

LOCA GRUPPEN

EVERY MEAL MATTERS



SUSTAINABILITY  
REPORT 2022-2023





*"No one  
can do  
everything,  
but  
everybody  
can do  
something"*

# PREFACE

## PREFACE – OUR IMPERFECT JOURNEY

The development and growth that we in the affluent countries currently benefit from have come at a steep cost. This growth has resulted in significant CO2 emissions, and climate change is a reality that the entire world must address, as to not jeopardize the future for our children and future generations.

*“Climate change is real and human activities are the main cause” (IPPC, 2. november 2014)*

It is estimated that the food industry accounts for approximately one quarter of the world’s CO2 emissions. However, at the same time, we are also an industry where effecting sustainable changes does not necessarily have to be quite so challenging. With high-quality ingredients and craftsmanship, we have all the opportunities to make sustainability a pleasurable and positive choice.

*“No one can do everything, but everyone can do something”*

The LOCA Group was founded in 2017 to leverage our longstanding expertise in the art of innovation and creation.

## TASTE AND JOY

With our LOCA Manifesto from 2021, we finally documented the mindset that drives our motivation to embark collectively on what we refer to as ‘our imperfect journey.’

Developed upon the manifesto, we can now present our second sustainability report, which, through figures and facts, informs us of our progress on our journey while simultaneously establishing new objectives for our future direction.

## PEOPLE ARE OUR PRIMARY FOCUS

We operate under the mantra “if it can be measured – it can be managed,” and this report is, therefore, replete with numerous intriguing figures and facts pertaining to our sustainability performance from both climate and environmental perspectives. For instance, aspects such as the consumption of local ingredients, CO2 emissions, organic content, animal welfare, and more are included, which we look forward to developing further and optimizing in our kitchens and operations in the years to come.

Ultimately, our guiding star on the path toward sustainable gastronomy is not dry statistics, but rather, the love for food - and for people.

For us, sustainability is not solely defined by our raw material consumption. Social sustainability – and thus, the well-being of our employees - constitutes the predominant portion of the LOCA Manifesto. We believe that the well-being of individuals is the most critical factor in enabling us to forge a bright and sustainable future together.

In collaboration with our industry association, Horesta, and our colleagues in the field, we are therefore in the process of delineating the parameters for social sustainability that can be and should be measured in the future. The objective is for our industry to be attractive in any comparison, thus establishing an industry standard against which we can gauge ourselves.

If our industry, as a collective, aims to attract and retain the right individuals, it requires that we, together, weed out the outdated traditions and cultures that deter people from our profession.

## INNOVATIVE PEOPLE & CULTURE DEPARTMENT

In 2023, a natural focus point is therefore the individuals within our own organization. Through the establishment of an innovative ‘People & Culture’ department, we aim to further develop our existing LOCA Family concept, which emphasizes the well-being and development of each employee within a strong LOCA community with shared goals for the future.

A primary focus for LOCA in 2023 and beyond will therefore continue to be the intensification of our engagement in the industry as a whole and the pursuit of partnerships both within and outside the industry. Partnerships where we can collaborate to enhance the foundational conditions for industry stakeholders and ensure better wages, education, and working conditions for employees.

Together, we will work to ensure that the industry as a whole, and the roles of a chef, server, or manager in particular, are appealing to all with a passion for food and hospitality.

We are aware that the path to sustainability is paved with constant dilemmas and compromises. Therefore, we also know that our journey and our approach will never be perfect. The imperfect journey never truly concludes, but with this report, we take yet another significant step along the way.

With warm regards

  
Merete Holst

  
Dorte Østergaard

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# INTRODUCTION

We tend to say that a meal is only sustainable if it gets consumed. However, we also believe that a restaurant can only be sustainable if it is financially sustainable – and especially socially sustainable as well.

Hence, in the LOCA Group, we operate with a threefold definition of sustainability, encompassing environmental, economic, and social dimensions.

After three years of grappling with a relentless Covid-19 pandemic, which claimed the businesses of many talented colleagues, we can confidently state that 2022 was a year marked by a particular emphasis on economic sustainability. We delve further into this topic in Section 3: 'The Organization' on page 35.

During 2022, we succeeded in restoring the financial health of our business. Simultaneously, 2022 marked a year where, after the 'dormant' years of the pandemic, we could truly begin to implement our business philosophy into practice. A philosophy that we articulated in a LOCA Manifesto in 2021, in collaboration with the esteemed Basque Culinary Center in San Sebastián.

Starting in 2021, we accelerated our efforts in environmental sustainability, and to this day it has, among other things, resulted in all units within the LOCA Group having an organic dining certification.

We aim to do more than just claim to be sustainable; we also aim to prove it. As we often say, "If we can measure it, we can manage it." Therefore, we have developed measurement tools, including those for our ingredient sourcing, which enable us to closely monitor our CO2 emissions across our restaurants. These are crucial tools as they allow us to identify areas where we need to make improvements to become even better.

We are part of an industry that still has much to learn. Currently, one of the most critical aspects is how to attract and retain employees. Therefore, 2023 will be the year when the third pillar of sustainability - social sustainability - receives our full attention.

We aim to contribute to reforming the outdated structures within our industry. We have established an entirely new 'People & Culture' department, and in collaboration with Horesta and accomplished industry colleagues, we have set out to define how the industry can measure the degree of social sustainability – so that together, we can propel our industry into a new era. An era where success is not measured by Michelin stars but rather by how one treats their personnel.

We look forward to the journey.

# TASTE & CULINARY JOY

Our grand, shining North Star on the journey towards more sustainable gastronomy will always be the love for food.

It is our belief and vision that with delicious taste and culinary joy, we can drive positive transformations for individual guests and businesses, as well as across the Sustainable Development Goals and national boundaries.

**TASTE & CULINARY JOY** is, therefore, the core of everything we do. A meal is only sustainable if it is consumed, and we aim for sustainability to be a delightful and positive choice. It should never feel like a forced exclusion. This requires that the food tastes fantastic. Taste is therefore our guiding principle in deciding, for instance, between a Danish or non-Danish ingredient or an organic or non-organic ingredient. Taste prevails over both local and organic ingredients if they do not meet the right quality standards. Because if the taste isn't spot on, it always affects our most crucial metric:

## GUEST AND CUSTOMER SATISFACTION

LOCA Group's objective is always to be 'best in class' – regardless of the culinary level in question.

Our success is therefore synonymous with the satisfaction of our guests and customers. We meticulously review every piece of feedback we receive, and we continuously conduct guest analyses for our restaurants and customer surveys for our canteens. We set the bar high – the goal for all our concepts, restaurants, and canteens is for 80% or more of those who visit us to be satisfied or very satisfied to the extent that they would recommend us to others.

This goal was achieved for the LOCA group as a whole in 2022, and our new goal for 2023 is, of course, to continue and improve from it.

Furthermore, our aim is for our ethos and our restaurants to be recognized by the country's food critics and industry professionals. It is our goal for the LOCA Group to stand as a beacon in the industry, one that not only sheds light on the industry's challenges but actively endeavors to address them.



*“Sustainable development is a development that meets the needs of the present generation without endangering the ability of future generations to meet their needs.”*

Gro Harlem Brundtland, FN og Brundtland-kommissionen, 1987



## FOOD



*We strive to craft meaningful, delectable meals through an innovative approach characterized by unwavering quality and deliberate choices. We reject food waste while embracing local ingredients, organic produce, animal welfare, and sustainable seafood.*

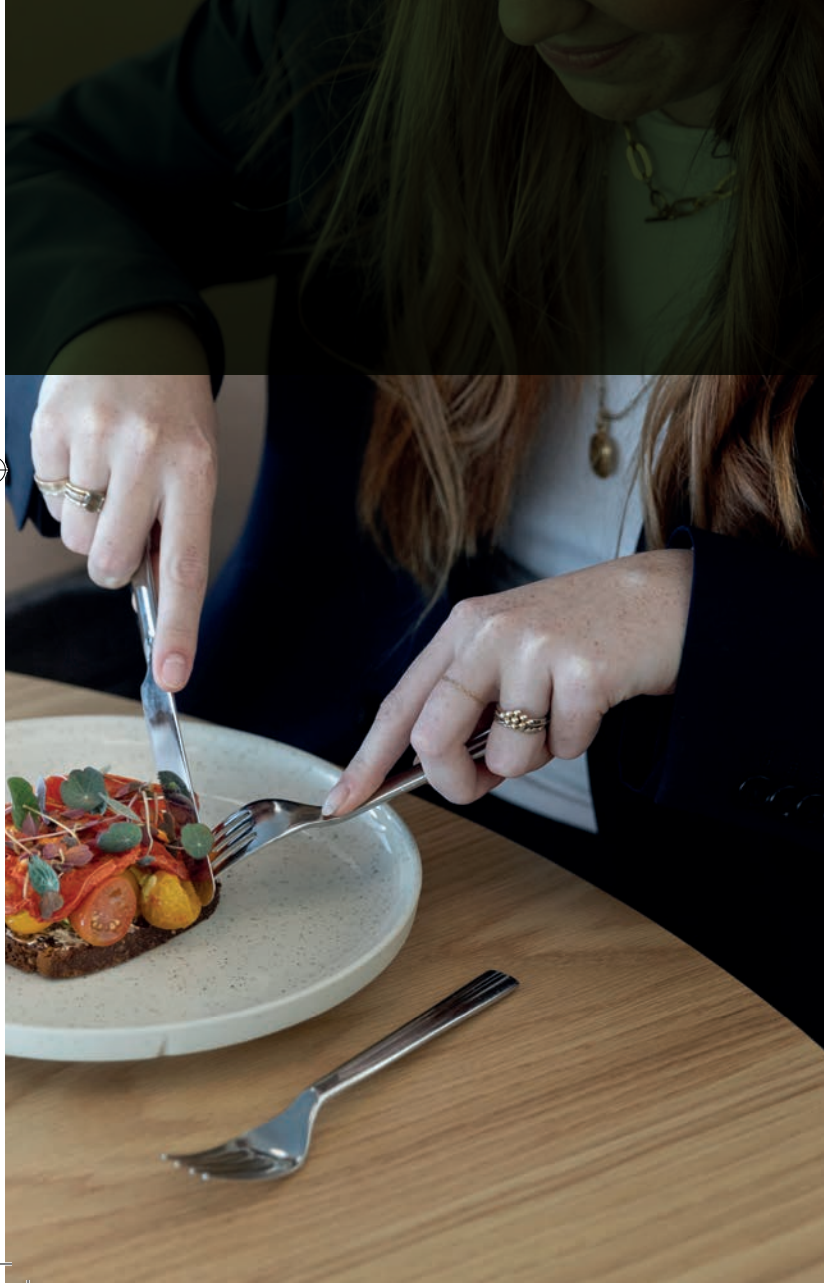
*We select less meat, more greens, and responsible suppliers that align with the United Nations' Sustainable Development Goals and the values we aim to embody.*

