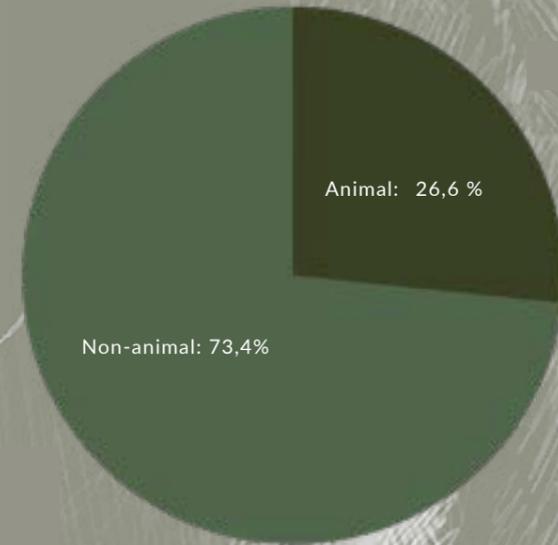
- **GUEST & CUSTOMER SATISFACTION**

ANIMAL – NON-ANIMAL

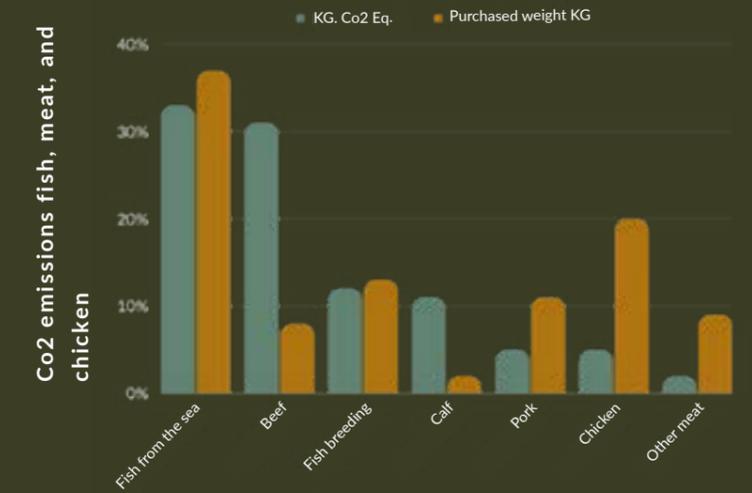
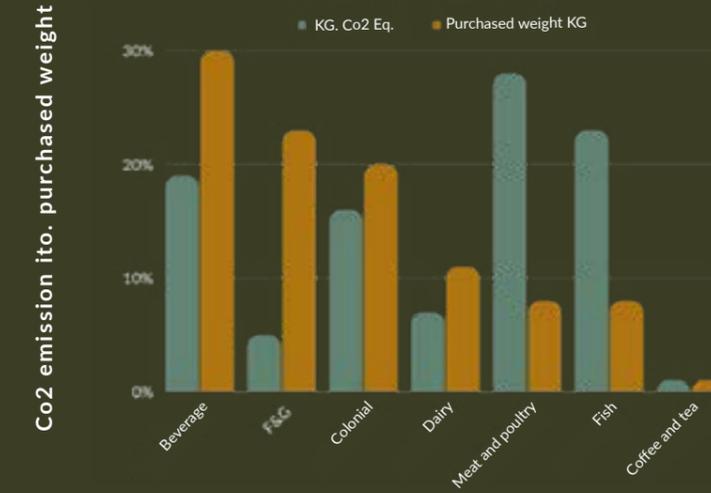
We register how many kilos and liters of our purchasing stem from animal sources and non-animal sources. In this, we examine all purchased ingredients and drinks.

Animal and non-animal purchasing 2021:

Animal:	26,6 %
Non-animal:	73,4%



CO2 EMISSIONS FROM INGREDIENTS



We have devised a baseline for our total CO2 emissions. See appendices.

Following this, we have divided our ingredient purchasing into seven categories and analyzed and assessed the purchases according to weight compared to the kilos of CO2 equivalents emitted. It is clear that while the purchasing of fruits and vegetables makes up the majority of ingredient weight (orange), the CO2 emissions (green) from animal ingredients make up a fairly small amount of purchased weight.

The distribution between purchased meat and poultry made up by weight in kilos and compared with kilos of CO2 equivalents is illustrated in the following diagram and show that especially beef and veal have a large CO2 emission from a relatively small purchased amount.

MENUS WITH CO2 CALCULATION

We calculate CO2 emissions per dish by using the emissions from the ingredients used. The calculations are based on numbers from Concito's 'Climate database', and we accept that currently the energy used in cooking processes is not included in the calculation.

For example, at Almanak by the Opera House, in 2022 we served a piece of smørrebrød with boeuf tatar, in which we had swapped a part of the beef top round with beets. This change resulted in a drastically reduced CO2 emission from ingredient use.

**Almanak's classic smørrebrød
with boeuf tatar of 100% beef
top round:
3,09 kg. Co2 eq.**

**Almanak's new smørrebrød with
boeuf tatar of 60% beet/40%
beef top round:
1,30 kg. Co2 eq.**

Reduction of 57 %



ORGANICS

Our general goal is an Organic Cuisine Label in silver. By the end of 2021, we have one restaurant with a Cuisine Label in silver and one with a Cuisine Label in bronze.

