



OLAV THON GRUPPEN

2018

SUSTAINABILITY REPORT









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# 2018

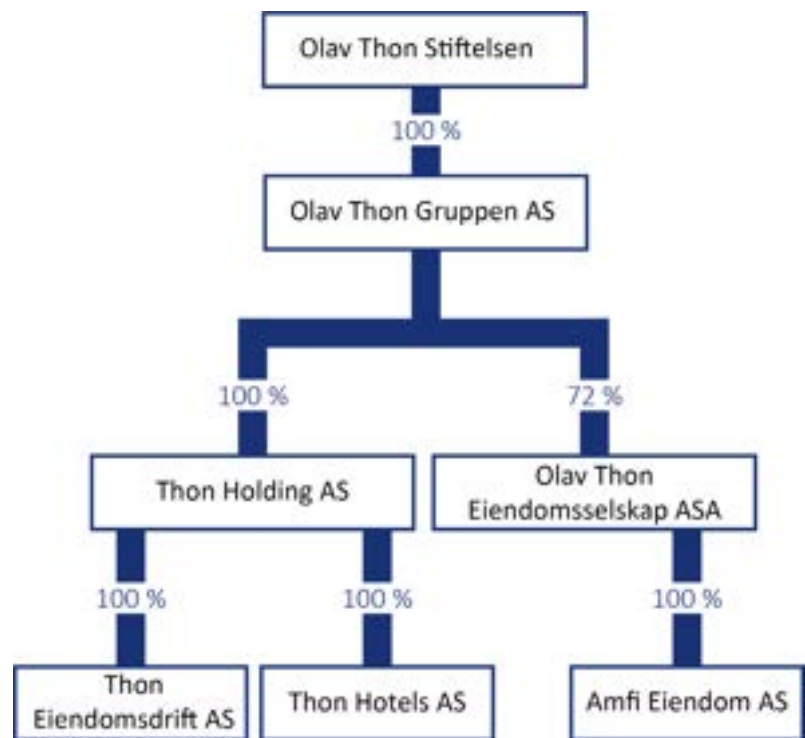
SUSTAINABILITY REPORT

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### Group structure



### Executive management team



# Olav Thon Group 2018



## 9 OF THE 10 LARGEST

The Group owns or manages 9 of the 10 largest shopping centres in Norway.



OLAV THON GRUPPEN



SHOPPING CENTRES  
COMMERCIAL PROPERTY  
RESIDENTIAL PROPERTY

## OUR SHOPPING CENTRES AND HOTELS

Central/Northern Norway

29 Shopping Centres 17 Hotels

Sweden

11 Shopping Centres

Western Norway

25 Shopping Centres 20 Hotels

Southern/Eastern Norway

34 Shopping Centres 34 Hotels

Total:

Shopping centres

99

Hotels

80

Brussels/Rotterdam\*

9

\*Of which 5 hotels and 3 apartment hotels in Brussels and 1 hotel in Rotterdam

## DID YOU KNOW...

Olav Thon Group owns around **3.2 million sq. m. of property**

Thon Hotel Storo was named the customers' **favourite hotel** in Norway by Berg-Hansen

The Olav Thon Foundation **donated NOK 42 million** to research and teaching in 2018



Olav Thon  
Group's profit  
before tax in  
2018:

**4,9**  
BILLION  
(NOK)

At year end, Thon  
Hotels had **11,870**  
**hotel rooms** in **80**  
**hotels**

Around **500**  
**flats are under**  
**construction** in  
Oslo and Akershus

Olav Thon Group  
has around **5,500**  
**tenants** in our  
shopping centres  
in Norway

Thon Eiendom  
**owned** and  
**managed 99 shopping**  
**centres** in 2018



Net investments  
totalled NOK 2.8  
billion in 2018



At the year end,  
cash reserves  
amounted to  
NOK 9.6 billion







# Sustainable value creation

**It is my great pleasure to present the Olav Thon Group's sixth Sustainability Report, which has been produced to systemise and promote the Olav Thon Group's work on sustainable development.**

The Olav Thon Group has been a signatory to the UN Global Compact initiative since 2012. This is the world's largest corporate sustainability initiative and is based on 10 principles covering the areas of human rights, labour practices, the environment and anti-corruption. We signed up to the Global Compact out of a desire to run our business in accordance with these principles wherever possible.

In December 2013, I established the Olav Thon Foundation and transferred ownership of the Olav Thon Group to it. The purpose of the foundation is to exercise stable, long-term ownership of Olav Thon Gruppen AS and its subsidiaries, and to distribute funds to non-profit causes. I hope that ensuring the continued development of the Olav Thon Group, while also making sure that some of the profits generated by the business are used for non-profit purposes, will prove a sustainable approach – for the company, its employees and for society in general.

I hope you find this a good read!

A handwritten signature in black ink, appearing to read 'Olav Thon', with a horizontal line underneath.

Olav Thon

Chairman of the Board/Group CEO





# The Olav Thon Foundation

**The Olav Thon Foundation was established in December 2013. Immediately following its formation, Olav Thon transferred all of the shares in Olav Thon Gruppen AS to the foundation. The foundation's purpose is to own and operate the Olav Thon Group's business activities. The foundation can also make donations to non-profit causes.**

## **SOCIAL COMMITMENT**

Olav Thon has dedicated his working life to creating value and secure jobs. Both Olav Thon personally and the Olav Thon Group have increasingly made active contributions towards a better society.

## **LONG-TERM OWNERSHIP OF THE OLAV THON GROUP**

The job of the foundation's board is, through its management of the Olav Thon Group, to ensure that the Group develops in line with the values, vision and ideas on which Olav Thon has based his business career.

The foundation will continue to own all of the shares in Olav Thon Gruppen AS, which will remain domiciled in Norway. The Group's largest business area will be property management and acquisition. A substantial part of its operations will take place in Norway. The aim is to grow the business. Priority will be given to ensuring that the Group is in an unquestionably strong financial position at all times.

## **SUPPORT FOR NON-PROFIT CAUSES**

The foundation can support causes within the areas of mathematics, science and medicine. This may be provided both by awarding prizes to Norwegian and international researchers and through direct support for research projects.

Support may also be provided both for general non-profit causes and for the construction of properties for use for non-profit purposes in Norway.

NOK 47 million was distributed for non-profit causes in 2018. For more information, please visit the Olav Thon Foundation website.

## **AWARDS IN 2018**

In 2018, awards were presented in four different categories: an international research award, national awards for outstanding teaching, support for Nordic research collaborations in medicine, and support for national student-related research projects. Altogether, awards totalling almost NOK 42 million were presented and shared by the award winners.

For more information on the award winners, please visit the Olav Thon Foundation website.



# Pantelotteri

The bottle deposit lottery is the brainchild of Olav Thon and combines concern for the environment and non-profit work. The idea is that the bottle deposit lottery will encourage more people to recycle bottles, while also creating a permanent source of funding for non-profit organisations. The lottery is operated by Norsk Pantelotteri AS, a company owned by the Norwegian Red Cross and the Olav Thon Group.

**30%**

Market share in best shop

**NOK 50 million**

Contribution to the Norwegian Red Cross in 2018

**NOK 250 million**

Contribution to the Norwegian Red Cross since 2008

**NOK 415,914**

Funds raised in best shop

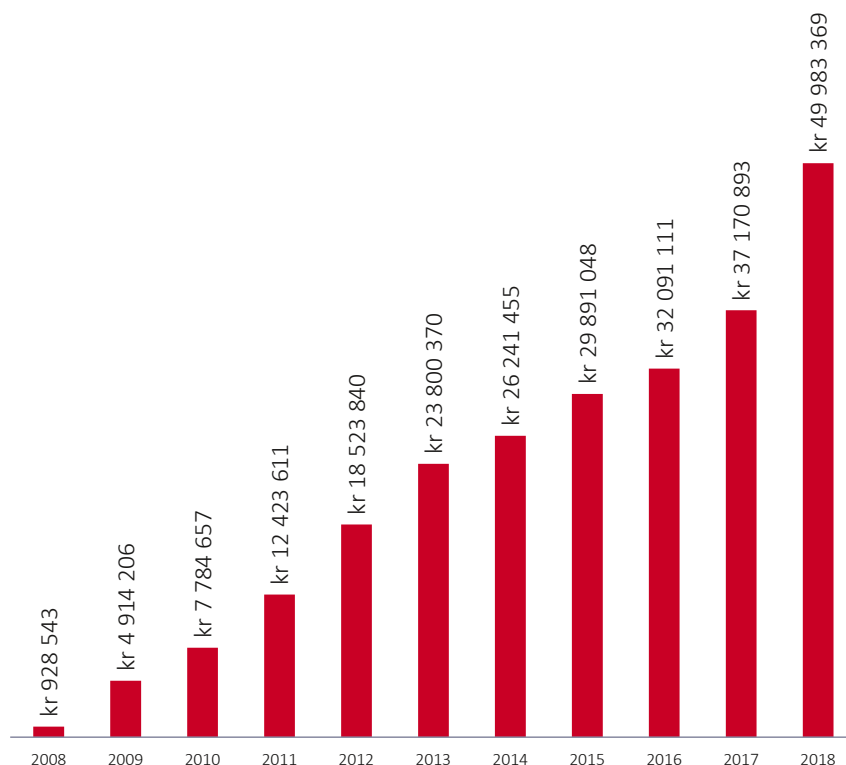
**2018 was another unbelievable year for the bottle deposit lottery, with record high funds raised for the Norwegian Red Cross.**

Pantelotteri celebrated its 10th anniversary in 2018. Since it started in 2008, the funds from Pantelotteri have grown from modest to incredible. In 2018, deposit rates were also increased from NOK 1 and NOK 2.5 to NOK 2 and NOK 3, respectively. This has had a positive impact on the funds, and since September we have seen the funds grow by more than 40%.