*But all of this is irrelevant if the food does not taste exceptionally good. Therefore, choices of inclusion and exclusion always go hand in hand with innovation, curiosity, and a strong craftsmanship, as the sustainable meal must and should make the angels sing.*

**LOCAS MANIFESTO**







For the registration and optimization of our sustainable food and beverage procurement, we have developed a computational tool capable of analyzing the purchase patterns and guest behavior in each of our restaurants and canteens.

We would like to emphasize that this report has been prepared for LOCA Group as a whole, and the provided measurements thus represent an average of the group's total procurement for all establishments.

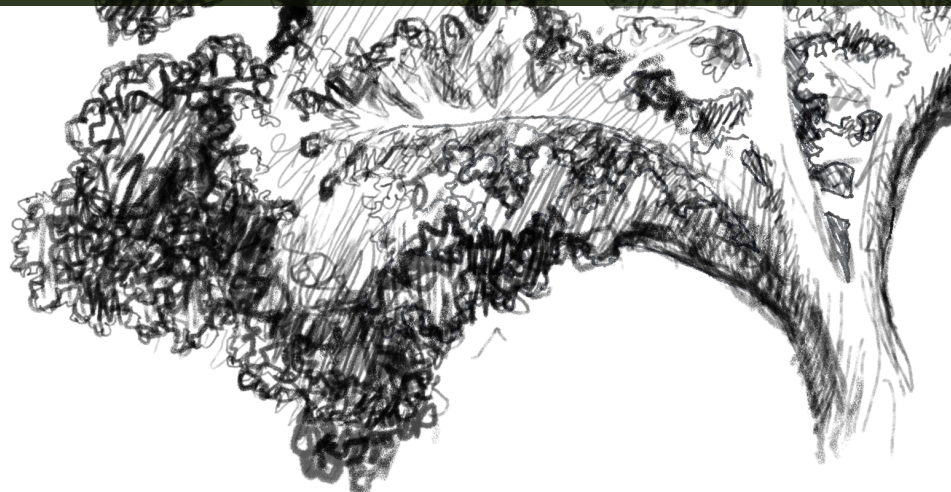
In this section about FOOD, you will find a selection of our measurements, results, and focus areas within:

- Animal vs. Non-Animal
- CO2 Footprint
- Organic
- Local Ingredients
- Animal Welfare
- Sustainable Fishing and Seafood
- Food Waste

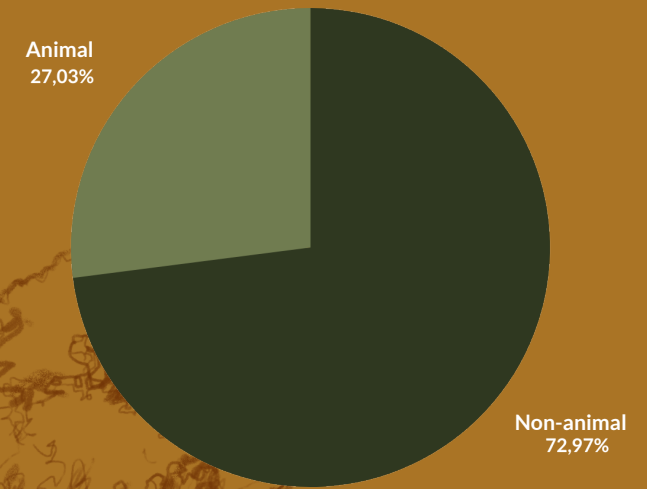
# ANIMAL - NON-ANIMAL

In kilograms and liters, we track the quantity of our commodity purchases originating from animal and non-animal sources. It is essential to emphasize that the animal portion includes not only meat but also encompasses our consumption of all animal-based products such as fish, eggs, cream, butter, and other dairy products.

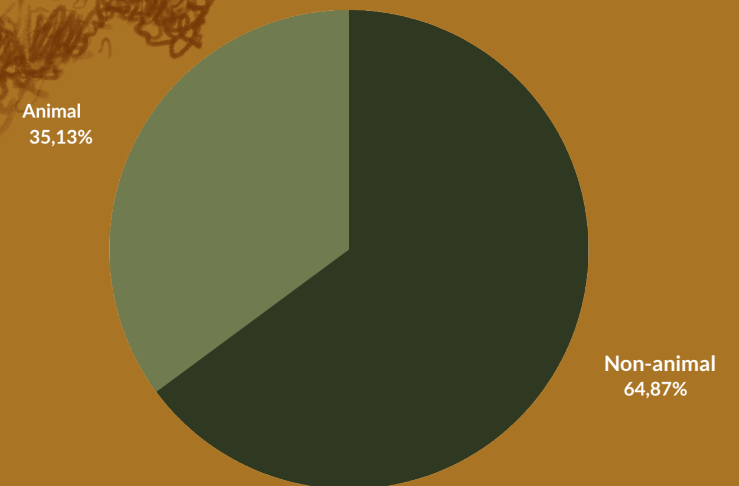
The proportion of each of these subcategories comprising our total animal consumption can be found on page 13. We find the distribution, both with and without beverages, to be in line with our objectives in this regard. However, this area will continue to receive particular attention.



## Plant-Based Including Beverages 2022



## Plant-Based Excluding Beverages 2022





Animal-based open-faced sandwich from Almanak in the Opera House.  
*Fish fillet with Skaw shrimps and lumpfish roe.*



Non-animal based open-faced sandwich from Kilden i Haven  
*Mushroom toast – Sourdough bread with creamy mushrooms.*

# CO2 FOOTPRINT

We have established a baseline for the complete CO2 footprint of the LOCA Group. Refer to Appendix on page 46.

We quantify and record all ingredients in terms of purchased kilograms, which are then categorized into seven main groups.

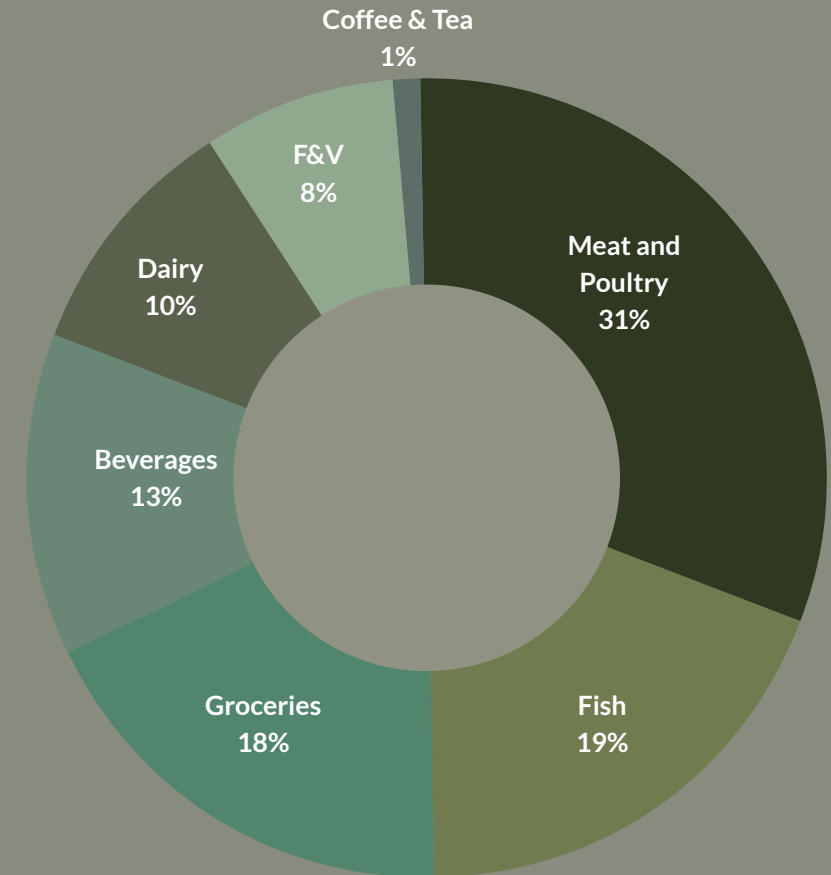
We hereafter measure the CO2 emissions within each of the 7 main categories and compare the quantity of purchased ingredients in kilograms with the CO2 emissions for the same quantity.

In graph number 2 on the right, it becomes evident that while the purchase of fruits and vegetables constitutes a significant portion of our total procurement in terms of kilograms, it accounts for only a minor portion of our CO2 emissions, whereas the opposite is true for Meat and Poultry.