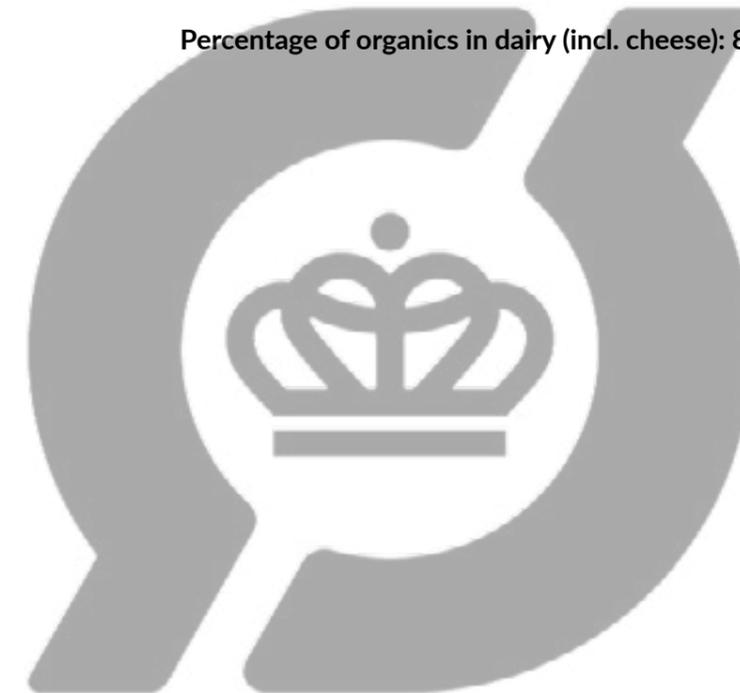
In the LOCA canteens, the degree of organics was 64% for our 'Lunch by delivery' concept from LOCA Lunchroom.

Our organic purchasing must be increased in 2022, and in the beginning of 2022, we initiated a swap of our wines to primarily organic wines. The amounts of organic fruits and vegetables must also be increased.

Percentage of organics in all purchasing 2021: 37.9%

Percentage of organics in eggs: 98.4%
(not 100%, as we have purchased non-organic quail eggs)

Percentage of organics in dairy (incl. cheese): 86.2%



WE PUT ALL OUR EGGS IN ONE BASKET

98.4 % organic eggs in
all of LOCA Gruppen



LOCAL INGREDIENTS

So far, we have defined local ingredients as products that are manufactured in Denmark using primarily Danish ingredients. This definition is an area which we will examine further in 2022.

There are several problems with the term 'local ingredients' – how do we define 'local'? How far away from the kitchen can the ingredients or product be grown or produced, and where do the feed for the animal production come from? Can you for example call a Danish pig local, if it is fed with crushed soy imported from South America?

Additionally, there may be challenges with different cuts of meat. They can, in the best case, come from animals from Danish herds, born, raised, and butchered in Denmark. But occasionally, animals are born in one country, raised in another, and finally butchered in Denmark – does that make the meat Danish?

We have not conclusively decided our stance on these problems, but we will examine them further in 2022.

Another challenge we consistently encounter in our wish to primarily purchase local ingredients is that, during certain times of the year, there are not enough Danish vegetables – what is the 'second-best' option then? This is another issue we will work on in 2022.

47,10% DANISH INGREDIENTS BY WEIGHT, 2021

NB: Wine purchased in Europe reduces this percentage significantly.

Selected ingredient groups:

54,20% DANISH FRUITS AND VEGETABLES BY WEIGHT

Our percentage of Danish fruits and vegetables increases during periods when it is available, is to increase further in 2022.

96,56% DAIRY (INCL. CHEESES) BY WEIGHT

We continue to work on making sure our cheeses come primarily from Danish producers.

80,48% POULTRY (RAISED AND BUTCHERED IN DK) BY WEIGHT

Satisfactory level for 2021, and in 2022, we will continue to focus on Danish producers.

65,14% PORK (RAISED AND BUTCHERED IN DK) BY WEIGHT

Correct data for Danish pork is more complicated, as a pig can be raised or butchered in another country, but eventually be processed and packaged in Denmark. As such, the pork will appear as 'Danish' on packaging and in statistics. We have selected the safest data from our statistics in this report, but there is a potential margin of error, which we will try to reduce in 2022.

Our goal is to use the highest proportion possible of Danish pork.

ANIMAL WELFARE

Our goal is that at least half of our meat products must come from livestock that can be described as 'welfare animals'. This will be an area with increased attention in 2022.

We categorize our animal products as follows:

PORK – POULTRY – VEAL AND BEEF – DAIRY – FISH

PORK

In general, we want to use pork from welfare pigs from local suppliers, and when this is not possible, we look for free-range or organic pork as alternatives.

The welfare pig has three hearts on the Welfare label from the Danish Veterinary and Food Administration.

2021 purchased percentage of welfare, free-range and organic pork: 49,4%

POULTRY & EGGS

We want to use poultry from Danish, free-range livestock, and in 2021 we focused on forest chickens from Svinninge farm on Zealand. They raise chickens of the breed Plymouth Rock, which after about 3 weeks are given the option to roam among 100-year-old oak trees. The chickens are captured gently after about 60-65 days and butchered locally.

2021 purchased percentage of chickens from Svinninge farm and organic: 54.4%

Our eggs must come from organic livestock and in 2022, we have started initiatives with partners to examine the opportunities for consumption of chickens that are no longer viable for the production of eggs. There is also a challenge with the cockerels, which are killed when they hatch. We also want to look for better alternatives to this in 2022.

2021 purchased percentage of organic eggs: 98.4%

VEAL & BEEF

We generally choose menus with limited amounts of veal and beef.

In 2021, we purchased a total of 940 kilos of veal and beef compared to 1,915 kilos of chicken and 4,665 kilos of fish. By doing so, we have already reduced the amount of meat coming from ruminants considerably, but our goal for 2022 is further reduction.

However, we will still offer veal and beef from welfare livestock. The meat comes from Nielsen Kød, where the animals during the summer roam in fields and forest areas, and during winters stay in stables with plenty of space and lots of straw. The cattle are raised together in a herd and butchered locally with a short transportation time going to the slaughterhouse.

2021 purchased percentage of welfare and organics: 44.8%

DAIRY

When purchasing dairy products, we consider our current level of animal welfare solely by categorization of organics. Our goal is a minimum level of 70% organics, but not necessarily 100%, as we want to retain the option of using exciting cheeses from Denmark and Europe which are not necessarily available with organic certification.

2021 purchased percentage of organic dairy: 86.2%

SUSTAINABLE FISH AND SHELLFISH

Fish make up a large and significant share of our ingredients. When it comes to sustainability and animal welfare within fishery, our most important parameters are:

Catching methods, Catching areas and stocks.

We use the WWF fishery guide as a guideline, but we use our partners in the area to the same extent in order to pay special attention to our own specific behavior and goals for a more sustainable direction.