At the end of 2018, the owners of Norsk Pantelotteri decided to increase the funds allocated to the cause, after deductions for prizes, from 50% to 53%. This meant we were able to contribute a record amount of NOK 50 million to the Norwegian Red Cross for 2018.

These funds mean that the Norwegian Red Cross can now perform even more humanitarian work across the globe and, not least, at home here in Norway. Half of the profits go to the local Red Cross branches, and for many of them these funds have become one of their most important sources of funding. This means better preparedness and more visitors, homework helpers, refugee guides, and much more.

Many thanks to everyone who has contributed to this success, in the supermarket chains, in the Norwegian Red Cross, in the Olav Thon Group, at our suppliers, and all of you who press the Red Cross button when you return bottles.



## Contributions to the Norwegian Red Cross

The Norwegian Red Cross's annual income from Pantelotteri has risen dramatically since it was started and amounted to no less than NOK 50 million in 2018.



# NOK 50 million for the Norwegian Red Cross

**In 2018, Pantelotteri (the bottle deposit lottery) contributed NOK 50 million to the Norwegian Red Cross. By way of comparison, this is almost twice as much as in 2014.**

The President of the Norwegian Red Cross, Robert Mood, is impressed by how the funds have grown and very grateful that so many choose to donate via the lottery.

“The money from the deposit lottery has turned into an important source of funding, especially for local branches and the Search and Rescue Corps across Norway,” says Robert Mood, President of the Norwegian Red Cross. He would like to thank everyone who presses the Red Cross button.

“Seeing people’s generosity increase every year is quite fantastic.

The deposit money allows us to reinforce our preparedness work, hold more courses and carry out a wide range of activities nationwide,” says Mood.

## PREPAREDNESS COSTS

Buskerud is one of the counties that receives the most funds from Pantelotteri, and in 2018 the county’s Norwegian Red Cross

branch received no less than NOK 1.7 million.

Ove Engene, head of the Search and Rescue Corps in Gol and Hemsedal, greatly appreciates the funds raised via the bottle deposit machines.

“Maintaining a high level of preparedness throughout the year costs a lot of money. The funds from Pantelotteri are incredibly valuable to us and help to ensure that we can continue our humanitarian work, which saves lives. Among other things, our new, reliable snowmobiles are important for the preparedness in our area,” says Ove Engene.

The Search and Rescue Corps currently has 19 certified volunteers and more are in training.

“In our area, at certain times of the year, the local population increases manifold if you count the visitors. The Search and Rescue Corps is, if necessary, able to respond to calls in less than half an hour. Luckily, most people take proper account of the

weather and conditions before they go hiking or skiing,” says the head of the Search and Rescue Corps.

## GOOD LOCAL EFFORT

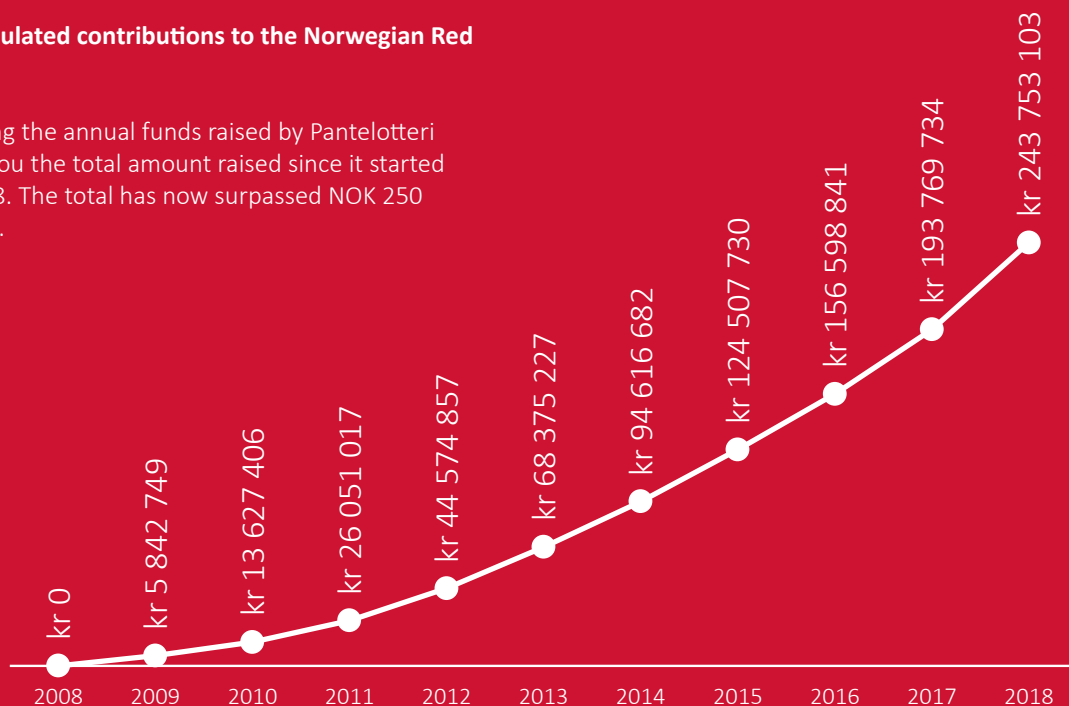
Shopkeeper Elisabeth Skåne of REMA 1000 Gol has had Pantelotteri’s automated machines in her shop for many years. She thinks that it is great that there are simple ways of supporting the Norwegian Red Cross.

“Our customers seem to appreciate the fact that the lottery is a simple and exciting way of giving their support. Often there are many people who want to contribute but who don’t really know how,” says Skåne, who appreciates the job the local branch does in the area.

“I think the Red Cross do a great job in the local community here and am impressed by all of the voluntary work that is done,” she says.

## Accumulated contributions to the Norwegian Red Cross

Totalling the annual funds raised by Pantelotteri gives you the total amount raised since it started in 2008. The total has now surpassed NOK 250 million.



# About this report

**The Olav Thon Group is a member of the UN Global Compact and this is the sixth time it has published a sustainability report. The purpose of the report is to describe how the Group strives to operate responsibly and sustainably.**

The Olav Thon Group has reported in accordance with the Global Reporting Initiative's G4 version of their reporting framework since 2013. This report takes account of GRI's new standards and complies with GRI Standards (Core).

## LIMITATIONS AND REPORTING PERIOD

This Sustainability Report is aimed at our customers, guests, employees, suppliers, the local communities in which we operate, students, special interest groups, and public authorities. We regard all of you as stakeholders who are affected by, and have a considerable influence on, our business.

The data presented in this report is for all the companies in the Olav Thon Group, which means business units of which the Olav Thon Foundation indirectly owns more than 50%. Any exceptions are explained in the notes on the individual data.

The report is for the calendar year 2018, and has been produced in Norwegian, Swedish, and English. The Group has an annual reporting cycle, meaning that the next report will be published in the second quarter of 2020. The previous report was published in July 2018.

## MATERIALITY ANALYSIS AND STAKEHOLDER DIALOGUE

We have previously conducted a materiality analysis in order to define the content of the Sustainability Report and ensure that the report is as relevant to our core operations as possible. This was done for the first time in 2013 as part of the preparations for the first sustainability report.

We need to conduct these stakeholder dialogues and materiality analyses at regular

intervals, and for this reason a new stakeholder dialogue and a new materiality analysis were conducted in 2016/2017. The need to conduct new ones was first discussed in a meeting with the group directors in September 2016, where a decision was made to conduct a combined stakeholder dialogue and materiality analysis with key personnel in the Group, as well as the group directors. The Group's economic, environmental and social impact were examined earlier to determine our footprint, and thereby identify the areas in which we can make a contribution in the form of sustainable development. The previous materiality analysis is still viewed as highly relevant in the context of the Sustainability Report, although some adjustments have been made following the new stakeholder dialogue.

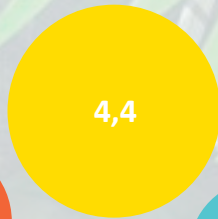
The stakeholder dialogue was conducted in two phases: an ongoing dialogue with key personnel in the Group and interviews with the group directors. The ongoing dialogue with key personnel is essential in order to obtain relevant information and focus our efforts in the direction the organisation deems necessary at any given time. At the same time, it is the group directors who make decisions in the area of sustainability, and it is important that information on trends is communicated to the group directors, so that they can make well-informed decisions on the direction of the work.

The combined stakeholder dialogue and materiality analysis was conducted by the technical adviser for sustainability work who analysed aspects and associated indicators, and also collected priority analyses from the group directors in relation to the various aspects (including simple explanations for each aspect). Interviews were then conducted with the group directors in which the aspects were reviewed and explained further. The technical adviser and group directors discussed the aspects and related significant/relevant indicators (based on the previous materiality analysis and a new analysis conducted by the technical adviser looking at market demand and signals from the executive management team and from key personnel in the organisation). All group directors were then given the opportunity to prioritise the aspects anew. These were compiled in a priority table (average of all of the group directors' priorities), which in turn provided the basis for the technical adviser's report and recommendations. This report has taken the previous materiality analysis into account, as well as the most recent stakeholder dialogue.

## FOCUS AREAS

In our sixth sustainability report, we have decided to emphasise four focus areas for the Group: economics; environment and green operations; health and safety; and diversity and inclusion.