In graph number 3, we have subdivided Meat and Poultry into an additional 9 subcategories, making it evident that especially beef and veal have a significant CO2 footprint relative to the quantity purchased.

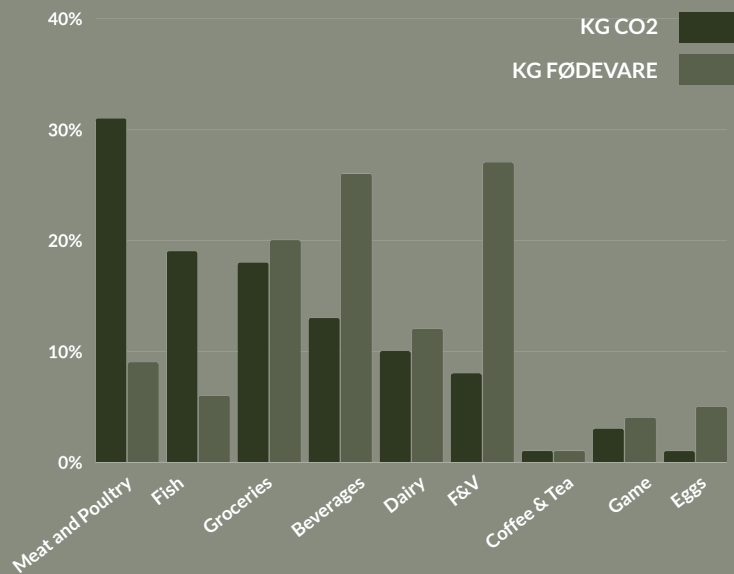
GRAPH 1

Total share of purchased ingredients quantified in kilograms.  
CO2 emissions per product category.



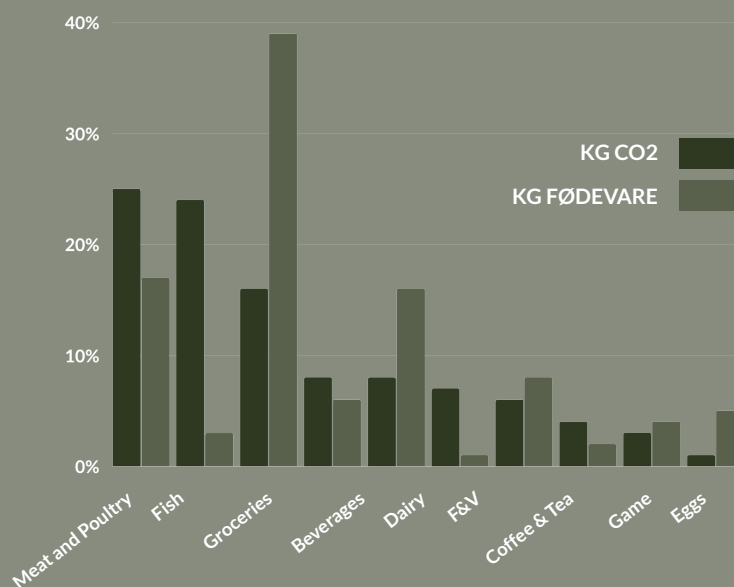
GRAPH 2

Here, the footprint is shown measured per product category, where we also display the quantity purchased in kilograms.



GRAPH 3

CO2 footprint per animal-based product category in relation to the purchased quantity in kilograms



**ALMANAK'S CLASSIC BEEF TARTARE**  
**WITH 100% BEEF LEG**  
**3.09 KG CO2 EQUIVALENT**

**ALMANAK'S NEW BEETROOT**  
**TARTARE WITH 60% BEETROOT**  
**AND 40% BEEF LEG**  
**1.30 KG CO2 EQUIVALENT**  
**SAVINGS OF 57%**



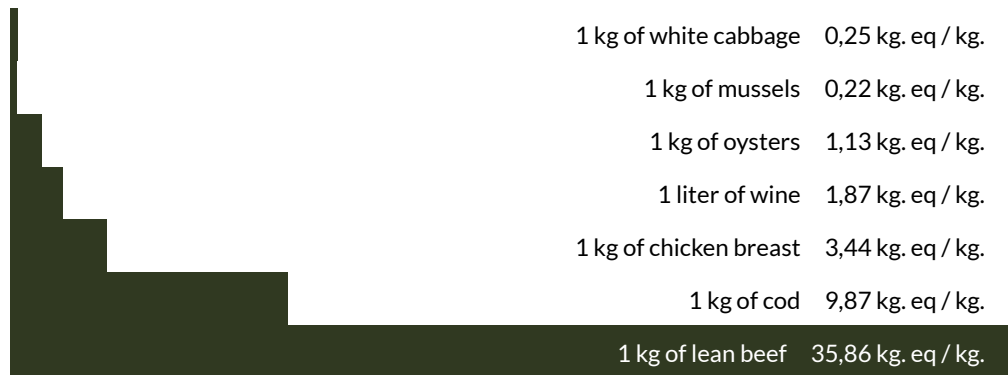
*Almanak in the Opera House - Open-faced sandwich with minced beef tartare with beef leg and beetroots, onion mayonnaise, and pickled onions.*

When we consider all kitchens within the LOCA Group, in 2023, we have had an average footprint of 2.29 kg of CO2 per kilogram of purchased raw materials. The figure is calculated based on Concito's extensive Climate Database and includes exclusively food and beverages since they represent the largest portion of our CO2 footprint.

**2,29**



**Total CO2 per kilogram of purchased raw materials in the LOCA Group 2022:**



Udleder af Co2

# WE PUT ALL OUR EGGS IN ONE BASKET

98.5% organic eggs  
throughout the  
entire LOCA Group



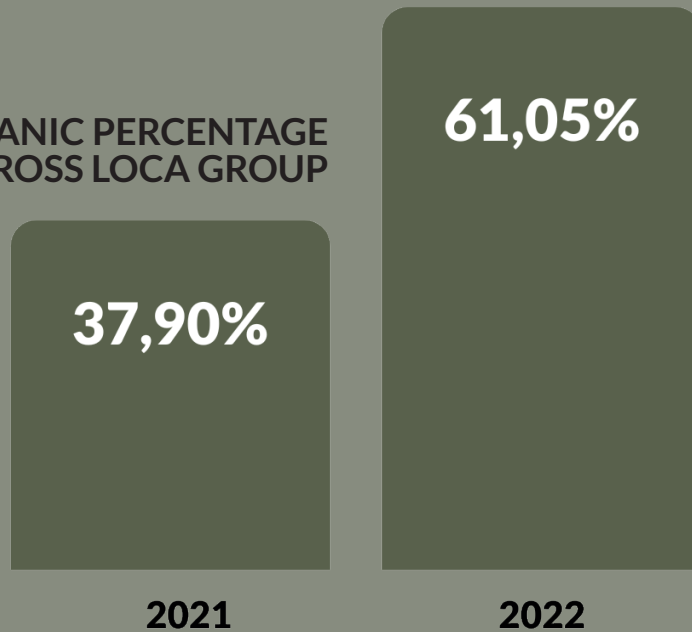
# ORGANIC PRODUCE

One of our goals for 2022 was to achieve an organic silver label for all our units, and this goal was achieved with the exception of restaurant STUDIO, which only opened in December 2022.

Out of approximately 13,000 dining establishments in Denmark, only 90 restaurants have an Organic Dining Label, and only 22 restaurants in Copenhagen have achieved an Organic Silver Label.

Our goal for 2023, despite inflation and rising raw material prices, is to maintain the achieved organic share in our existing kitchens and to obtain an organic silver label in our newly opened restaurants in Copenhagen.

## ORGANIC PERCENTAGE ACROSS LOCA GROUP



Source 1: Danmarks Statistik for 2021 – kode 56000 Restauranter – antal 12.957

Source 2: Danmarkskort maj 2023 fra [www.oekologisk-spisemaerke.dk](http://www.oekologisk-spisemaerke.dk) – 90 restauranter i DK // 39 i København



# LOCAL INGREDIENTS

For now, we define local ingredients as products produced in Denmark primarily using Danish ingredients.

There are several issues with the concept of 'local ingredients' - how is 'local' defined? How far from the kitchen should the ingredients or products be grown or manufactured, and where do the feedstuffs

for animal production come from? For instance, one can consider whether a Danish pig can be marked as local if it has been fed with soybean meals imported from South America?

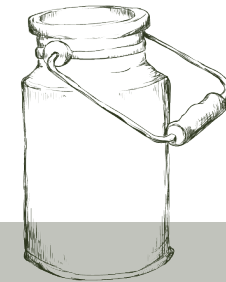
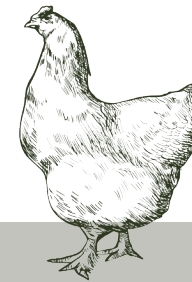
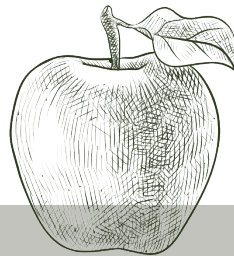
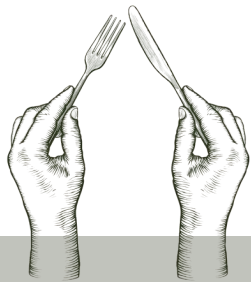
Furthermore, there can be challenges regarding meat cuts. In the best-case scenario, they can originate from animals

from Danish herds that were born, raised, and slaughtered in Denmark.

However, it also happens that animals are born in one country, raised and slaughtered in another, and finally processed in Denmark - is the meat then considered Danish?

These are issues we address and continually investigate opportunities for improvement within.

One of the major challenges we encounter in our desire and commitment to purchase local ingredients is that there are times of the year when Danish ingredients are not available.