CATCHING METHODS

We assess catching methods in order to create awareness of the consequences for the fish and the areas in which they are caught. However, this is a complicated subject with many different aspects, and we have let ourselves be guided by our fish suppliers.

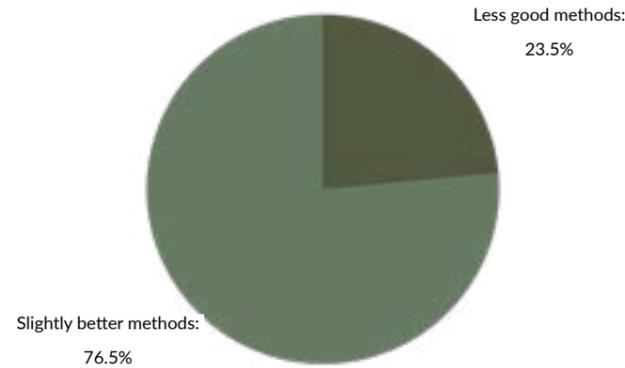
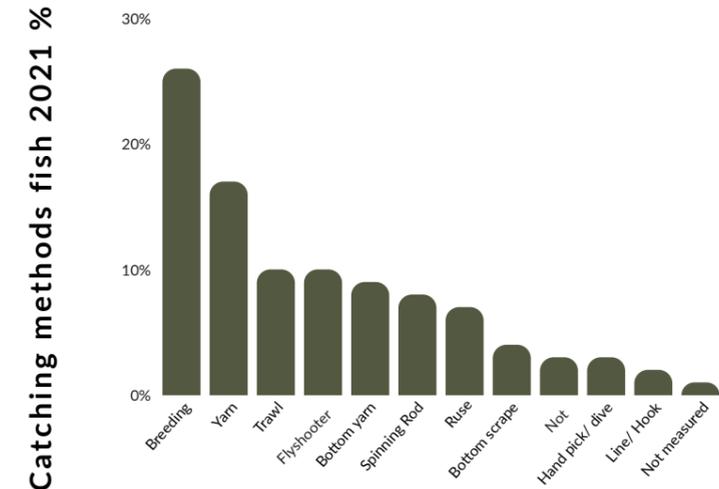
One example of the area's complexity is the old Danish anchor dragging method. In general, it is considered a relatively sustainable catching method, because, as opposed to catching via bottom trawling, it doesn't destroy the seabed. However, objections can be made that the anchor dragging method is not sustainable, since it uses a relatively large amount of fuel compared to other catching methods.

Our goal is to purchase fish that has been caught according to principles that can be considered 'better', and we select and deselect according to these principles.

In this specific example, we have decided to call the anchor dragging method a 'slightly better' catching method, as we in our approach to sustainability in fishery focus on gentle catching, healthy fish stocks and potential overfishing. We will examine these areas further in 2022.

Catching methods data:

We consider trawling, fly-shooting and dredging 'less good' catching methods. The 'slightly better' catching methods include anchor dragging, nets and bottom nets, traps, breeding, hand picking, seines and line fishing.



Catching methods 2021:

Less good methods: 23.5%
Slightly better methods: 76.5%

Focus area for 2022:

In 2022, we want to reduce our purchasing of fish caught by trawling, dredging, and fly-shooting. One challenge is the availability of fish caught with other methods, and for that reason, we will explore other catching methods further in 2022 with regards to what can be called 'sustainable' and 'less sustainable'.



ORIGIN:

Our goal is that all our fish comes from FAO fishery area 27 (Northeastern Atlantic Ocean) and preferable from the subareas 3 and 4.

Percentage of purchased fish from FAO 27: 87%

Percentage of purchased fish from FAO 27 + subareas 3 & 4: 33%

NB: We did not begin measuring the origin until the last quarter of 2021, so data comes from this period only.

Focus area for 2022:

We want to increase the number of fish coming from areas 3 and 4, and at the same time figure out how we can phase out fish coming from areas outside FAO 27. Additionally, in 2022 we want to focus more on Gentle Coastal Fishing and trying to find a method for measuring this parameter. We also want to be able to measure our purchasing according to stocks.

FOOD WASTE

In all kitchens, food waste equals a poor kitchen economy. In our professional kitchens, the food waste is for that reason monitored in our financial key numbers with monthly budgetary follow-ups on the kitchen percentage.

The kitchen percentage is the share of ingredient purchases in the total turnover. Currently, we only register our food waste by weight in kilos via our waste disposal service. It would be more interesting to know how the amount of food waste is divided between genuine waste and regular trash.

2021 percentage of organic waste compared to purchased ingredients by weight: 6.6%

In 2022, the goal is to find a method for assessing our food waste, so that it is registered as waste and trash, respectively, before handed over for waste disposal. In doing so, we will be able to compare – and minimize – waste and trash in relation to each other and in relation to the total weight of purchased ingredients.



GUEST & CUSTOMER SATISFACTION

LOCA Gruppen was established to create TASTE and JOY. It is our conviction and vision that with good flavor and food enjoyment, we can create positive changes for the individual guest or company but also across development goals and country borders.

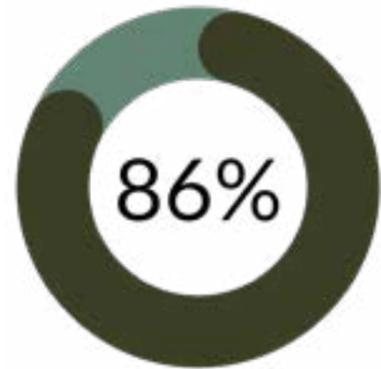
We work with specifically defined concepts and a clear gastronomical guideline created by the team behind our simple concept, and we have clear goals for our technical level with a single common denominator for everything we do – we want to be ‘Best in Class’.

For that reason, our success corresponds to the satisfaction of our guests and customers, and we carefully consider every bit of feedback, and we continuously initiate guest analyses for our restaurants and user inquiries for the clients in our canteens.

We set the bar high – the goal for all our concepts, restaurants and canteens is that over 80% of our visitors are satisfied or very satisfied to the degree that they would recommend us to others.