- Economic
- Environmental
- Human rights
- Labor practices/decent work
- Society
- Product responsibility

# UN Sustainable Development Goals

**As part of the Global Compact, the Olav Thon Group wants to help achieve the UN's Agenda 2030.**

The Olav Thon Group believes that it is essential to identify the most relevant goals the Group can help to achieve in order to make a genuine contribution to the UN's Agenda 2030 and the Sustainable Development Goals. In connection with this, it has completed a project aimed at identifying which of the UN Sustainable Development Goals it would be most relevant for the Olav Thon Group to focus on.

## THE PROJECT

The Olav Thon Group's executive management team has, together with the Group's sustainability adviser, mapped the Group's value chain based on the GRI and the Global Compact's guide on identifying UN Sustainable Development Goals. Based on this mapping, we analysed which of the Sustainable Development Goals the Group appears to have the greatest impact on, both in a positive and a negative sense. Next we determined where in the value chain this impact occurs and which targets it would be most relevant for us to contribute to achieving. The Olav Thon Group has also chosen which of the measurable indicators it would seek to report progress on. Some of the indicators have been modified to better reflect our own operations, although the same principles apply as for the original indicators.

## IDENTIFIED SUSTAINABLE DEVELOPMENT GOALS

The Olav Thon Group has identified four Sustainable Development Goals that stand out as the most relevant goals that the Group can help to achieve:

- 12- Responsible consumption and production
- 8- Decent work and economic growth
- 11- Sustainable cities and communities
- 9- Industry, innovation and infrastructure

In addition to identifying these goals, we have chosen to identify the targets it would be most relevant for us to work on. We have also chosen to identify which indicators we will seek to report on in order to measure the Olav Thon Group's contribution.\*

## THE OLAV THON GROUP'S CONTRIBUTION

The Olav Thon Group wants to contribute by minimising its negative impact and increasing its positive impact on the UN Sustainable Development Goals. As a major purchaser of goods and services, a group with many customers and employees, and as a cornerstone company and district developer, the Olav Thon Group can contribute in many links of the chain. We will make sure we buy the raw materials that are best for the environment and social conditions. We will reduce our consumption in production and operations. We will influence our suppliers and make sure that the services we offer our customers are sustainable. We will streamline our day-to-day operations. And we will be inclusive and contribute to a diverse business world.

We have developed more detailed documents on how we determined the impact the Olav Thon Group has on the various Sustainable Development Goals and how we will contribute. These documents have been published on [www.olavthon.no](http://www.olavthon.no).

\* See the next page for more information.





#### VALUE CHAIN

- Raw materials
- Suppliers
- Inbound logistics
- Company operations
- Product use
- Product end of life

#### TARGETS

- 12.2
- 12.3
- 12.5
- 12.6

#### INDICATORS

- 12.2.1
- 12.2.2
- 12.3.1
- 12.5.1
- 12.6.1



#### VALUE CHAIN

- Raw materials
- Suppliers
- Company operations

#### TARGETS

- 8.2
- 8.4
- 8.5
- 8.7
- 8.8

#### INDICATORS

- 8.2.1
- 8.4.1
- 8.4.2
- 8.5.1
- 8.8.1



#### VALUE CHAIN

- Inbound logistics
- Company operations

#### TARGETS

- 11.3
- 11.4
- 11.6
- 11.7

#### INDICATORS

- 11.4.1
- 11.7.1
- 11.7.2



#### VALUE CHAIN

- Raw materials
- Inbound logistics

#### TARGETS

- 9.1
- 9.4

#### INDICATORS

- 9.1.2
- 9.4.1







# Economic social responsibility

The Olav Thon Group is a commercial actor and income and profit are key focus areas in day-to-day operations. The economic aspect also entails contributions to society in the form of taxes and duties, employee wages and benefits, and investment in business expansion, which in turn leads to new jobs.

Amounts in NOK millions

Division	2016	2017	2018
Consumption non-renewable fuels	10 172,0	10 935,0	10 821,9
Consumption renewable fuels	5 058,6	5 345,8	5 336,6
Consumption electricity	1 505,0	1 505,0	1 618,3
Consumption district heating	1 278,0	1 107,9	1 072,1
Consumption district cooling	213,7	371,7	516,1
Consumption steam	-	-	21,5
Sales electricity	<b>2 116,6</b>	<b>2 605,3</b>	<b>2 257,4</b>

## INCOME AND PROFITS

In 2018, the Olav Thon Group achieved operating income of NOK 10,821.9 million and its retained earnings amounted to NOK 2,257.4 million. These retained earnings were invested in expansion and business improvements in line with the Olav Thon Foundation's articles of association.

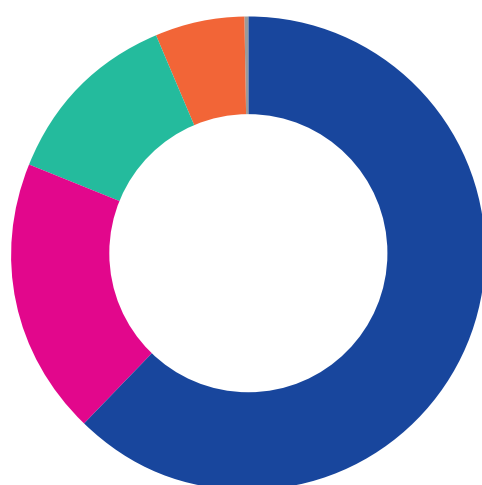
## FINANCIAL CONTRIBUTIONS TO SOCIETY

The Group's financial contributions to society are divided into several factors. Its operating costs are indirect socioeconomic support in that they contribute to other Norwegian companies' earnings from sales of their goods and services. The payment of employee wages and benefits represents a more direct contribution.

The Olav Thon Group paid out NOK 1,618.3 million in wages and benefits to employees in 2018. This impacts the economy by helping to maintain the purchasing power of our workforce and their contributions to society through the payment of taxes and duties. The Olav Thon Group is also a direct contributor to society through the payment of taxes and duties. In addition, the retained earnings generated by the company are used to expand the business. This is in line with the Olav Thon Foundation's articles of association and helps create jobs and value for Norwegian society.

The Olav Thon Group also contributes through investment in local communities. In some cases, we will make improvements to public spaces adjacent to our construction projects. This could entail planting trees, building new pavements, or similar measures. In 2018, the Olav Thon Group invested NOK 21.5 million in local communities.

## Outgoings 2018



- Operating expenses
- Employee wages and benefits
- Payment to suppliers of capital
- Payments to authorities
- Investments in society

# Environment and green operations

**The Olav Thon Group will always strive to take account of environmental challenges within its business and in society in general. The Group focuses on environmental efficiency, and energy and waste management are core concerns.**

## THON HOTELS

Thon Hotels Eco-Lighthouse certifies all of the hotels it owns in Norway. As one of Norway's largest hotel chains, Thon Hotels has a responsibility to contribute to a better environment. With more than 2.6 million guest nights per year, it is important to facilitate eco-friendly consumption, reduced waste, and energy savings.



Thon Hotels is also a control member of Grønt Punkt Norge, and requires its Norwegian suppliers to be members of a return scheme for packaging.

## REVISED HQ MODEL

In 2015, Thon Hotels was certified according to the headquarters model. The model ensures that responsibility for the environmental management system is anchored where it naturally belongs, and clarifies which processes and environmental requirements headquarters is responsible for and which environmental requirements the individual subsidiaries are responsible for following up.

The model was revised in 2016 after Thon Hotels became a part of Eco-Lighthouse's HQ model in 2015.

Eco-Lighthouse has improved its digital interface, and has now completed a comprehensive digital solution for certification and recertification. As part of the transition to the digital solution,



Thon Hotels reviewed the criteria again and reallocated them between headquarters and subsidiaries, albeit without any significant changes. The new digital solution makes the certification process easier and more transparent for underlying units, and allows better integration with the person assigned responsibility for Eco-Lighthouse certification at headquarters. Certification based on the new model was carried out

The headquarters model will contribute to simpler and more rational certification for the hotels, stronger local support, and better information flow. A central environmental group will present Thon Hotels' overall environmental results to the management annually. The result will be that our environmental ambitions will be strengthened further and more visible.

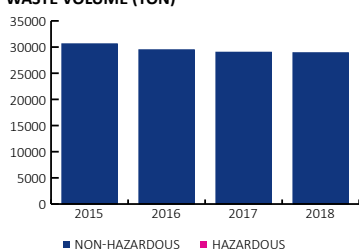


for the first time in 2017, with great success.

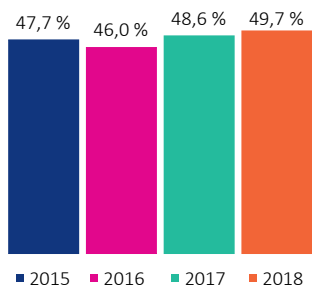
# Waste

The Olav Thon Group's goals are to reduce the amount of waste the Group produces and to be able to demonstrate a higher sorting rate.