## TOTAL DANISH INGREDIENTS ACROSS ALL PRODUCT CATEGORIES IN KG

2021 - 47,1%

2022 - 56,6%

We are quite satisfied with this level. Please note that a portion of our beverages, especially wines, do not originate from Denmark. Without our wine purchases, the total figure for acquired Danish ingredients in 2022 would be 63.5%.

## DANISH FRUITS AND VEGETABLES IN KG

2021 - 54,2%

2022 - 46,4%

There are parts of the year when it is difficult to obtain vegetables from Denmark, but the figure is on the lower end, and it is an area that requires attention and improvement.

## MEAT AND POULTRY FROM DENMARK IN KG

2021 - 57,95%

2022 - 85,36%

The significant improvement is primarily due to the fact that we have served Danish game during the winter season in most of our kitchens.

## DAIRY (INCLUDING CHEESES) IN KG.

2021 - 96,56%

2022 - 95,21%

We are pleased that it is so high with all dairy products, including most cheeses coming from Danish producers.





# ANIMAL WELFARE

We establish focus areas and measure our behavior in the groups of fisheries, pork, chicken, and calf/beef, as well as dairy.

In general, we aim for at least half of our meat purchases to come from stocks and herds that can be described as "welfare-friendly."

Currently, we define "welfare-friendly" as being organic, free-range, and/or labeled with the Danish Food Agency's animal welfare hearts.

Animal welfare and its definition are focus points in 2023.

## FISHERIES

We believe that animal welfare and sustainability in fisheries primarily revolve around fishing methods, fishing areas, and stocks. These will be the three main areas we measure when purchasing fish. We use WWF's Fish Guide as a guideline, but equally important is our collaboration with partners in this field. Together, we delve deeper into our specific behaviors and how we can steer in a more sustainable direction. In the section on Sustainable Fish & Seafood, we have described our behavior regarding areas and fishing methods.



## DAIRY

Our goal is a minimum of 70% Danish dairy products, and there is currently no higher target for this, as we aim to offer a range of exciting cheeses from across Europe, not all of which are organically certified.

**2021: 86,2%**  
**2022: 83,0%**

## PORK

We prefer to use welfare pigs from our supplier, and if that is not available we should preferably use Free-Range or organic options as alternatives. Welfare pigs are rated with 3 hearts according to the animal welfare label from the Danish Food Administration.

**Our purchases of welfare pigs, organic pigs, and free-range pigs as a percentage of the total purchased pig meat.**

**2021: 49,4%**  
**2022: 71,9%**

In 2023, we are exploring options to further increase our share of welfare pigs. The primary challenge lies in the limited opportunities within the selection of charcuterie we aim to offer.



## CHICKEN

We prefer to use chickens from Danish farms with a minimum classification of "better animal welfare," indicated by the Danish Food Agency's heart label. In 2022, our focus was that at least half of our chickens should be welfare compliant.

OUR PURCHASE OF ORGANIC OR WELFARE CHICKEN AS A PERCENTAGE OF TOTAL  
**2021: 54,4%**  
**2022: 62,5%**

In order to make improvements we have created a special focus area for chicken carcasses and soup hens for our stocks. In 2022, the majority of our purchases were not from welfare or organic sources. We aim to achieve a minimum of 75% of purchases from welfare chickens.



## EGGS

Our eggs must originate from organic farms.

**2021: 98,4%**  
**2022: 98,5%**

## VEAL & BEEF

Despite having more guests and larger raw material purchases in 2022, we have overall, used less veal and beef compared to 2021.

Given the significant CO2 emissions associated with beef, our goal remains to further reduce our consumption, but we do not wish to outright ban beef or veal from our menus.

We prefer veal and beef sourced from welfare herds. These are animals that live freely in fields and wooded areas during the summer months, while in winter, they are housed in spacious barns with plenty of straw bedding. They live together as a herd throughout their upbringing and have short transportation distances to the slaughterhouse.

OUR PURCHASES OF ORGANIC OR WELFARE CATTLE AND CALVES AS A SHARE OF THE TOTAL  
**2021: 44,8%**  
**2022: 40,6%**

The main challenges lie in the availability of charcuterie products sourced from welfare and organic farms, which limits the potential for a higher 'welfare grade.' This is a focus area in 2023, with the goal of sourcing a minimum of 50% of our purchased charcuterie from welfare farms.



EVERY MEAL MATTERS

# SUSTAINABLE FISH & SEAFOOD

Fishing constitutes a significant and meaningful portion of our raw materials. When it comes to sustainability and animal welfare in fisheries, the most important parameters for us are:

## Fishing methods, fishing areas, stocks

We use WWF's fish guide as a reference point but, equally importantly, we collaborate with our partners in the field to delve into our specific practices and goals for a more sustainable direction.

## METHODS OF CAPTURE

We measure fishing methods to raise awareness of their impact on fish and the areas where they are caught. However, this is a complex topic with many different aspects, and we have sought advice from our fish suppliers among other sources.

An example of the complexity in this area, is the traditional Danish purse seine fishing method. Initially, it is considered a relatively sustainable fishing method because, unlike bottom trawling, it does not, for instance, damage the seabed. On the other hand, it can be argued that the purse seine method is not sustainable because it consumes a relatively large amount of fuel compared to other fishing methods.

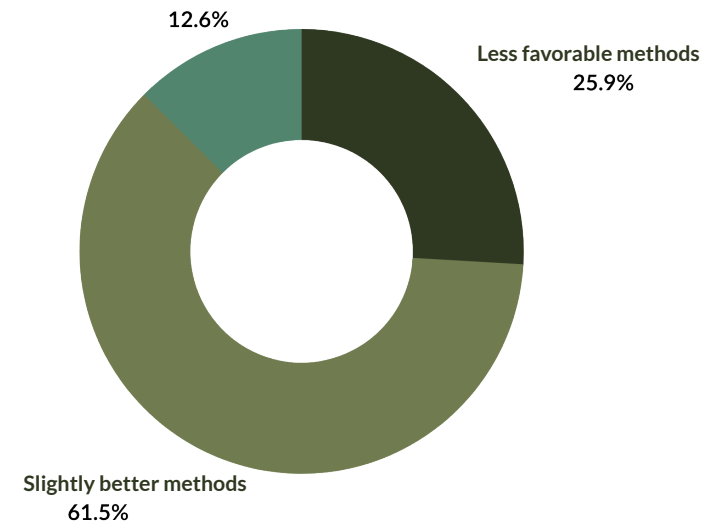
Our goal is to purchase fish that are caught according to principles that can be considered 'better,' and we make choices regarding fish accordingly.

In this specific example, however, we have chosen to categorize the purse seine method as a 'slightly better' fishing method, as our approach to sustainability in the fishing sector primarily emphasizes gentle harvesting, healthy fish stocks, and avoiding potential overfishing.

## DATA ON FISHING METHODS

We consider trawl, flyshooter, and bottom scraping as "less favorable" fishing methods. The "slightly better" fishing methods include purse seine, gillnets, bottom set nets, fyke nets, aquaculture, hand gathering, traps, seines, and longlines.

## Fishing Catch Methods 2022

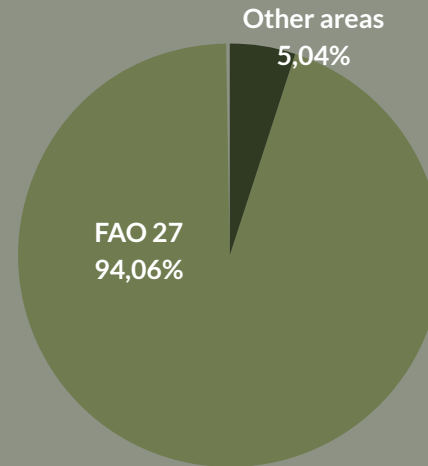


**In 2022, we did not improve our purchasing behavior compared to 2021, as was our goal. This is primarily due to the fact that we have not been able to obtain data for approximately 13% of our purchases. However, even accounting for these missing data, our perception is that we have not improved as desired, and this is therefore a focus area in 2023.**