This goal was met for the group as a whole in 2021, and our new goal for 2022 is of course to return the favor and do even better.

EXCERPT FROM TARGETED USER ANALYSIS FOR CUSTOMERS IN LOCA LUNCHROOM



ANSWERED YES TO THE QUESTION
"Would you recommend The Lunchroom to others?"



2. THE PEOPLE

"We want to change antiquated traditions and cultures, the lack of diversity, and inequality along the entire food chain. People create unforgettable experiences, and community and solidarity are crucial if you want to create change. In the LOCA family, we are driven by strong values such as joy, curiosity, decency, and a strong will to create important cultural changes within: Sustainable gastronomy, gender equality, and diversity."

LOCA'S MANIFESTO 2. THE PEOPLE



THE PEOPLE

"It is people and good craftsmanship that create unforgettable experiences, and community and solidarity are crucial if you want to create change."

Bad working conditions, a harsh tone, and a lack of diversity have in many years permeated the restaurant industry, and these are some of the reasons that many people leave the industry after only a brief period of time. We must change that. It is a paradox that this is the case in an industry that is fundamentally about making other people happy and at ease. You can only do that if you feel good yourself.

In our industry, and for the fulfillment of our visions, we are completely dependent on good, happy, and generous people – and for that reason, the people make up the biggest section of the LOCA Manifesto. The people are the most important parameter for creating a bright sustainable future together – both for our own business and in the food industry as a whole.

Nobody should be kept down when they go to work. On the contrary, there is and should be space enough for everyone.



For that reason, we want to focus on further training and better wages and working conditions in the industry as a whole. This is relevant for LOCA internally, as we in 2022 established a staff function and project group with the name LOCA Family. But it is also relevant externally, as it is important for LOCA Gruppen to enter partnerships and project and contribute to the industry in positive ways. It is not just the case for third world countries that gastronomy can contribute to gender equality and diversity to a higher degree than it does currently – it is also the case in our part of the world.

Internally, LOCA Family's aim is to create a strong, values-based culture with focus on the individual employee's well-being and development in a strong community working towards clearly defined common goals.

In 2021, LOCA Family was made up of 40 employees divided among 15 full-time employees, 5 of which were administrative employees, and 25 casually employed people.

In 2022, LOCA Family is expected to grow with 2 administrative employees and a total of approx. 25 new colleagues.

LOCA Family encompasses both recruitment and staff retention, and the focus areas are defined as clear communication, job satisfaction, community, and personal development

Due to covid-19 and the change of address for three restaurants in The Standard building as of 12.31.2021, LOCA Gruppen's need for new employees was limited in 2021.

The focus areas of the year were instead to articulate values and new goals as well as job satisfaction and development of the existing staff.

JOB SATISFACTION

In 2021 we carried out our first job satisfaction survey for all of LOCA Gruppen. We wanted an analysis of the physical as well as the psychological working environment, and we included the mandatory APV questions. Of course, the job satisfaction survey was anonymized (See appendices for methods and questionnaire).

In general, the employees' participation and interest in the survey was great, and the results were generally satisfactory. The employees get along. They feel they get the necessary help and have enough time to deliver high quality work. For example, no one felt they had been bullied or harassed, and 76% feel they have plenty of professional challenges and developments in their work.

As a values-based company, it was important to also receive feedback on LOCA Gruppen's management, vision, and communication. Here, the results were also satisfactory.

- 99% feel that it gives them meaning and value that LOCA Gruppen works towards a more sustainable gastronomy.
- 89% are proud to work at LOCA Gruppen, and almost as many feel that the management is good at informing the employees about new initiatives and that they set a clear direction and goals for the company.

There are also areas in which we can and must get better, and our areas of focus for the coming years will be:

- Focus on clear communication throughout the entire organization.
- Focus on employee retention through even better working conditions.
- Ensuring competitive wages.
- Offering courses and training – some mandatory.
- Focusing more on learning and coming together at social events.

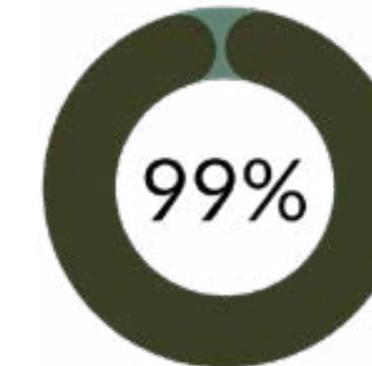
With these initiatives, we hope that we as a company can get even better at retaining our skilled and engaged employees and managers. And that we at the same time can attract new employees with good and relevant professional skills and a personality that will strengthen the company as a whole.

Happy and satisfied employees affect the employee's efforts and behavior, and there will for that reason be a correlation between happy and satisfied employees and happy and satisfied guests and customers.

Due to covid-19, LOCA Gruppen's job satisfaction survey was in 2021 only conducted among LOCA Gruppen's permanent staff. In 2022, we want to carry out a similar job satisfaction survey aimed at our casually employed staff. We intend to carry out these job satisfaction surveys every year with goals for each department and for LOCA Gruppen as a whole.

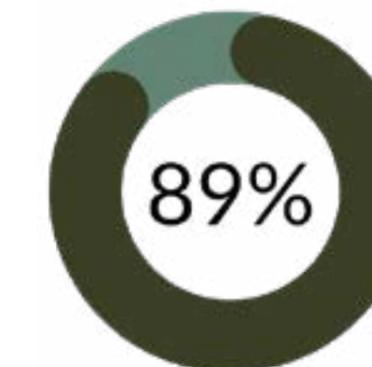
ANSWERED 'AGREE' OR 'HIGHLY AGREE' TO THE QUESTION

"It gives me meaning and value that LOCA Gruppen works towards a more sustainable gastronomy"



ANSWERED 'AGREE' OR 'HIGHLY AGREE' TO THE QUESTION

"I am proud to work at LOCA Gruppen"



CLEAR COMMUNICATION

As of 2022, we have expanded our support function with a communications employee, who will be responsible for optimization of external as well as internal communications and flows of information. This includes updating our staff handbook, meeting structures and development of internal communication platforms.