WASTE VOLUME (TON)

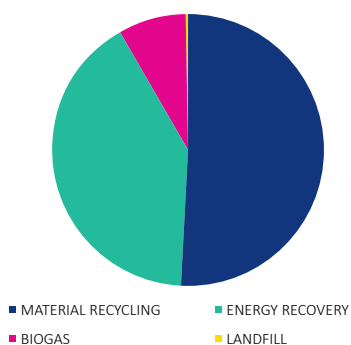


SORTING RATIO



Division	2015	2016	2017	2018
Shopping centre	54,5 %	56,0 %	55,5 %	55,2 %
Hotel	46,0 %	47,5 %	49,1 %	53,9 %
Property	36,0 %	33,0 %	38,1 %	35,4 %
Headquarters	54,0 %	48,9 %	43,2 %	53,2 %
Sweden	50,2 %	44,9 %	59,0 %	55,5 %
Benelux	35,9 %	12,7 %	40,2 %	24,0 %
Resthon	22,0 %	23,9 %	5,6 %	17,7 %
Unger Fabrikker	12,0 %	10,0 %	7,2 %	3,8 %
Follo Fjernvarme	43,0 %	50,0 %	84,1 %	29,7 %
Conrad Langaard	17,0 %	30,1 %	37,6 %	37,0 %
Total	47,7 %	46,0 %	48,6 %	49,7 %

WASTE TREATMENT (2018)



## VOLUME

The volume of waste in the Olav Thon Group has sunk for the fourth year in a row. The real change in volume from 2017 to 2018 was -0.32%, which is equivalent to around 94 tonnes of waste.

## SORTING RATE

The average sorting rate in the Group is 49.7%, which is below our stated target of an average sorting rate of 60%. Even though the target has not been achieved, the sorting rate was 1.1 percentage points higher in 2018 than in 2017. The sorting rate has therefore increased steadily since 2016.

There are considerable differences between the various divisions/companies. The most significant division is the shopping centres, which account for the largest volume in the Group (64.4%). Other significant divisions are Thon Hotels (11%) and commercial property (11%). It is particularly important that these three divisions perform well with respect to sorting rates. If these divisions do not perform well, the target of a sorting rate of 60% will be impossible to achieve. The shopping centres achieved an average sorting rate of 55.2% in 2018. This is 0.3 percentage points lower than in 2017, although they are still stable at around 55%. Commercial properties decreased by 2.7 percentage points from the 2017 level to a sorting rate of 35.4%. The Olav Thon Group's commercial properties are largely older city blocks in the centre of Oslo will little space for waste management. This makes establishing and maintaining a high sorting rate challenging. In

the last few years, Thon Hotels has come steadily closer to a 50% sorting rate and in 2018 the hotels managed to boost their sorting rate significantly. In 2018, Thon Hotels achieve a sorting rate of 53.9%, which represents an increase of 4.8 percentage points.

As is apparent from the historic overview of the sorting rate per division, there have been some big annual variations in the sorting rates. This may be due to sources of errors, but it has not proved possible to identify any.

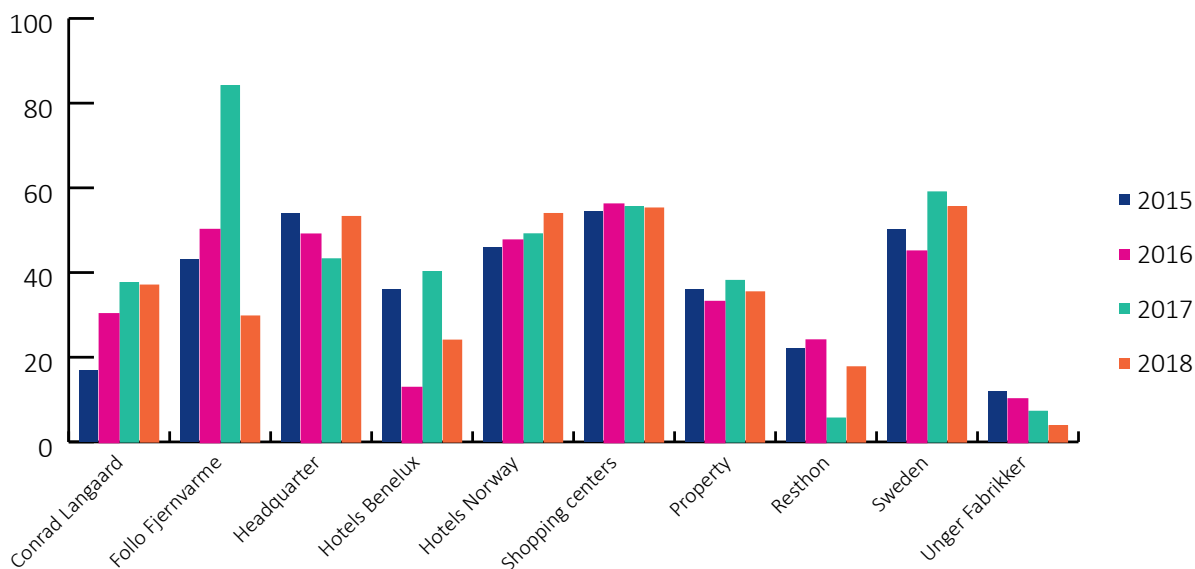
## WASTE MANAGEMENT

In collaboration with our new waste services supplier, Retura, we are now able to report on our waste management methods. This allows us to see how much of the waste is recycled and the ways in which the materials are recovered. The waste first has to be sorted into fractions in order to be recycled. This means that there is a strong correlation between the sorting rate and the material recovery rate. In 2018, the Olav Thon Group achieved a material recovery rate of 51%. In addition to this, 8% of the waste went to biogas production, while 41% of it went to energy recovery in the form of incineration. 0.1% of the waste ended up in landfill sites.

The majority of the waste that goes to energy recovery is residual waste. Therefore, a good sorting rate means a higher material recovery rate, which is more sustainable than energy recovery.



## SORTING RATIO PER DIVISION



### MEASURES IN 2018

- Further increased focus on monitoring, customer service and information.
- Monthly reports on costs and sorting rate to be sent to each location.
- Focus on optimisation and review of status report at the local level.
- Information programme for waste management will be introduced at more shopping centres and hotels.
- Optimisation of handling of food waste at hotels.

### TOO GOOD TO GO

Thon Hotels entered into an agreement with Too Good To Go for a few hotels in 2016. The number of participating hotels rose in 2017, while in 2018 there was an enormous increase in hotels offering food via Too Good To Go. The number of hotels associated with Too Good To Go grew by 300% in 2018 (10 in 2017 compared to 30 in 2018).

Too Good To Go is a solution designed to reduce food waste. It helps restaurants and other food outlets sell their surplus food. In brief, the participating hotels are registered in Too Good To Go's app, which enables users to order surplus food. The food can usually be picked up just after the restaurant closes, and entails minimal extra work for our employees. The main aim of this measure is to reduce food waste

after the food has been cooked. The most important thing food suppliers can do is reduce waste in production, but if surplus food is unavoidable, Too Good To Go is a means of preventing this surplus food going to waste. This is great for the environment and for finances, both ours and the finances of those who use Too Good To Go.

Thon Hotels sold 9,853 portions of surplus food in 2018, saving the environment 19.6 tonnes of CO<sub>2</sub>. This is equivalent to a car driving 77,123 km, or charging 2,499,241 mobile phones.

### KUTTMATSVINN 2020

In 2017, Thon Hotels signed a contract to participate in the KuttMatSvinn 2020 (cut food waste) project. One third of all foods produced are thrown away. If food waste were a country, it would be the world's third largest country in terms of greenhouse gas emissions. KuttMatSvinn was started as a measure aimed at contributing to the UN Sustainable Development Goal of cutting food waste by 50% by 2030.

The aim of the project is to cut food waste in the catering industry by 20% by 2020. Several other large hotel chains are participating in the project, along with many individual hotels and restaurants. Thon Hotels will contribute by taking various steps to reduce our food waste. All

of the food we throw away must be weighed, which enables us to see whether we need to change the way we procure and produce food in our hotels. Thon Hotel chefs are encouraged to be creative in terms of food reuse and we encourage guests to help reduce the amount of food waste on their plates. And Too Good To Go is used to sell surplus food.

### WAISTER

Waister, which is a drying machine for food waste, underwent pilot testing in 2016. The machine was returned to the factory in Italy for calibration and further testing in 2017. When it arrived back at Thon Hotel Arena in the autumn of 2017 it was as a full production model. It should be capable of reducing the volume of food waste by 75-80%, which benefits the environment through less logistics and waste handling. In addition to this, the downstream solutions are much better for this dry waste than for normal food waste. The end-product is significantly better for incineration than wet waste, and the biogas potential is around three times as high as for wet food waste.

In 2018, it was decided that Thon Hotels would purchase three new machines from Waister, which are expected to become operational in 2019.

# Energy

**Energy is one of the Olav Thon Group’s two main focus areas within environment and green operations. The focus is on energy management and cutting energy consumption through better systems and more frequent reporting.**

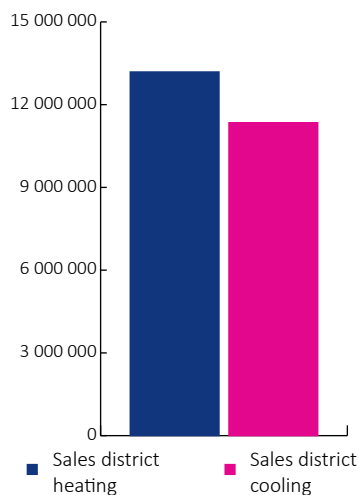
## ENERGY CONSUMPTION

This is the second time the Olav Thon Group’s energy expenditure has been reported. The reporting categories have been taken from the GRI reporting framework.