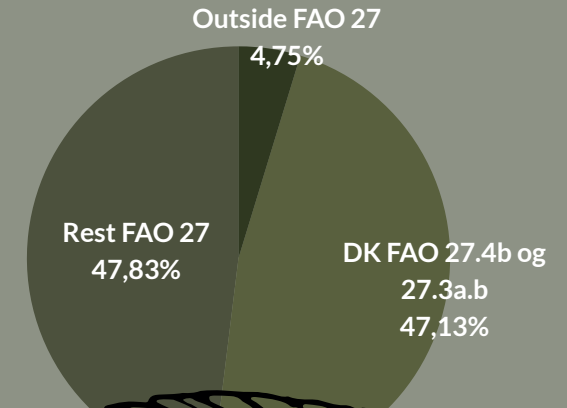
**Development from 2021 to 2022:**

**Slightly better methods:**  
**2021: 76,5%**  
**2022: 61,5%**  
 (in addition, 12.55% not specified)

## FISHING AREAS 2022



## FISHING AREAS DANISH WATERS 2022



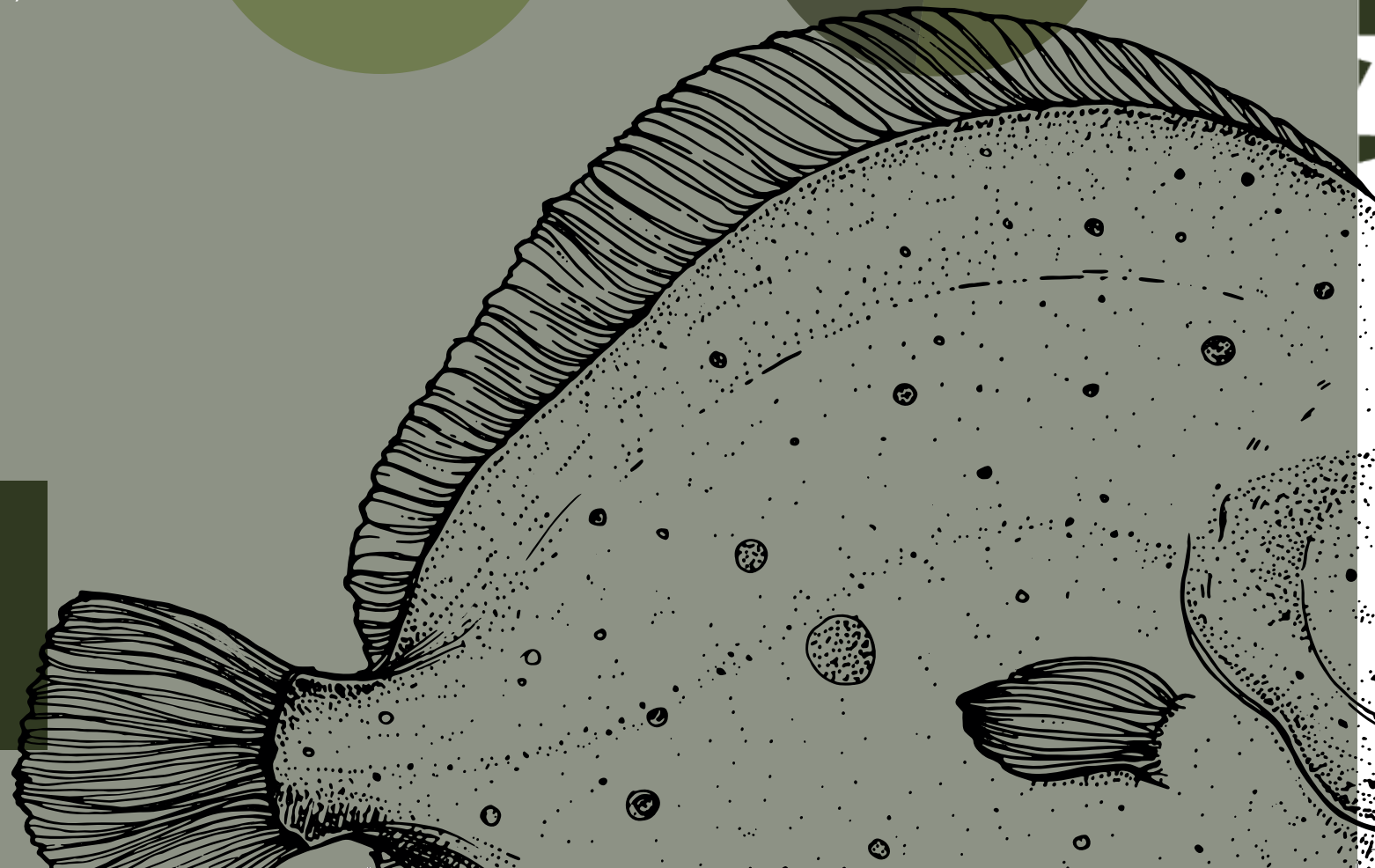
In the context of sustainable fishing, we measure two areas:

1. Origin in relation to fishing areas.
2. Catch methods - How the fish has been caught.

We have chosen this method to create as much transparency as possible and to educate ourselves in understanding our choice of fish caught either "gently" and "less gentle." This is an ongoing process that is constantly sought to be optimized and improved in collaboration with our fish supplier.

### Focus area for 2023/2024:

We aim to reduce our purchases related to trawl, bottom scraping, and flyshooter fishing. One challenge is the availability of other fishing methods.



## ORIGIN

We aim for all fishing to at least come from the "FAO 27" fishing area, and we will increase fishing from nearby areas to Denmark, which are the subareas 27.4b and 27.3a,b,c.

Here are the results from 2021 and 2022, where we can observe significant progress in both areas:

### Percentage of purchased fish from FAO 27

2021: 87%

2022: 95%

### Percentage of purchased fish from FAO 27 subareas 3.a,b,c and 4.b

2021: 33%

2022: 47%

## Focus area for 2023/2024:

We aim to increase the proportion of fish sourced from subareas 3.a, b, c, and 4.b. Additionally, we will focus on "NaturSkånsom," a label that all kitchens must register with the Danish Veterinary and Food Administration in order to use. This will take place in 2023.

# FOOD WASTE

In any household, food waste equates to poor kitchen economics. In our professional kitchens, food waste is also monitored through our financial metrics with monthly budget reviews on the kitchen percentage. The kitchen percentage represents the share of food purchases in the revenue.

Currently, we only record our food waste in kilograms through our waste management company. It would be more interesting to understand how the amount of food waste is distributed between actual waste and usable food.

We measure our organic waste and waste through data provided by our waste management company. This data does not provide insights into the specific food waste - food that could have been consumed, but rather the total amount of waste we have generated.

Percentage of organic waste in relation to purchased weight of food

**2021: 6,6%**

**2022: 15,58%**



*"Øllerbrød" dessert from Restaurant STUDIO  
Stale surplus bread with whey and malt*



For example, weight might be added in our use of food leftovers to make broths. When we dispose of it as waste afterward, there will be a significant amount of water in it, which potentially can weigh a lot. Conversely, we currently do not know how much of the food we discard, that could have been consumed.

Furthermore, we have encountered a data challenge. In some of our kitchens, we share waste areas with others. As a result, some others may have used our containers, and therefore, we view the figure as inflated. In 2023, we have initiated the measurement of food waste and waste directly in our kitchens, which will provide us with better data. We are examining both waste and discard in this process.

In 2023, the goal is to establish a method for measuring our food waste so that it is recorded as either waste or discard before it is handed over for disposal. We will then be able to compare – and minimize – waste and discard in relation to each other and in relation to the total weight of purchased food items.





*"We aim to challenge outdated traditions and cultures, address diversity gaps, and reduce inequalities throughout the entire food chain.*

*It is people who create unforgettable experiences, and community and solidarity that are crucial when striving for change. In the LOCA family, we are guided by strong values such as joy, curiosity, integrity, and a strong determination to drive significant cultural changes in the areas of: Sustainable gastronomy, gender equality, and diversity"*

LOCAS MANIFESTO 2. THE PEOPLE

LOVE  
is  
LOVE



# THE PEOPLE


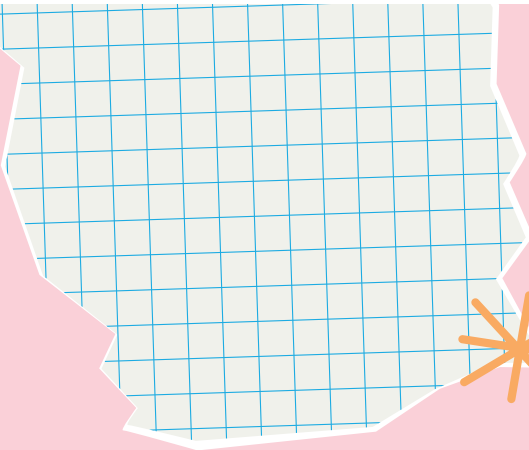

*"It is people and craftsmanship that create unforgettable experiences, and community and solidarity are essential when striving for change."*

Poor working conditions, a harsh work environment, and a lack of diversity have permeated the restaurant industry for many years, and these are just some of the reasons why many individuals leave the industry after a short time. This is something we need to change. It is paradoxical that this is the case in an industry fundamentally focused on making others happy and comfortable, something that can only be fully achieved when one feels good themselves.

In our industry, and in pursuit of our vision, we are entirely dependent on good, happy, and generous people – and that is why people constitute the largest part of the LOCA Manifesto. People are the most crucial factor in enabling us to create a bright and sustainable future, both for our own businesses and in the food industry as a whole.

No one should be mistreated when they go to work. On the contrary, there should be room for everyone.





Our employees' job satisfaction and well-being are one of the cornerstones of LOCA Group, and since our last sustainability report, we have welcomed many new employees.

At the beginning of 2022 we left The Standard building to find new locations for our three restaurants, which had been located at our Havnegade address in Copenhagen, K. As a result, in 2022, LOCA Group, in addition to our canteen operations, only had restaurant operations in two out of the five restaurants that were open in 2021.

In 2022, LOCA Group therefore had a total number of employees equivalent to 20 full-time positions, distributed across four establishments. At the time of compiling this report in 2023, this number has grown to approximately 40 full-time positions spread across approximately 80 employees in seven establishments.

The focus in 2022 has thus been on retaining and motivating employees who were awaiting a new

location for their restaurant, and thus a new workplace address.

This was done while these establishments were simultaneously being developed and set up with openings on December 4, 2022, for STUDIO in Carlsberg Byen, February 14, 2023, for Restaurant GAARDEN in Hvidovre, and March 1, 2023, for Kilden in Haven, Tivoli.

With the increase in the number of employees, LOCA Group has placed significant attention on establishing a "People & Culture" department, with the vision of becoming the best and most innovative of its kind in the industry.

In collaboration with the industry organization Horesta and a steering committee of their members, we have set out to define what the future People & Culture department should look like for our industry – and, as a result, how not only LOCA Group but the entire industry can become an attractive workplace.



## A DATA-DRIVEN TRANSFORMATION OF THE INDUSTRY

In collaboration with Horesta and our industry colleagues, we are currently in the process of defining the parameters of Social Sustainability that we can, should, and will measure in the future, even though there is no legal requirement to do so.

The goal is for the restaurant industry, and the choice of education and career within it, to be attractive in any comparison, especially when compared to other vocational education programs.