LOCA CAREER

In 2021 LOCA staff participated in the following educational and training programs:

- One employee participated in a two-year diploma program in administration and management, to be completed in 2022
- Two kitchen managers became co-owners and partners in their respective restaurants.

In 2022, the following has been initiated:

- One restaurant manager and one server have been offered the Danish Sommelier Education.
- Hiring of one server trainee and two chef trainees.
- Three kitchen managers will be signed up for relevant and quality-controlled management training.

LOCA COMPETENCE

LOCA COMPETENCE aims to develop, optimize, and share knowledge and competences across professional areas. This can be through internal or external workshops, Master Classes, courses, themed trips, and inspirational travels.

In 2021, LOCA employees participated in the following competence-building events:

- Mental Robust 1-day Master Class for all employees with Psychologist Anette Eberhardt
- 3-day themed trip for managers and sous chefs, going to Limfjorden for an oyster safari and visit at the Danish Center for Shellfish (DTU Aqua).
- 4-day inspirational trip to Tuscany, where the management group and key employees visited, among other places, our organic wine producers.

In 2022, the following competence-building events have been planned:

- Introductory courses – internal course for all new employees.
- Participation in 7-10 professionally relevant Master Classes and courses during the year, for example:
 - “Course for sourdough enthusiasts” at Nordsjælland Fællesmølleri, March 2nd, 2022.
 - “In Love with Herring” hosted by Landbrug & Fødevarer, March 7th, 2022.
- Participation of 3–5 employees in relevant courses within sustainability:
 - One kitchen manager is currently signed up for MAD Academy’s course on sustainability.
- Participation in relevant administrative courses:
 - Employer Branding: One kitchen manager and one communications employee will participate in a 50-hour course with Restore Restaurants and the Danish Board of Business Development.
 - Work environment training: One server and one manager are signed up for this three-day course.
 - Social Media: Internal courses offered for all employees.
 - 2 Field trips – day trips with relevant content for chefs and servers.
 - One yearly themed trip in Denmark with overnight stay for managers and sous chefs.
- One yearly inspirational trip abroad for management group and key employees.

LOCA COMMUNITY & BENEFITS

LOCA COMMUNITY aims at making LOCA more than just a place of work, and for that reason we want to arrange activities and cozy get-togethers for all employees across ages and interests.

In 2021, the social relations were challenged by covid-19, and LOCA’s social events were limited to two events in connection with Denmark’s participation in the football World Cup and the Michelin awards, which were streamed online from Stavanger. In 2021, we also participated in the DHL-relay, whereas the year’s parties were postponed until 2022.

In 2022, the goal is to catch up on last year’s postponed parties, but we will also arrange for the DHL-relay and around 4 additional events with shared cultural experiences or group hangouts – where family and friends can participate as well.

LOCA’s staff are also offered attractive staff discounts which make it possible to invite friends and family to try out the group’s different restaurants.

LOCA Gruppen has also decided to sponsor a child in the world’s poorest countries for each yearly full-time equivalent the group employs in Denmark, and all full-time employees get the offer of becoming the personal contact and support for a child in need whose education or improved conditions is sponsored by LOCA.



GENDER EQUALITY & DIVERSITY

In all LOCA’s companies, gender equality must be a matter of course, and diversity is a valued virtue. Unfortunately, the industry as a whole is in a situation in which it is impossible for us to practice diversity in a satisfactory way.

The industry needs skilled and unskilled workers like never before. Too many have already decided to leave the industry, and too many people leave before they turn 40 years old.

At the same time, too few choose to start the training to become a chef or a server, and of the already small pool, only about a fourth are women.

A primary focus area for LOCA in 2022 will be to intensify our engagement in the industry as a whole and to seek out speaking time and influence, through which we can improve the fundamental conditions for industry actors. In this way, we will further diversity and make the industry and the job as a chef, server, or manager attractive to all genders, ages and nationalities.

See our description of this in the report’s section ‘4. The industry’ on page 27.





3. THE ORGANIZATION

“We want to create the framework for a financially sustainable company that can survive on its own in a competitive market and continue to make a positive difference for generations to come. The road to this goal is paved with decency and builds upon professionally run companies and the inclusion of a culture-bearing owner group among managing employees. Co-owners who through their management, engagement, and excitement ensure a clear communication, clear goals, and good working conditions. Additionally, we will always look for responsible production with minimal use of energy, chemistry, and plastics – and a maximum usage of sustainable sources of energy.”

LOCA'S MANIFESTO 3. THE ORGANIZATION



THE ORGANIZATION

'A sustainable business starts with yourself.'

The above wording in LOCA's Manifesto section 3 is among the primary reasons why we in 2021 decided not to renew our lease after the end of the year for our three restaurants in the building The Standard in the center of Copenhagen.

Whereas Almanak can already be found at a new site in the Opera House, Studio and Mission Green will also reopen in more sustainable buildings in the course of 2022.

The restaurants have also been reorganized in 2022 with each their own Central Business Registration number and company, and the kitchen managers Christian Hoffmann from Almanak and Christoffer Sørensen from Studio have become partners and co-owners of their respective restaurants.

In 2021, we strengthened LOCA's administrative management with Michael Steiin in a new supportive function and with the title 'Head of Sustainable Procurement and IT'. This reinforcement has, among other things, made data available for the composing of this report, and improvements to the measured parameters will be an even more important focus area in 2022.

At the same time, we will in 2022 focus even more on making sure we have a clear communication, clear goals, and good working conditions. In order to do so, we have, as mentioned in section 2, The People, page 20, initiated 'LOCA Family' and expanded our supportive function with extra resources for this, as well as expanded our supportive function with a communications employee responsible for optimizing external as well as internal information flows.

In connection to the reopening of our restaurants in new locations in 2022, we will, alongside focusing on sustainable energy and facility operations, also focus on the areas 'Linens', 'Chemistry' and 'Plastics'.