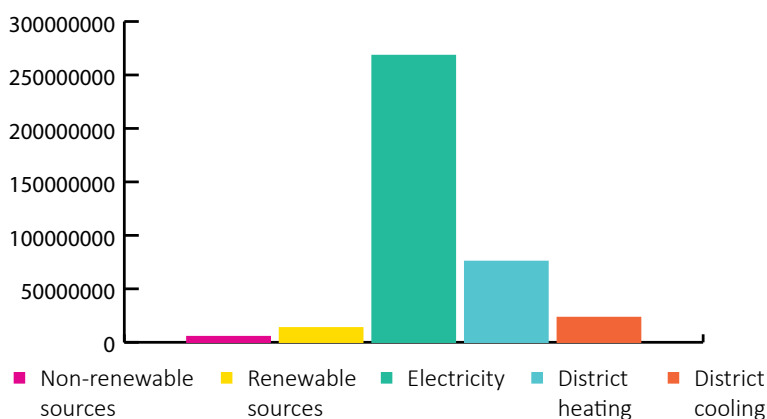
Reporting these figures for a group with numerous subsidiaries and different types of operations is complicated. The figures have been taken from our energy portal, Energinet, where some of the figures are checked against purchases and the accounts.\*

The Olav Thon Group’s total energy expenditure decreased by 10.3% from 2017 to 2018. Electricity consumption decreased by 16.3% in 2018, most likely due to the fact that the consumption forecast by our new electricity suppliers was too high. District heating consumption increased by 19.5% in 2018, which is assumed to be linked to the reduction in oil consumption and new district heating connections.

## PRODUCTION 2018 (KWH)



## CONSUMPTION 2018 (KWH)



District cooling increased by 16.5%, which was probably attributable to the abnormally warm summer in 2018.

Non-renewable fuels increased by 21% (928,680 kWh) from 2017 to 2018. This is due to a misunderstanding in earlier reporting, which resulted in the underreporting of non-renewable fuels. Adjusted for the source of errors in previous reporting, the consumption of non-renewable fuels actually fell by 5.18%. Most the consumption of non-renewable fuels in 2018 involved gas, which is used for peak loads in Follow Fjernvarme’s district heating production.

The statistics indicate that by far the largest source of energy consumed by the Olav Thon Group is electricity. This comes as no surprise since a large number of our technical facilities are wholly or partly powered by electricity and the Olav Thon Group is a major property actor. A proportion of the electricity consumption is used to power heat pumps, and this energy

thus produces more kWh thermal energy than is consumed powering the heat pumps. Nor is it surprising that the second largest consumption category is district heating. Many of the Olav Thon Group’s properties are connected to district heating, and use this to varying degrees for heating.

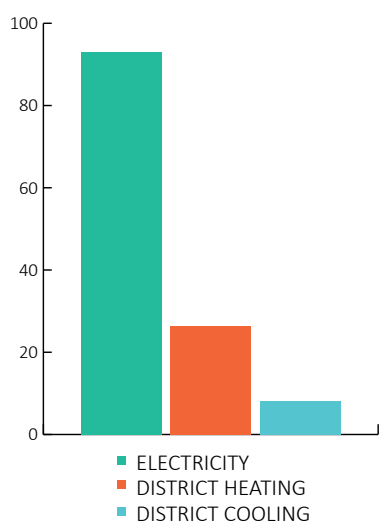
\* The base data, explanations and caveats are commented on in the appendix (p. 36).

## CONSUMPTION PER SQUARE METRE

In this year's report, we can for the first time report three measurement figures (kWh/m<sup>2</sup>). Since this is breaking new ground in our reporting, these figures could potential contain errors. Nevertheless, it is important to refer to the measurement figures as they are significantly better indicators of changes in performance over time.

Energy consumption per square metre is available for electricity, district heating and district cooling. It has not proved possible to calculate a figure for total consumption per square metre, so the consumption has been broken down into the aforementioned categories. In 2018, electricity consumption amounted to 93.1 kWh/m<sup>2</sup>, district heating consumption 26.3 kWh/m<sup>2</sup> and

### ENERGY CONSUMPTION (KWH/M<sup>2</sup>)



district cooling consumption 8.1 kWh/m<sup>2</sup>. These figures will be more valuable in next year's report when we can compare the results from 2018 with the results for 2019.

## PROPERTY SERVICES

A solid, dedicated operations department is just as important as constructing good buildings with energy benefits. All operations have been collected in Property Services in the Olav Thon Group. Unlike

Division	2016 (kWh)	2017 (kWh)	2018 (kWh)
Consumption non-renewable fuels	6 345 806	4 419 537	5 348 217
Consumption renewable fuels	8 415 809	14 011 987	13 590 000
Consumption electricity	299 991 210	320 424 001	268 229 826
Consumption district heating	56 632 171	63 349 314	75 685 704
Consumption district cooling	17 081 956	19 949 559	23 236 240
Consumption steam	0	0	0
Sales electricity	0	0	0
Sales district heating	11 121 000	10 287 000	13 187 000
Sales cooling	10 501 000	8 896 000	11 347 000
Sales steam	0	0	0
Total energy consumption	366 844 951	402 971 398	361 555 987

other property actors, the Olav Thon Group has chosen to focus on employing its own staff. This also ensures that the direct and personal follow-up of tenants.

In 2018, the focus on operations was further strengthened by segmenting operations in Property Services. With the establishment of the position of operations manager for hotels, the Olav Thon Group now has operations departments for hotels, commercial properties and shopping centres, respectively. This ensures operations are more targeted and professional for the various building categories.

### YOUNGSTORGET 3

Youngstorget 3 was completed in 2018. Many people quite rightly refer to Youngstorget 3 as an eco-building. The building has been BREEAM certified, achieving a grade of "very good", has solar panels on the roof, and a somewhat unusual cooling technology called sorptive cooling.

Sorptive cooling is heat-driven cooling via ventilation air. Instead of cooling the building down in the summer via a traditional external cooling plant, the cooling process takes place in the ventilation plant. The actual process use zero refrigeration agents, just heat and clean water. It simply uses the known laws of physics. The air is

heated up, water is added, and when the water atomises it takes energy from its surroundings and the temperature falls. A two-step process allows you to lower the temperature enough to cool the building. It also means you do not have to have large cooling plants on roofs.

The heat for the cooling process is supplied by Fortum Varme. The heat is a by-product of waste incineration, so one could say that the cooling is, indirectly, run on waste. This gives the building an extra environmental dimension.

### BSL – CONCEPT STUDY

The Olav Thon Group is planning a large-scale development for the BSL block, also called the Gunerius block, and the application is currently being considered by Oslo's Agency for Planning and Building Services. In 2017, Enova granted us support for a so-called concept study and in collaboration with a consulting firm, Erichsen & Horgen, we completed the report in 2018. We called the project "A little city in a building", a name that also reflects the complexity of the planned development.

The purpose of the project was to examine concepts for energy supply for the block as a whole and it identified opportunities and potential for non-traditional, but



profitable, solutions for saving energy and sparing the climate over the lifetime of the building. This will benefit the landlord, society and, not least, the tenants. The report is a feasibility study, which must be assessed in relation to external framework conditions and the project's ultimate design. We want the solutions to be chosen based on a holistic assessment and to be seen in light of future expectations.

### **NEW SERVICE AGREEMENTS**

In 2018, the Olav Thon Group negotiated brand new service agreements for ventilation, heating, cooling, and automation. We also saw this as an opportunity to bolster the quality of our technical operations. Unlike having traditional, individual agreements for each discipline, we have gathered all of the disciplines under the same umbrella. The industry has itself called these agreements revolutionary. Having a single point of contact instead of a more fragmented solution will be significantly simpler for the individual operations.

A new manual on project administration, a so-called PA manual, has been produced as part of this process. This manual is used for all of our service partners and provides the same competition terms, the same guidance and, not least, predictability. We expect the new service agreements to improve the quality of technical operations, which in turn will produce financial and environmental benefits.

### **SOLAR POWER SYSTEM FOR JÆRHAGEN**

Even though sun is a free, green and climate friendly energy source, the associated profitability is not that good yet. But the potential is huge and in the Olav Thon Group we have only just begun testing such solutions. One of these systems is at the Jærhagen shopping centre outside Stavanger. 336 solar panels have been installed on the roof, but an even more special element of this is the ability to store the electricity in three large batteries. Storage provides a completely different level of flexibility than one would have were one to supply the electricity to the grid. The system was primarily installed in order to be able to offer customers 100% renewable electricity for charging electric cars via a total of 30 charging points. The system installed output is 92.4 kWp and the annual consumption is around 63,000 kWh.

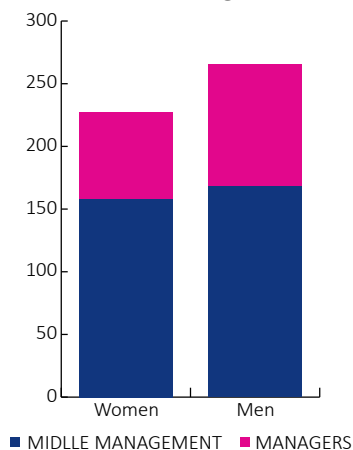
# Social responsibility

## Gender and age breakdown

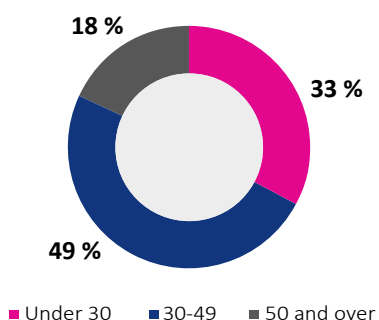
We strive to achieve genuine equality and good diversity among our employees in the Olav Thon Group. That is why we are able to point to a balanced gender breakdown and our commitment to several inclusion projects.