Therefore, we need to establish common parameters that we all measure – thereby creating an industry standard against which we can benchmark ourselves. Through measurements, we can identify weaknesses and opportunities for improvement, so that together, we can make our industry a better place for everyone. For more information, please refer to the INDUSTRY section on page 20.







In LOCA Group, it is our vision and goal to offer the industry's most attractive workplaces built on a foundation of:

- Joy & Development
- Inclusivity & Integrity
- Cohesion & Individuality

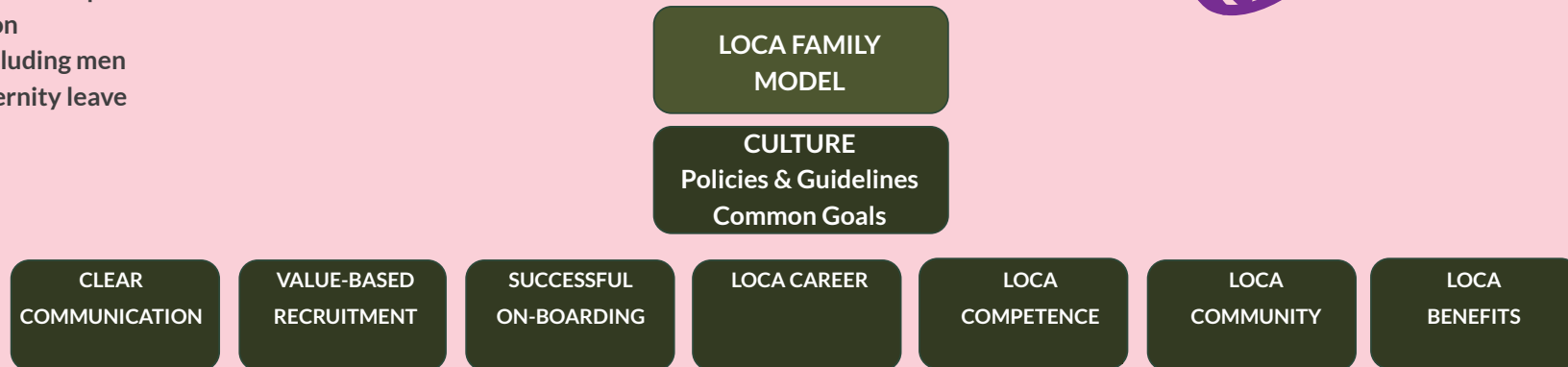
Our focus and areas of effort in the coming years include:

- Well-being & Work-life Balance
- Education & Personal Development
- Diversity and Inclusion
- Gender Equality – including men and their right to paternity leave

LOCA Group's newly established People & Culture department is an evolution of LOCA Family from 2022.

LOCA Family aims to create a strong, values-based culture with a focus on the well-being and development of each employee within a strong community, where the course is set towards clearly defined common goals.

In 2022, LOCA Family encompassed both employee recruitment and retention, with the key focus areas for 2021 - 2022 being clear communication, well-being, and personal development.



## WELL-BEING

In 2021, we conducted our first employee satisfaction survey for the entire LOCA Group. We sought an analysis of both the physical and psychological work environment, and we included the mandatory workplace assessment (APV) questions. The survey was, of course, anonymous (see appendix for methodology and questionnaire). Moving forward, we also plan to conduct a similar employee satisfaction survey targeted at our part-time employees.

We intend to conduct these employee surveys annually, both with individual goals for each department and for the LOCA Group as a whole.

However, the low number of employees in the LOCA Group in 2022 meant that we could not produce an anonymous well-being report. In practice, it proved too easy to identify who was behind the provided answers. Therefore, we look forward to conducting a new satisfaction survey in 2023 with a comparison to the well-being report conducted in 2021.

Our employee satisfaction survey is designed to measure various parameters, and among several defined goals for 2023, we aim to match the following results from 2021:

Over 80% of all LOCA employees should thrive, thrive significantly, or thrive very significantly in their job and at their workplace.

Less than 10% of all LOCA employees should feel critical about their well-being in their job and at their workplace.

Over 90% of all LOCA employees should feel that it makes sense and holds value, or makes a lot of sense and holds a lot of value, for them, as part of LOCA Group, to work for Sustainable Gastronomy as described in the LOCA Manifesto.

In our survey report from 2021, no one had felt bullied or harassed, but through the same survey in 2022, we were made aware of the fact that during the year, there had been one case where an employee felt bullied and another case of offensive behavior related to religious affiliation.

In LOCA Group, there is absolutely ZERO TOLERANCE for bullying and other offensive behavior, and we, therefore, aim to take immediate action when and if this occurs.

It is, therefore, a clearly defined goal for LOCA Group to implement an effective whistleblower system in 2023.

## CLEAR COMMUNICATION

In transitioning from 20 employees in 2022 to 80 employees in 2023, we have identified a need for new and more efficient communication channels.

Therefore, a major focus area in 2023 is the development of a LOCA personnel app, which will make all internal information and communication easily accessible, rapid, and effective in both Danish and English.

## LOCA CAREER

In 2022, LOCA employees participated in the following educational and career development programs:

- A waiter completed the Danish Sommelier Education with distinction.
- A restaurant manager completed their Diploma Education.
- A restaurant manager enrolled in the Danish Sommelier Education.
- Initiated the training of one waiter apprentice and two chef apprentices.

In 2023, in addition to individual training programs, there will be a focus on the general further education of LOCA Group's leaders.

## LOCA COMPETENCE

LOCA COMPETENCE aims to continuously develop, optimize, and share knowledge and skills across various fields of expertise. This can be achieved through internal and external workshops, master classes, courses, themed tours, and inspirational trips. This includes the following skill-enhancing events planned for 2022-2023:

- Introductory courses: Internal training for all new hires.
- Participation in relevant master classes and courses throughout the year, such as:
- "Course for Sourdough Enthusiasts at Nordsjælland Fællesmølleri"
- "Vild med Sild" (Passionate About Herring) hosted by Landbrug & Fødevarer (Agriculture & Food).
- Participation in relevant sustainability-focused training programs.
- Organizing field trips: Day trips with relevant content for chefs and waitstaff.
- Hosting an annual themed tour in Denmark with overnight stays for managers and sous-chefs.
- Organizing an annual inspirational trip abroad for the management team and key employees.

## LOCA COMMUNITY & BENEFITS

LOCA COMMUNITY aims to transform LOCA into more than just a workplace and therefore organizes activities and social gatherings for all colleagues regardless of age and interests.

In 2022, the goal was to catch up on postponed celebrations and gatherings from the years affected by Covid-19. Events such as summer parties, holiday celebrations, the DHL relay, and other activities were organized and allowed family and friends to participate as well.

These events continue and further develop in 2023.

Starting in 2022, LOCA employees were offered an attractive staff discount, enabling them to invite friends or family to experience one of the group's restaurants at highly favorable prices.

Furthermore, LOCA Group has chosen to sponsor a child in one of the world's poorest countries for each full-time equivalent position the group employs in Denmark. Consequently, all permanent employees in the LOCA group are offered the opportunity to become the personal contact and supporter of an underprivileged child whose education or living conditions are sponsored by LOCA Group.

## DIVERSITY – INCLUSION – EQUALITY

In all LOCA's establishments, diversity should be celebrated, and inclusion and equality should not only be a given; they are and should always be cherished virtues.

The industry is in dire need of trained as well as untrained hands like never before. Far too many have already opted out of the industry, and far too many do so before the age of 40. Simultaneously, far too few choose to pursue an education as either a chef or a waiter, and of the already small pool, only about a quarter are women.

**Therefore, a continued focus area for LOCA in 2023 will be to intensify our commitment to the industry as a whole and seek a voice and influence through which we can improve the basic conditions for industry players. Through this effort, we aim to promote diversity and make the industry and the professions of chef, waiter, or manager appealing to people of all genders, ages, nationalities, and sexual orientations.**

*For more details, refer to our description of this in the "4. Industry" section on page 20 of this report.*





# THE ORGANIZATION



*"We aim to establish the framework for an economically sustainable business capable of self-sufficiency in a competitive market while continuing to make a positive impact for generations to come. The path to achieving this is paved with integrity and relies on professionally managed enterprises and the involvement of a culture-sustaining ownership group among key employees.*



*Co-owners who, through their leadership, commitment, and enthusiasm, contribute to ensuring clear communication, well-defined objectives, and favorable working conditions. Additionally, we will always strive for responsible production with minimal consumption of energy, chemicals, and plastics, and maximize the use of renewable energy sources."*



## *"A sustainable business starts with ourselves."*

The above wording in LOCA's manifesto, point 3, is the reason why we chose not to renew the lease of The Standard building where our three restaurants, STUDIO, Almanak, and Mission Green, were located until January 1, 2022.

The decision to vacate had an unexpected impact on the year 2022 compared to the expectations we had when we drafted our first sustainability report a year earlier. With an overall financial loss of DKK 10,000,000 from the Covid-19 lockdowns in 2020 and 2021, and with only 2 out of 5 restaurants open at the beginning of 2022, the primary focus in 2022 was to establish a new foundation for an economically sustainable business for LOCA Group as a whole.

This was achieved through the expansion of our business areas in canteen operations and consultancy services throughout the year, the reopening of Restaurant STUDIO in Carlsberg Byen at the end of the year, and the signing of contracts for leasing and operating an additional 3 restaurants in Q1 2023.

With a re-established foundation for an economically sustainable business, LOCA Group not only created a new business basis but also repaid the debt incurred at The Standard during the Covid-19 period in 2020 and 2021.



This company, HS44 ApS, became inactive when the restaurants moved from The Standard at the end of 2021. However, with loans from LOCA Group's parent company, it was possible to repay all Covid-19 loans to the state and restore the equity of the company.