CHEMICAL PRODUCTS

It is our goal to only use products with the Nordic Eco-label when it comes to cleaning and similar tasks. However, we have not succeeded in this in 2021. Most of the products we use have the Nordic Eco-label, but we have problems with finding cleaning tablets for our ovens and chemicals for tougher cleaning. In this area, there either are no Eco-labelled alternatives, or the alternative is using too much of the Eco-labelled alternative without a properly clean end-result.

In 2022, we will initiate a new project to find out what is necessary to do in order to switch as many cleaning products as possible for Eco-labelled alternatives.

LINENS AND CLOTHING

We work together with the Nordic Eco-labelled laundry service, 'De Forenede Dampvaskerier'. In 2021, we switched our employee clothing for the 'UPCY' line from 'De Forenede Dampvaskerier', which is produced from textiles formerly used for other purposes by DFD's clients. Initially, we have switched our chef's jackets for the 'UPCY' line. For further information about 'UPCY', please see DFD's website dfd.dk/csr-site/upcy

PLASTIC

We minimize our usage of plastic, and our purchase of it is rather minimal and primarily connected with the storage of food, i.e., plastic wrap and plastic containers, which extend the food's durability. In this area, we have not found alternatives that keep the food as fresh for as long at the same reasonable price point as plastic containers, but the market is constantly evolving, so we keep a close eye on the development. Another area in which our actions influence our usage of plastic is food packaging. We are currently testing a system in which we sort out different types of clean and contaminated sources of plastic to be able to measure the amounts of garbage and subsequently make new efforts on this area.



4. THE INDUSTRY

"We will seek out partnerships in the industry and work together to create a healthy and sustainable industry culture. Bad management creates bad working environments and unstable employees. Through fair wages and decent working conditions, it must be possible to sustain a work-life balance and make it attractive to remain in the industry through all life stages."

LOCA'S MANIFESTO 4. THE INDUSTRY



THE INDUSTRY

Financial sustainability is difficult in the restaurant industry. In 2019 – before covid-19 depleted the entire industry's order books and emptied every street – half the restaurants in Denmark were running at deficits.

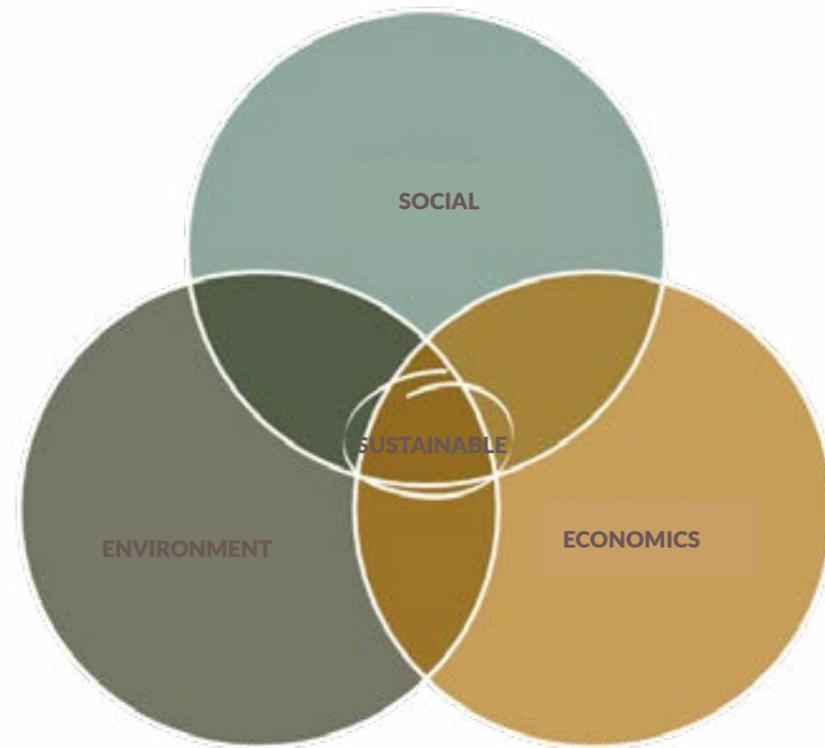
When it comes to supply and demand, in Denmark there are generally too many restaurants for too few guests. Consequently, the market price is generally low – and for many restaurants too low when it comes to running a financially healthy business.

Many restaurant owners want to set a high bar when it comes to sustainability in an environmental and social perspective, but it can be challenging and financially risky project, when the profit margin is so low as is the case. In the current circumstances, most industry actors do not have the financial opportunity to impose further expenses on themselves for e.g. better and more sustainable ingredient purchasing – or for better wages and working conditions for their employees. The profit margin is simply too low.

Wages already make up a large portion of restaurants' expenses – and for many, it is the biggest cost on a restaurant bill. If the expense for wages is raised without equivalent increase in prices, the profit margin disappears, and if the extra wage expense is put on the restaurant bill, VAT of 25% is added to the wage expense before the price is set – and then the ability to compete disappears.

The consequences are wages that are too low, too many hours, and too poor working conditions. Not least compared to other professional groups with the same degree of education, and the industry lacks skilled as well as unskilled workers like never before.

Too many people have already left the industry, and too many people leave before they turn 40. At the same time, too few choose to start the training to become chefs or servers, and of the already too small pool, only about a fourth are women.



THE INDUSTRY – THE PEOPLE

Education, knowledge sharing, and better working conditions

A primary focus area for LOCA in 2022 will be to intensify our engagement in the industry as a whole and to look for speaking time and political influence through which we can try to improve the fundamental conditions for industry actors. We think, among other things, that better opportunities for further training will increase the efficiency and profitability of the industry in general.

We will seek out partnerships among those of our Danish and international colleagues and actors in the restaurant industry with whom we share values and goals. Together, we will try to do our part in making sure that the industry generally and the jobs as chef, server or manager specifically become attractive for everybody with a love of food and service – even if you are no longer young. In other words, it should be possible to become a parent and to grow older in the industry.

To create a broader partnership in the industry across country borders, we have in 2021, among other things, developed our LOCA Manifesto in collaboration with Basque Culinary Center in San Sebastián.

In 2022, Studio's kitchen manager Christoffer Sørensen spent a week in March as a guest teacher at the culinary school IES 'Virgen de la Calle' in Palencia in the Basque Country, Spain.