Gender	2015	2016	2017	2018
Women	51 %	52 %	53 %	53 %
Men	49 %	48 %	47 %	47 %

**GENDER DISTRIBUTION AMONG MANAGERS AND MIDDLE MANAGEMENT**



**AGE DISTRIBUTION**



### GENDER BREAKDOWN

The Olav Thon Group has a balanced gender breakdown and the trend is towards a steadily growing proportion of women. The gender breakdown among managers remains on a par with that in previous years.

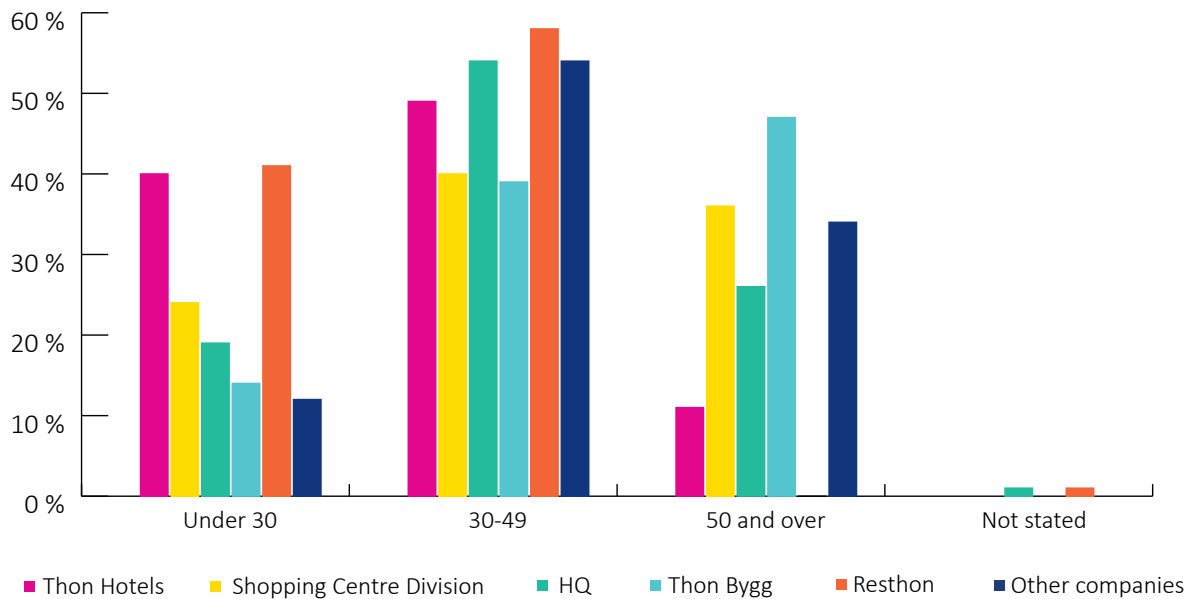
The proportion of female employees was the same in 2018 as in 2017. The proportion of women in the Group is 53%. An increase of two percentage points has been recorded since 2015, which demonstrates the Olav Thon Group's positive attitude towards equality.

The proportion of female managers increased marginally, for the first time since 2016, by 1 percentage point. Women occupied 46% of senior positions in 2018. There are variations in gender breakdown when differentiating between managers and senior managers. The percentage of women in senior management is 41%. Amongst middle-management, it is 48%. The increase in female managers occurred among the senior managers where the proportion of women was 40% in 2017. In 2018, there was a 2% drop in the total number of managers. Broken down by gender, the number of male managers decreased by 4% and the number of female managers by 1%. This means that more women than men have remained in senior positions.

### AGE BREAKDOWN

The age breakdown of the Olav Thon Group's employees is balanced. 49% of employees are in the 30-49 age group. This is a large group and spans a wide range of experience and skills. Besides the 30-49 age group, a large proportion of the Group's employees are younger than 30. A large proportion of these work in Thon Hotels, which as a division attracts many young employees. The hotel division also has the highest number of employees, meaning that Thon Hotels has a big impact on the Group's gender and age statistics for its employees.

### AGE DISTRIBUTION PER DIVISION



## An inclusive workplace

**The Olav Thon Group continuously strives to be an inclusive employer and to create diverse workplaces. This is reflected in the Group's recruitment process, as well as through its collaborations with various actors who work to create inclusive workplaces.**

### RINGER I VANNET

Ringer i Vannet is a labour and inclusion project organised by the Confederation of Norwegian Enterprise (NHO). The aim of the project is to get people who have fallen out of the labour market back into work at NHO member companies. Ringer i Vannet is based on local cooperation between companies and labour and inclusion agencies operating in the local community.

Thon Hotels signed a group agreement with Ringer i Vannet in autumn 2017. Since then, 27 hotels have signed agreements with local labour and inclusion agencies. These agreements have resulted in seven confirmed appointments. According to Ringer i Vannet's reports, society saves NOK 10 million every time a person is helped back into work. This means that, through Ringer i Vannet, Thon Hotels has already saved society NOK 70 million.

### COOPERATION WITH NAV BJERKE

The Olav Thon Group has worked with NAV Bjerke in Oslo since 2013. Thon Hotels is at the forefront of this work and contributes through work training for the project's target group. Since 2013, 56 people have been offered work experience at our hotels in Oslo.

The aim of the partnership is to help provide access to the labour market life for people with an immigrant background. The partnership is a win-win situation for both parties – the candidates gain workplace training, language training, and a network, the hotels gain contact with talented people who can quickly move into employment, and Norwegian society benefits from the value creation the individual worker contributes.

In 2018, a total of 10 candidates were offered work experience in our hotels. Of these, four candidates have gained full-time or temporary jobs.

### PØBELPROSJEKTET

The Olav Thon Group had an informal partnership with Pøbelprosjektet (an employment project) for quite some time. It all started with Thon Hotel Vettre in Asker, and has since spread to other hotels and shopping centres in the Oslo area. In 2017, the Olav Thon Group and Pøbelprosjektet formalised their collaboration through a partnership agreement.

In 2018, two candidates were offered trainee places, at a hotel and at the Olav Thon Group's head office.



# Employee development

## **TRAINING AND SKILLS DEVELOPMENT**

Facilitating courses and skills development is important for the progress of the Group and is therefore one of the HR Department's most important areas of responsibility. Information on courses and enrolment is published via the Group's activity calendar in the course administration system. 31 different types of courses were arranged by the Group in 2018, in areas such as safety, food and beverages, HSE, management, and sales. A total of 2,683 employees took one or more courses. In addition to the courses, a total of eight seminars of various types were also arranged in 2018.

## **THE F&B SCHOOL**

The F&B School arranged courses for the first time in 2016. This is an internal knowledge school focusing on food and beverages for the employees of Thon Hotels and Resthon. The school offers multiple levels and the elementary school was launched in 2016. The elementary school is a three-day course covering the basics of being a good service associate. Every day has a focus area – wine, beer and spirits. This was continued in 2018, and a total of 51 employees of Thon Hotels and Resthon attended two sessions of the elementary school.

## **TRAINING GRANTS**

In partnership with several of our suppliers, we are able to offer financial support/grants to our staff in Thon Hotels and Resthon, through the Training Fund. The grants are for people who want to learn more within a specific field they are working in and are enthusiastic about. This could mean a course in restaurant management, training as a bartender or sommelier, or a craft certificate.

## **APPRENTICES**

It is becoming increasingly important for the hotel industry to attract apprentices, both to support professionalism in the industry and because the authorities are introducing ever more stringent requirements regarding the use of apprentices in connection with tenders. In Thon Hotels, it is the hotels themselves that decide to take on apprentices, although this is increasingly becoming a focus area for the central management. In 2018, 53 of our hotels were approved apprenticeship companies who employed 74 apprentices training to be chefs, receptionists, waiters and waitresses, and pastry chefs.

# HSE

**The Olav Thon Group’s health, safety and environment work aims to create safe and secure places to work with good working conditions and thriving employees and managers.**

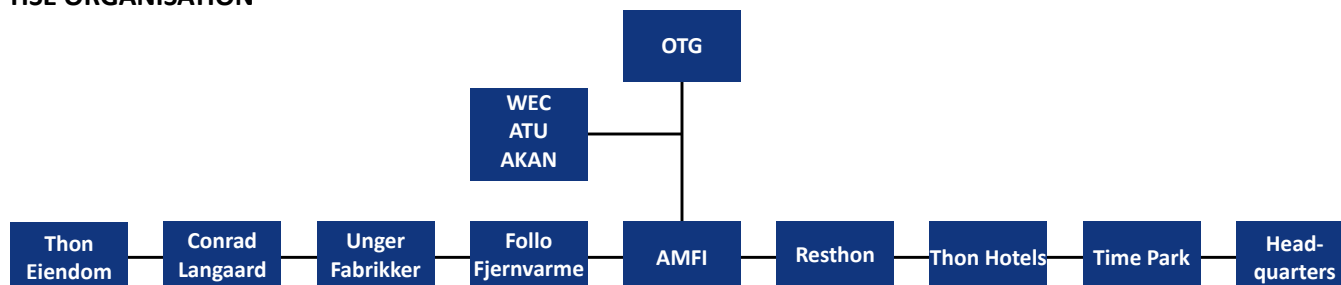
## ABOUT THE WORK

The Group’s HSE vision is to maintain a “visible focus on health, safety and the environment.” The various divisions in the Group are working in different ways and on all levels of the organisation to achieve our vision:

- The executive management team holds four HSE meetings each year, in which the key guidelines for HSE are drawn up.
- It has been decided that HSE should be an agenda item in internal meetings.
- The HSE department attends internal meetings and talks about the HSE work.
- The HSE department attends internal HSE training courses and talks about HSE in the Group.
- News on health and safety issues is published on the intranet, and printed information sheets are distributed that can be posted on noticeboards to reach those who do not have their own PC.