To enable this and thus avoid the company's bankruptcy, LOCA chose to forgive a debt of DKK 5 million to the company. In 2022, LOCA's parent company, LOCA Management ApS, also presented its first loss-making financial statement since its founding in 2017. With a loss of DKK 5,000,000 in forgiven debt to HS44 ApS, LOCA Management's pre-tax result for 2022 was a loss of DKK 2,334,000.

This financial decision is based on LOCA Group's values of professionalism and integrity – regardless of how tempting the alternative may be – and, above all, with a belief in a bright and economically sustainable future for LOCA Group as a whole



The major focus areas in 2023 will be the continued stabilization and establishment of new businesses and business areas. Additionally, there will be a focus on the development of LOCA Group's overall leadership and governance in a new structure adapted to a rapidly developing company with over 80 employees in 2023, compared to around 20 employees in 2022.

- An Advisory Board composed of diverse but prominent personalities and competencies from other industries.
- A visionary People & Culture department – see the section on People on page 28.
- Culture-building steering committees among leading employees across LOCA Group.

## LINEN AND CLOTHING

We collaborate with the Swan-labeled laundry service, De Forenede Dampvaskerier (The United Steam Laundries), and use their 'UPCY' line for employee clothing.

This clothing is made from textiles that were previously used for other purposes by DFD's customers. For more information about 'UPCY', please refer to DFD's website.

## CHEMICAL PRODUCTS

Our goal is to exclusively use Swan-labeled products for cleaning and similar tasks. The majority of the products we use are Swan-labeled, but we encounter difficulties in finding such labels for items like oven cleaning tablets and chemicals for tough tasks. In these cases, there are either no Swan-labeled alternatives available, or the alternative involves using too much of the Swan-labeled product without achieving a completely clean result.

In 2023, we have initiated a new project to determine what it takes to transition to Swan-labeled cleaning products as much as possible.

## PLASTIC

We minimize our consumption of plastic, and our purchases are primarily related to food storage. For example, plastic wrap and plastic containers that extend the shelf life of food. In this regard, we have not found alternatives that preserve food as effectively, for as long, and at a comparable cost as plastic containers. However, this is an area that is continually evolving, and we closely monitor new alternatives.



# THE INDUSTRY



*"We will seek partnerships within the industry and collectively contribute to creating a healthy and sustainable industry culture. Poor leadership fosters negative working environments and unstable employees. Through fair wages and decent working conditions, it should be possible to maintain a work-life balance and make it attractive to remain in the industry throughout various stages of life."*



LOCAS MANIFESTO 4. THE INDUSTRY

Economic sustainability is challenging in the restaurant industry, and in 2023, there is a record number of bankruptcies among restaurants due to the repayments of Covid-19 loans.

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

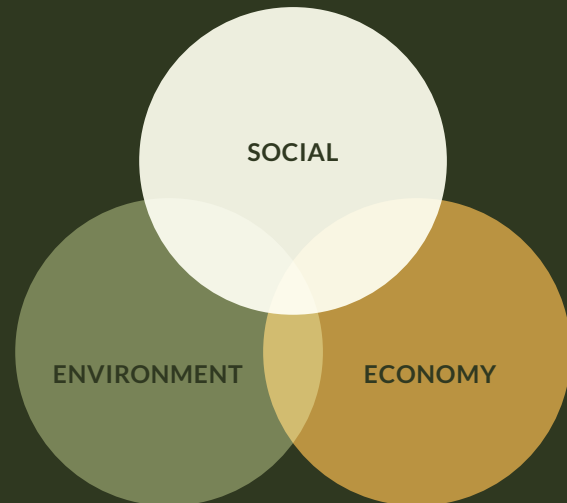
Many restaurateurs want to set high standards for sustainability from both an environmental and social perspective. However, it can be a challenging and financially risky endeavor when profit margins are as low as they are. Given the current market conditions, most contributors do not have the financial means to incur additional costs for better and more sustainable ingredient choices, or for improved wages and working conditions for their employees. The margin is simply too low.

Wages already constitute a significant portion of a restaurateur's expenses, and for many, it is the largest part of the cost price of a restaurant bill. If wage expenses are increased without a corresponding price increase, profit margins disappear. Moreover, when adding the extra labor cost to the restaurant bill, a 25% VAT is applied to the wage expense before the sale price is set, further eroding competitiveness.



The consequence is low wages, excessive working hours, and poor working conditions. Especially when compared to other professional groups with similar educational backgrounds. The industry is currently experiencing a shortage of both skilled and unskilled labor.

Far too many individuals have already opted out of the industry, and many do so before reaching the age of 40. At the same time, too few choose to embark on an education as either a chef or a waiter. Among the already limited pool of students, only approximately one fourth are women.



## THE INDUSTRY - THE PEOPLE

### *Education, Knowledge Sharing, and Improved Working Conditions*

A primary focus area for LOCA in 2023 and the coming years will be to intensify our commitment to the industry as a whole and seek a platform and political influence through which we can attempt to improve the fundamental conditions for industry stakeholders.

A particular concern for us is the revitalization of existing vocational education and better opportunities for further education, as we believe this could enhance the industry's efficiency and profitability overall.

In line with our global goals, we will seek "Partnerships for Action" among our Danish and international colleagues and stakeholders in the restaurant industry who share our values and objectives. Together, we will contribute to making the industry, in general, and the roles of chefs, waitstaff, and managers, in particular, attractive to those who have a passion for food and service.

It should be appealing in every way to enter the industry, and thereafter, it should be physically and practically possible to remain in it through various stages of life, including parenthood and seniority beyond the age of 60.

In 2023, in collaboration with our industry association, Horesta, and a steering group comprising their members, we have set out to define the parameters of Social Sustainability that we can, should, and will measure in the future, even if there is no legal requirement to do so.

The goal is for the cafeteria and restaurant industry to be professional and, with facts and figures, attractive in any comparison, especially when compared to other skilled trades.

Therefore, internally at LOCA, we should be able to measure ourselves against parameters tailored to our values and, most importantly, our vision of being the industry's best workplace. However, in collaboration with our colleagues in the industry, we should also establish certain parameters that we all measure.

In doing so, we will establish an industry norm that we can measure ourselves against within our own industry. Equally important, we will be able to measure our industry against other professions in Denmark.

These measurable points are currently defined as:

- **Employee Satisfaction**
- **Further Education**
- **Bullying – Harassment – Sexual Harassment**
- **Employee Turnover Rate**
- **Sick Leave**
- **Workplace Accidents**
- **Gender Diversity in General**
- **Gender Diversity in the Board of Directors**
- **Gender Diversity in the Executive Board**
- **Gender Diversity in Other Management Layers**



For LOCA Group to properly and comprehensively measure the above points, we need to implement an HRM system that can be integrated with our current scheduling system. This will give us the practical ability to collect and process the necessary data.

However, for quality assurance of the final measurements and our conclusions, the human perspective remains the most significant factor for success. Following the system implementation, the final execution will also require training our leaders in both understanding and executing data discipline.

The implementation of the necessary systems for data collection and processing, as well as leader training, is expected to commence by the end of 2023.

To create a broader industry partnership across borders, we have expanded our international collaboration and network. This is achieved through knowledge sharing with both the Basque Culinary Center and the Regional Basque Government in San Sebastian, Spain





## THE INDUSTRY - THE FOOD

*We aim to turn sustainable gastronomy into a sustainable business.*

Next to wages, for most restaurants, raw materials represent the majority of the cost on the guest's bill. However, as mentioned, for many, it is challenging to pass on the extra cost of better and more sustainable ingredients to the guest while also aiming to be a competitive business.

Therefore, LOCA Group seeks partnerships that can articulate the value of sustainable choices such as organic products, animal welfare, local ingredients, and sustainable seafood. We wish for there to be different conditions and better profit opportunities for restaurateurs who make responsible choices for both the environment and their employees.

Hence, we are seeking political support for a new sustainability label that can communicate the rationale for a premium on sustainable products. We are also seeking differentiated taxation so that an increased production cost due to sustainable choices can be an economically attractive alternative to less sustainable or non-sustainable food items.

In 2021, we engaged in discussions with the former Ministry of Food and Minister of Food, Rasmus Prehn, which led to the minister speaking about the future of the sustainable food industry at LOCA Group's first 'Talk & Taste' event in 2022.

'Talk & Taste' is our recurring series of events where we invite the industry and its stakeholders to a 'taste' and a conversation about current topics. We look forward to a new year with new topics and new and returning participants.

# SUSTAINABLE DEVELOPMENT GOALS & THE WORLD



*“We aim to foster growth not only in our part of the world but also in third-world countries.*

*The majority of global issues caused by humans, such as climate change and inequality, can be traced back to us in the privileged part of the world.*

*We take our share of responsibility in contributing positively to the greater whole through our supplier and ingredient choices, as well as targeted initiatives aimed at addressing inequalities for marginalized groups.”*

LOCAS MANIFESTO 5. THE WORLD

## SUPPORTER OF REDUCED INEQUALITY AND GREATER GENDER EQUALITY IN THE WORLD'S POOREST COUNTRIES

In 2021, we entered into a partnership with the Plan International Foundation to assist them in their efforts to reduce inequality and promote greater gender equality in the parts of the world where inequality is most pronounced. LOCA Group has chosen to sponsor a girl in the world's poorest countries for every full-time equivalent position we employ in Denmark.

This has resulted in LOCA Group sponsoring 40 girls worldwide in 2023, and through our employees, these girls are given a human face to the sponsorship. For example, Tobias Linell, who shares his experience sponsoring a child in the Philippines in the video available at the following link: [www.shorturl.at/gyzK3](http://www.shorturl.at/gyzK3).