THE INDUSTRY – THE FOOD

We want to make sustainable gastronomy a sustainable business

After wages, the second largest part of the price on a customer's bill is for most restaurants the ingredients. But as mentioned, it is for many restaurants difficult to pass on increased prices for better and more sustainable ingredients to the guest, when you also want to be a competitive business.

LOCA Gruppen looks for partnerships that can initiate conversations about the value of sustainable choices such as organics, animal welfare, local ingredients and sustainable fish and shellfish. We want there to be other conditions and better potential earnings for the restaurant managers that make decent choices for the environment and their employees.

For that reason, we look for political support for a new sustainability label that can communicate the reason for a higher price for more sustainable products – and we want a differentiated VAT, so that an increased production prices due to sustainable choices can be a financially attractive alternative to less sustainable or non-sustainable ingredients.

In 2021 we have been in conversation with the Ministry for Environment and Food and Minister Rasmus Prehn, which has led to, among other things, the Minister visiting us for a talk about the future's sustainable food industry at LOCA Gruppen's first 'Talk & Taste' event in 2022.

'Talk & Taste' is our recurring series of events in which we invite the industry and its stakeholders for a 'taste' and talk about current subjects. At the first 'Talk & Taste' we will focus on how we can work together to create the sustainable gastronomy of the future.

Additionally, LOCA Gruppen will continue lobbying and doing civil service in 2022. We have already been in conversation with the Ministry for Climate, Energy and Utilities and had a meeting with Minister Dan Jørgensen, so for our part, the last word on sustainability has not been said or written, far from it. You will hear from us.



5. SDGS & THE WORLD

“We want to create growth, not just in our part of the world but also in third world countries. The majority of the humanly created global problems such as climate change and inequality can be traced back to those living in privileged parts of the world. We take our share of the responsibility for contributing positively to the bigger whole through our choice of suppliers and ingredients as well as specific initiatives with the purpose of eliminating inequalities for marginalized communities.”

LOCA'S MANIFESTO 5. THE WORLD



SDGS & THE WORLD

SPONSOR FOR LESS INEQUALITY AND MORE GENDER EQUALITY IN THE WORLD'S POOREST COUNTRIES

In 2021, we initiated a collaboration with PlanBørnefonden to help them in their work for less inequality and more gender equality in the parts of the world where inequality is biggest. LOCA Gruppen has decided to sponsor a child in the world's poorest countries for each full-time equivalent we employ in Denmark.

The result is that LOCA Gruppen today sponsors 20 children across the world and through our employees, the children have a human face connected with the sponsorship. For example, Tobias Linnel speaks in the video in the following link about his sponsored child in the Philippines: www.shorturl.at/gyzK3.

In 2022, we expect to sponsor a further 10 children – bringing the total to 30 children across the world.

MEMBERSHIP OF GLOBAL COMPACT

LOCA Gruppen has in 2022 become a member of the UN Global Compact Network Denmark.

The Network is the world's largest volunteer initiative for responsible companies, and it is a network that sets a common framework for communications, progress, and engagement in responsible business management.

With our support, we have committed ourselves to working in a purposeful fashion with Global Compact's 10 principles within human rights, employee rights, environment, anticorruption, and Sustainable Development Goals.

Once a year, we will do a COP-report which describes the focus areas for the future and what we have achieved so far.





CO2 MEASUREMENT AND THE 3 SCOPES

CO2 MEASUREMENT & THE 3 SCOPES

LESS CO2 – A BASELINE, CONCLUSIONS, AND FOCUS AREAS

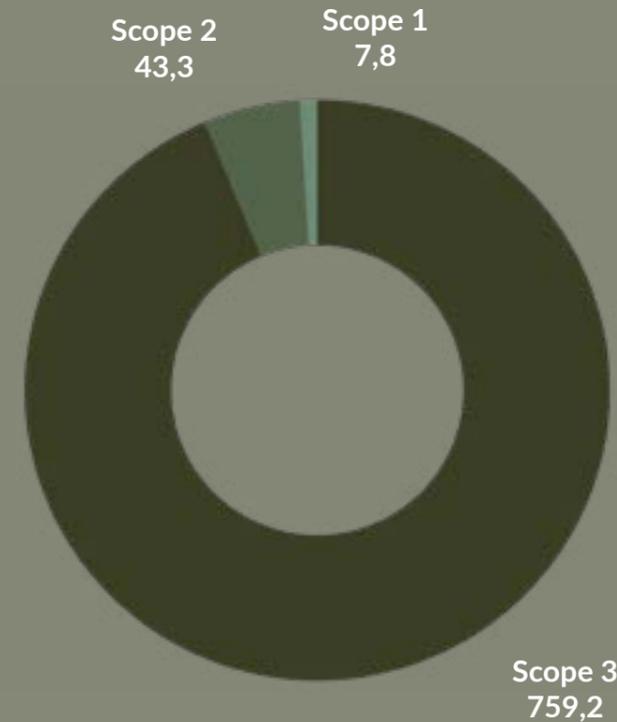
Minimization of the resource usage and CO2 emissions is a high priority for LOCA Gruppen. We use 2021 as a baseline for our behavior and we outline a focus plan for the areas in which most effect can be achieved in the reduction of CO2 emissions. We do not want to offset our CO2 emissions via the purchase of CO2 neutrality – instead, we recognize that we use resources and for that reason we put in efforts where it makes the most sense to reduce the usage.

In order to calculate a baseline for 2021, we use the principles behind the GHG protocol, focusing on three scopes.

Scope 1 is about direct emissions, e.g. from company cars.

Scope 2 is about indirect emissions, e.g. from purchasing energy.

Scope 3 is about other emissions, usually coming from purchasing goods and purchasing services, transport, and waste management.