To get more information out into the organisation, it has been decided to produce two HR & HSE newsletters each year. These will be sent out to managers in the Group. The idea is for the newsletters to be posted on noticeboards and thus be made available to employees.

## HSE ORGANISATION



# Organisation (incl. WEC)

The executive management team is the supreme body for HSE matters. The central guidelines are then implemented via the working environment committees (WECs) in the various divisions and units.

## HSE

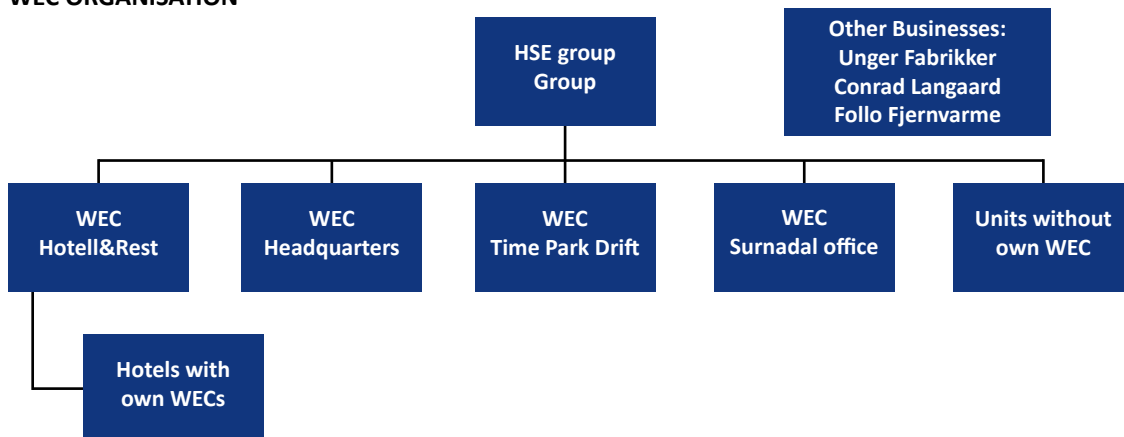
The executive management team holds at least four HSE meetings each year in which key guidelines for HSE are drawn up. The Group HSE Director heads the health, safety and environment work, and has established a network of working environment committees (WECs) at a company level. Local unit managers are responsible for HSE in their unit, and have a duty to follow up statutory HSE requirements.

## WORKING ENVIRONMENT

**COMMITTEE (WEC)** A WEC is a decision-making and advisory body tasked with helping to implement working environment legislation in the enterprise. The committees take part in the planning of health, safety and environment work in the enterprise, and closely follow developments in the working environment. There are a total of 13 WECs in the Olav Thon Group.

There is a central WEC for hotels and restaurants. There are also 12 local WECs, nine of which are linked to Thon Hotels. Over 90% of our employees are represented via a formal WEC.

### WEC ORGANISATION





# Sick leave

**One of the goals of the Olav Thon Group's HSE work is to achieve lower sick leave than the national average.**

The figures in the table include self-certified and doctor-certified sick leave for our companies. In comparison, the national average was 5.8% in 2018.

Knowing the sick leave figures for a given period means we also know the attendance rate for the same period. The attendance rate tells us how many employees have been at work and is about factors such as a sense of belonging, loyalty, team spirit, motivation, professional pride, responsibility, being able to use your skills, leadership, and caring for each other.

Sick leave is always on the agenda of each WEC with the aim of increasing attendance in the Olav Thon Group. The occupational health service for Thon Hotels, Resthon and Thon Bygg AS follows up units whose attendance figures are too low, and helps to establish measures to improve them. Local social activities that promote better working environments are also organised.

Division	FTEs	Sick leave 2018
Consumption non-renewable fuels	289	2,75 %
Consumption renewable fuels	19	12,10 %
Consumption electricity	4	1,55 %
Consumption district heating	409	4,76 %
Consumption district cooling	2 026	8,54 %
Consumption steam	451	3,19 %
Sales electricity	68	1,80 %
Sales district heating	61	5,28 %
Sales cooling	115	6,80 %

1. Includes Thon Hotels AS, Thon Hotels Salg AS, Thon Holding AS, Time Park AS, Time Park Services AS, Norsk Pantelotteri AS, and Norsk Underholdningsspill AS.

2. Includes all operating companies belonging to Thon Hotels AS (incl. Sweden, Belgium and the Netherlands) + Vettre Hotelldrift AS, Linne Hotell AS, and Hotel Bristol AS.

3. Includes Olav Thon Eiendomsselskap ASA, Gardermoen Park AS, Bergen Storsenter AS, Lagunen AS, Amfi Group, Vestkanten AS, Sartor Senterforening AS, Østerås Kjøpesenter AS, Åsane Storsenter DA, Thon Ski AS, the Thon Sverige AB Group, and the Thon Fastigheter AB Group.

# Safety

**The Olav Thon Group focuses on the safety of both people and property. Digital attacks became increasingly common in 2018.**

## **EMERGENCY INCIDENTS**

The Olav Thon Group experienced no incidents categorised as very serious (incidents that result in a fatality) in 2018. Threats were made against some of the Olav Thon Group's shopping centres, but with good cooperation between the management, the emergency response team, and the police, these were resolved without the operating unit having to close. When it comes to other incidents, the picture was relatively similar to the one in 2017. There has been a decrease in fires and near fires. At the same time, there were several evacuations of our properties due to fire alarms.

## **THE DIGITAL THREAT**

The digital threat continues to grow and we have experienced almost weekly scam attempts in Norway, Sweden, and Belgium. We also experience phishing attempts and the copying or misuse of our companies' Facebook pages. We have seen our name being misused in relation to our guests and customers. This can take the form, for example, of fake invoices and false emails.

## **RISK ASSESSMENT**

The Olav Thon Group's risk picture has not really changed in recent years. This is especially true when it comes to ordinary incidents such as burglary and vandalism, where the number of incidents has actually dropped. However, there is an increase in the risk and likelihood of digital crime.

## **EMERGENCY DRILLS**

The Olav Thon Group has a central emergency response team that manages incidents when our operating units need assistance. The emergency response team conducted four emergency drills in 2018. These primarily focused on developing the emergency application further and reviewing actual incidents and cases. Beside emergency drills organised by the emergency response team, regular emergency training/drills are conducted in the operating units, in addition to seminars and courses.

# Supplier chain

**The Olav Thon Group purchases goods and services worth NOK 3-5 billion each year, and has a major responsibility as a purchaser.**

Responsible purchasing is an increasingly important focus area. The Group strives to purchase responsibly via thorough procedures for supplier selection that include assessing numerous aspects of corporate social responsibility that are relevant within the individual categories. We also have our own set of ethical standard terms that impose strict requirements on all suppliers and subcontractors, including their focus on and continuous work with human rights, working conditions, the environment, and anti-corruption.

## **MONITORING DUTY**

The Olav Thon Group carries out inspections and spot checks in line with its monitoring duty. The selection of suppliers is based on an annual risk assessment. The monitoring duty is fulfilled both locally and nationally. For centrally agreed contracts, the responsibility for monitoring mainly lies with individuals at headquarters. Local managers are responsible for monitoring various stress points in the everyday work and notifying headquarters if they suspect breaches of collective agreements. Local managers are also responsible for fulfilling the monitoring duty where relevant local agreements exist.

## **SUPPLY CHAIN CONTROL**

In 2017, the Purchasing Department carried out a project aimed at improving our control of the supply chain with regard to ethical purchasing. The Group has a set of ethical standard terms, and the project was designed to identify and assess the need to monitor risk more closely. As a control measure, a form was produced for further checks of suppliers within the purchasing categories that were considered to be most risky. The suppliers' responses were used to follow up relevant points.

After having followed up this work in 2018, a need to systemise the work even further has been identified. An agreement has therefore been entered into with Factlines in 2019 regarding broader and more systematic monitoring of the supply chain. This work is expected to commence in the second quarter of 2019 and will represent improved supply chain control. Our choice of suppliers, as well as what we choose to focus on in this work, will be guided by earlier surveys and risk assessments.

## **SUSTAINABLE FOOD**

The Group is increasingly focusing on sustainable food. The keywords are quality, safety, and eco-friendly food.

The Olav Thon Group's central Purchasing Department, on behalf of our hotels and other catering outlets, is constantly on the lookout for good ingredients in collaboration with our suppliers. The Group focuses heavily on quality at all stages, from buying to serving. Our food and beverage managers run regular training courses for chefs and encourage the maximum use of fresh, unprocessed products.

We are proud of our partnership with good Norwegian suppliers. We only buy food that can be traced back through the suppliers, so we know where the food comes from. We are concerned with good internal control and are regularly visited by supervisory authorities, which helps ensure a safe and clean environment for food preparation.

Thon Hotels has a policy whereby all hotels must seek to increase the number of organic products every year. In 2018, we assumed it would be possible to offer a minimum of 15 organic products at each hotel. Our hotels also focus on local food in the form of home-cooked dishes. A steadily increasing number of the products are produced locally in the hotels.



# General disclosures

The Olav Thon Group's general disclosures are provided below. They are based on the template from the Global Reporting Initiative (GRI).

## ORGANISATIONAL PROFILE

102-1	Name of the organisation	Page 3
102-2	Activities, brands, products, and services	www.olavthon.no
102-3	Location of headquarters	www.olavthon.no
102-4	Location of operations	www.olavthon.no
102-5	Ownership and legal form	Page 3
102-6	Markets served	Annual Report of the Olav Thon Group
102-7	Scale of the organisation	Annual Report of the Olav Thon Group
102-8	Information on employees and other workers	Annual Report of the Olav Thon Group
102-9	Supply chain	Page 31
102-10	Significant changes to the organisation and its supply chain	No relevant significant changes
102-11	Precautionary Principle or approach	Page 27
102-12	External initiatives	Page 12
102-13	Membership of associations	Thon Hotels is a member of the Norwegian Hospitality Association. Otherwise, no such memberships.

## STRATEGY

102-14	Statement from senior decision-maker	Page 7
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## ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behaviour	www.olavthon.no
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## GOVERNANCE

102-18	Governance structure	Page 3
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## STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	Page 12
102-41	Collective bargaining agreements	Around 70%
102-42	Identifying and selecting stakeholders	Page 12
102-43	Approach to stakeholder engagement	Page 12
102-44	Key topics and concerns raised	Page 12

## REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements or equivalent documents	www.olavthon.no
102-46	Defining report content and topic boundaries	Page 12
102-47	List of material topics	Pages 12-13 and 34
102-48	Restatements of information	Page 37
102-49	Changes in reporting	Page 12
102-50	Reporting period	Page 12
102-51	Date of most recent report	Page 12
102-52	Reporting cycle	Page 12
102-53	Contact point for questions regarding the report	Page 40
102-54	Claims of reporting in accordance with the GRI Standards	Page 12
102-55	GRI content index	Pages 32-33
102-56	External assurance	The report is not audited by an external party

# GRI Index

The Olav Thon Group's corporate social responsibility report for 2018 was produced in accordance with GRI's guidelines for sustainability reporting. The Group's reporting qualifies it for Core Level use of the GRI Standards.

## ECONOMIC PERFORMANCE

GRI 201-1	Direct economic value generated and distributed	Page 17
GRI 103	Management approach	Pages 12, 14, 17

## ENVIRONMENT

GRI 302-1	Energy consumption within the organisation	Pages 21-22
GRI 306-2	Waste by type and disposal method	Pages 19-20
GRI 307-1	Non-compliance with environmental laws and regulations	No instances
GRI 103	Management approach	Pages 12, 14, 18-23

## SOCIAL EFFECTS

### LABOUR PRACTICES AND DECENT WORK

GRI 403-1	Working environment committee	Page 28
GRI 404-1	Education, training and counselling	Page 26
GRI 405-1	Gender and age breakdown	Page 24
GRI 103	Management approach	Pages 12, 14, 24-30

### HUMAN RIGHTS

GRI 406-1	Incidents of discrimination	No known instances
GRI 407-1	Monitoring of suppliers (organisational freedom)	Page 31
GRI 408-1	Monitoring of suppliers (abolishing child labour)	Page 31
GRI 103-2?	Human rights violations	No instances
GRI 103	Management approach	Pages 12, 14, 31

# UN Global Compact

The Global Compact is a UN initiative for collaboration with businesses on sustainable development. The letter below was sent to the then Secretary-General of the UN, H.E. Ban Ki-moon, confirming that in supporting the Global Compact, the Olav Thon Group undertakes to integrate the 10 basic principles into its strategy and day-to-day operations. The next letter confirms that the Olav Thon Group continues to support the UN Global Compact, and that the Group's work will be summarised in an annual report (Communication on Progress).



02.05.2013

H.E. Ban Ki-Moon  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am pleased to confirm that *Olav Thon Gruppen* supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. *Olav Thon Gruppen* will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Sincerely yours,

Mr. Dag Tangevald-Jensen  
CEO, *Olav Thon Gruppen*





## OLAV THON GRUPPEN

04.09.2019

To our stakeholders;

I am pleased to confirm that Olav Thon Gruppen reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Ole-Christian Hallerud  
Vice Group CEO, Olav Thon Gruppen

# Appendix

**The appendix provides supplementary information about various elements of this year's Sustainability Report.**

## FINANCIAL FIGURES

An anomaly has been identified in the calculation of product costs, which also applies to previous years. This has, therefore, been corrected in this year's report and also for previously reported calendar years. As a result, the company's retained earnings were lower than previously reported.

## BASE DATA FOR WASTE

The base data for waste was obtained from our waste services suppliers. This means that the figures were primarily obtained from Retura, Norsk Gjenvinning and Stena Recycling. Since the Olav Thon Group changed its main supplier of waste services in 2018, the figures are a collation of the services provided by both Retura and Norsk Gjenvinning in a Norwegian context. The figures from Retura were obtained via a contact person, while the figures from Stena Recycling and Norsk Gjenvinning were obtained via customer portals. It is therefore possible that the incorrect use of a portal could represent a source of errors for waste figures, although none had been identified at the time the report was published.

All of the figures for waste were obtained for the full calendar year 2018. For Retura and Norsk Gjenvinning this means that the period was set to 2018, and what we have obtained are the total figures for this period, even if the suppliers have not been our supplier for the locations all year. The sorting rate was calculated on the basis of the waste volume and are not an average of the various sorting rates per division/location. This is

to ensure that the Group's sorting rate represents the actual sorting rate. The specified sorting rates per division are calculated in the same way, although with the collation of the figures for the locations included in the division.

Given that Retura's portal solution has not yet been cleared for data extraction for the purposes of the Sustainability Report, these figures were supplied in an Excel worksheet. The location overview and classification of the various properties had not been fully quality checked at the time they were obtained. Therefore, there may be some errors in the reporting with regard to whom some properties belong. This may affect the calculation of volumes and sorting rate per division/company, but will not have an impact on the overall picture.

The overview of the waste management (material recovery, energy recovery, etc.) was obtained from Retura and only covers waste handled by Retura. This represented the majority of the waste in 2018.

## BASE DATA FOR ENERGY

Explanation of the base data for the various types of energy consumption:

1. Non-renewable fuels: The consumption comprises the sum of Follo Fjernvarme's purchases of oil and gas (and others), and the consumption of fuels, obtained from the Olav Thon Group's Purchasing Department. The figures from Follo Fjernvarme are considered

precise, but the figures from the Purchasing Department represent a summary of the invoiced costs from typical fuel suppliers. Fuel consumption is calculated by dividing the total invoiced sum by the average cost per litre of fuel. Energy consumption is calculated using a factor of 9 kWh/L and an efficiency rate of 45.

Follo Fjernvarme uses gas for peak loads as needed. The consumption figures for gas were not included in previous energy accounts due to a misunderstanding. In 2017, the consumption of gas amounted to 1,221,000 kWh, which indicates total consumption of non-renewable fuels of 5,640,357 kWh in 2017.

2. Renewable fuels: The consumption comprises Follo Fjernvarme use of pellets (biomass) and is considered precise.
3. Electricity consumption: The consumption comprises the sum of Follo Fjernvarme's purchases of electricity and the electricity suppliers' stated deliveries to the Olav Thon Group. Control numbers from Energinet indicate a slightly smaller volume. This is primarily due to the fact that some properties are not registered in Energinet. Energinet is a digital solution for continuously monitoring and reporting energy consumption. Consumption is automatically recorded via electricity meters in the properties.
4. District heating consumption:

The consumption comprises the sum of Follo Fjernvarme own purchases of district heating, and registered consumption in Energinet. Control numbers have not been obtained from the Purchasing Department.

5. District cooling consumption: The consumption is the registered consumption in Energinet. Control numbers have not been obtained from the Purchasing Department.
6. Sales of district heating: Registered sales obtained from Follo Fjernvarme.
7. Sales of cooling: Registered sales obtained from Follo Fjernvarme.

The goal is to obtain/use statistics from Energinet. At the moment, only the consumption figures for district heating and district cooling can be read off in Energinet, albeit with a supplement for district heating from Follo Fjernvarme. The numbers are still encumbered with some uncertainty.

In order to see the trend for specific consumption (kWh/ m<sup>2</sup>), we need a link between consumptions figures and space. As of today, the only place this exists is in Energinet. Energinet contains electricity, district heating and district cooling. This specifies the heated area, which means the area inclusive of tenants, while the consumption figures are stated exclusive of tenants. The figures will therefore not be correct. It would be best if we had viewed compared consumption in shared facilities with the area of shared facilities, but we do not have these areas available. However, using the suppliers' figures for shared facilities and areas from Energinet, we can get a figure we can use for comparisons.

## GENDER AND AGE

Sources:

- The Olav Thon Group's HR system (Norway)
- The Olav Thon Group's payroll system (Norway)
- Thon Hotels' HR system (Benelux)
- Thon Hotels AB's HR system (Sweden)
- Thon Property AB's HR system (Sweden)

The age statistics provide an anonymous overview of the ages of employees from all of the sources. These have been collated per division and totalled.

The gender statistics were obtained at an overarching level from the Olav Thon Group's HR system in Norway. Almost all of the Group's employees are employed in Norway and are registered in the HR system. We have therefore chosen to use these figures for the entire group since collating information about the rest of the employees who are not registered in this system would be challenging.

The gender breakdown of managers was obtained from the Olav Thon Group's payroll system in Norway. The system can differentiate between senior managers and middle managers. The number of these per gender has been collated so that simple percentage calculations of the gender breakdown can be made for the categories senior manager, middle manager, and the total picture.



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