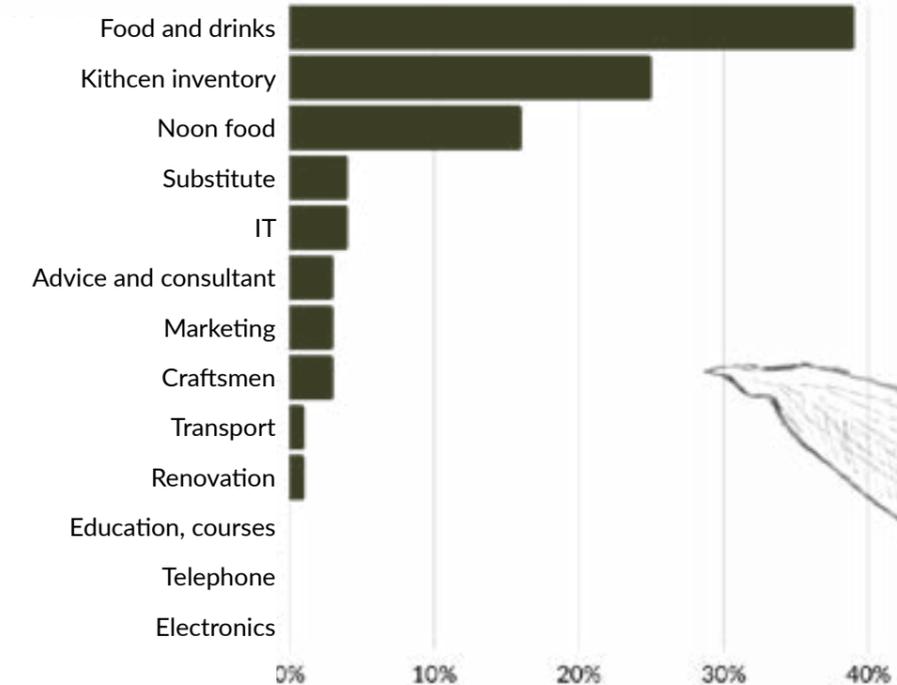


TOTAL CO2 EMISSIONS IN TONS OF CO2 EQUIVALENTS

CATEGORIZATION OF SCOPE 3:

Since scope 3 is the largest area, we focus primarily on this. Additionally, in 2022 we will relocate to more sustainable buildings, such as Almanak at the Opera House, where a large part of the energy comes from sun panels on the roof of the building, and we can thereby expect that the emissions in scope 2 will decrease this year.

DISTRIBUTION OF SCOPE 3 IN PERCENTAGES



Focus areas for 2022

Our focus areas will primarily be the purchasing of drinks and food. But the analysis also shows a relatively large CO2 emission coming from purchasing of kitchen equipment and nonfood, e.g. purchasing electronic kitchen tools and steel and aluminum elements, consumer goods for the kitchen and chemical products, such as soap and other cleaning agents. We will for that reason also focus on these areas in 2022.

In 2022 we will carry out further analyses and 'dive deep' into the numbers. In order to do so, we have developed a tool for the calculation of CO2 emissions on all purchased goods, which we will follow up on quarterly as well as the percentage of organics. We will in this way be able to see our CO2 emissions per kitchen and per purchased product group down to the level of the individual product.

APPENDIX IN CONNECTION WITH THE CALCULATION OF CO2 EMISSIONS FOR 2021

The period of data collection:

The period for our data collection is 07.01.2021 through 12.31.2021, which is due to the lockdown on account of the covid restrictions in the majority of the first half of 2021.

Method for baseline calculation:

- We calculated the emissions by basing our calculation on the GHG protocol with a division into 3 scopes. We then gathered our invoices from our financial system for the measurement period 07.01.2021 through 12.31.2021 for the goods and services we have purchased. Since it was the first time we carried out this calculation, there were areas in which sufficient data was unavailable. In most services, such as electricity, gas, district heating, purchase of ingredients and drinks, we were able to calculate emissions based on sources such as Concito and information from HOFOR and the Danish Energy Agency. In other services, such as transport, waste, and IT, we used general sources in a form of spend-based method, meaning that we converted DKK spent on purchasing to CO2 emissions.
- We were not able to do an approximation on the behavior of our guests in terms of the types of transportation used to visit us. This element is therefore missing in our calculations.
- We used the Climate Compass from the Danish Business Authority in order to do the general calculations for our baseline, and we developed a tool, so that we in parts of the largest scope – scope 3 – can calculate the emissions per quarter and be able to follow up on it. Foods and drinks are the largest groups, and we calculated the emission for these groups based on Concito's Climate Database.
- In other areas, we will continue to use a spend-based method with different sources as a basis.

Method for calculating CO2 emissions per dish:

We base the CO2 emissions on ingredients listed in Concito's Climate Database. In cases where we cannot find an ingredient on the list, we choose a comparable ingredient or the average CO2 emission of the ingredient group. Using this method, we do not include emissions from the energy used cooking, baking, drying, etc.

Sources:

- HOFOR
- The Danish Energy Agency
- The Big Climate Database from Concito
- The Climate Compass from The Danish Business Authority
- Suppliers
- DCA - Danish Centre for Food and Agriculture
- Greenhouse Gas Protocol

APPENDIX IN CONNECTION TO JOB SATISFACTION SURVEY

Job satisfaction

LOCA Gruppen's job satisfaction survey is based on 44 questions/statements, and answers are given on a scale from 1 to 5 with 1 being the worst. The survey is divided into the following categories, where each section is followed by the option of writing a comment.

- Gender, age, which department, manager, how long employed, etc.
- General well-being at the workplace, the relation with colleagues, busyness, professional competence, pride in the occupation, help from colleagues
- Staff food, social events, breaks
- Bullying, harassment
- The management: Is there clear communication, clarity on company values, etc., help and support from the management, fair wages
- Questions about the physical work environments
- Staff: What is expected of me, opportunities to learn, pride in the results we create, fitting challenges
- Does the work with sustainable gastronomy give me value and meaning?

The management went over the results of the survey at staff meetings in each department. At these meetings, we also went over the results of the total survey in LOCA Gruppen. We intend to do the survey every year and we measure per department and the LOCA Gruppen as a whole.

LOCA GRUPPEN
EVERY MEAL MATTERS

LOCA KANTINER

THE LUNCHROOM

almanak
i operaen

STUDIO

*Mission
Green*

RADIO