By the beginning of 2024, we expect to sponsor an additional 10 children, bringing the total to 50 children worldwide.

## CO-SIGNATORY OF PLANET COPENHAGEN

In 2022, LOCA Group participated in a series of workshops facilitated by Wonderful Copenhagen. The participants included the leading tourism stakeholders in the capital, including hotels, restaurants, venues, transportation providers, PCOs, DMCs, the experience industry, and more. The goal was to set high sustainability targets on behalf of the industry.

- The result was a joint manifesto in which all signatories commit to actively work towards five common goals, including the aim to make Copenhagen the world's most sustainable tourist destination, benefiting the capital and inspiring the world. Learn more about Planet Copenhagen and the manifesto [here](https://www.wonderfulcopenhagen.dk/manifest)

<https://www.wonderfulcopenhagen.dk/manifest>

## MEMBERSHIP OF GLOBAL COMPACT

In 2022, LOCA Group became a member of the United Nations Global Compact Network Denmark.

The network is the world's largest voluntary initiative for responsible businesses, providing a framework for communication, progress, and commitment to responsible corporate leadership.

Through our membership, we have therefore also committed to working diligently with the 10 principles of the Global Compact, covering human rights, labor rights, the environment, anti-corruption, and the Sustainable Development Goals.

Annually, we produce a COP (Communication on Progress) report outlining our future focus areas and detailing our past achievements.



# CO2 EMISSIONS & AREAS OF FOCUS

## REDUCING CO2 EMISSIONS – A BASELINE, CONCLUSIONS, AND AREAS OF FOCUS

Annually, we calculate our comprehensive carbon footprint based on the principles of the GHG Protocol, with a focus on 3 scopes. Minimizing resource consumption and our carbon footprint is a top priority for the LOCA Group, which we measure per unit of expenditure. We used 2021 as a baseline, and in 2022, we measured the carbon footprint for all kitchens once again.

At present, we do not wish to offset our carbon footprint by purchasing carbon neutrality elsewhere, such as buying trees or land, but it is an area we are carefully considering. First and foremost, we acknowledge our consumption of resources and act where it makes the most sense.

To calculate a footprint for 2022, we are focusing on 3 scopes:

Scope 1 deals with direct emissions, such as those from company cars.

Scope 2 covers indirect emissions, for instance, from purchasing energy.

Scope 3 encompasses other indirect emissions, typically arising from the purchase of goods and services, transportation, and waste handling.

## CONCLUSIONS

Total CO2 footprint in tons CO2 kg. equivalents: 1145.29. Our activity level increased in 2022, with higher purchases of goods and services.

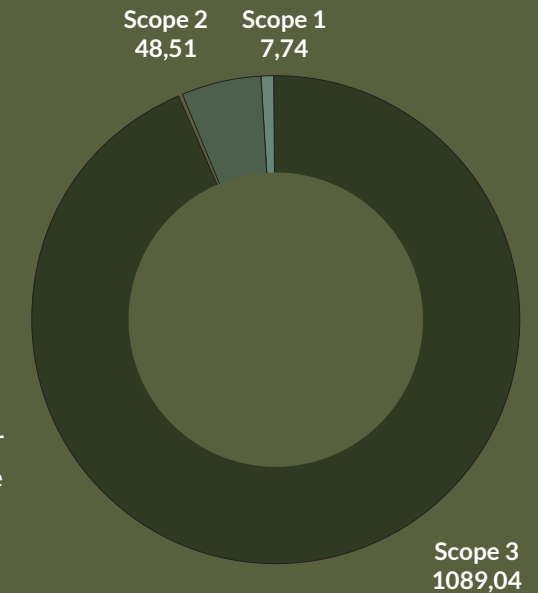
However, CO2 per purchased DKK has decreased by 10%, meaning that we have still managed to have a lower footprint per unit of expenditure. The overall activity has increased from 759.23 in 2021 to 1145.29 tons CO2 kg. equivalents.

As Scope 3 is the largest area, our primary focus is on this aspect:

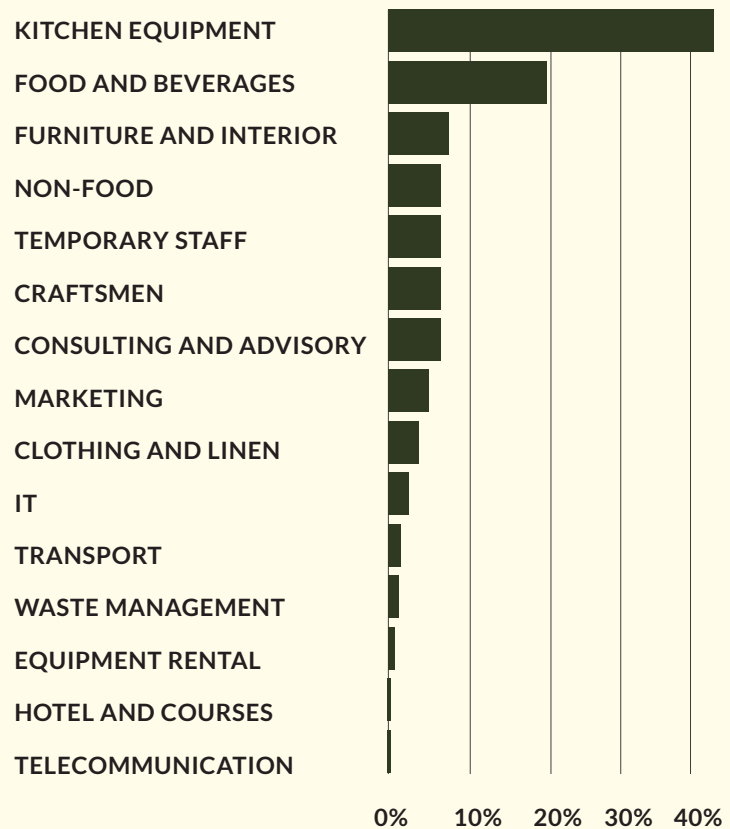
**Kitchen Equipment + Furniture and Interior + Craftsmen:**

We have constructed a new kitchen, Restaurant Studio, which was completed in December 2022. This is the primary reason for the highest CO2 footprint in the kitchen equipment category. We have calculated the footprint for all our purchases of new and reused furniture and kitchen equipment. Additionally, there are a significant number of craftsman hours contributing to the increase in the footprint.

## TOTAL CO2 FOOTPRINT IN TONS CO2 KG. EQUIVALENTS



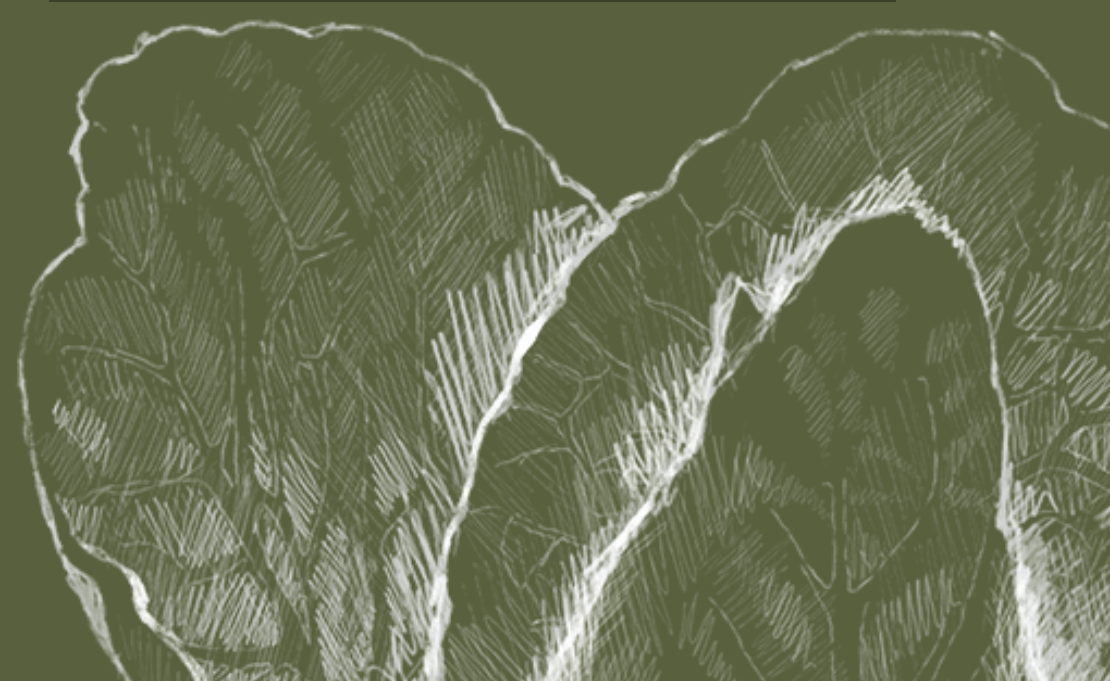
## PERCENTAGE DISTRIBUTION OF SCOPE 3



## AREAS OF EMPHASIS FOR 2023

Our areas of focus will primarily be related to the procurement of beverages and food. However, the analysis also reveals a relatively high CO<sub>2</sub> consumption in the purchase of kitchen equipment and non-food items, which includes the acquisition of electrical kitchen appliances, steel and aluminum components, kitchen consumables, and chemical products such as soap and other cleaning agents. These areas will also receive attention in 2023.

In 2023, we will conduct further analyses and delve deeper into the numbers. For this purpose, we have developed a tool to calculate the CO<sub>2</sub> footprint of all purchased goods, which we will follow up on quarterly, along with our ecological percentage. This will allow us to see the CO<sub>2</sub> footprint per kitchen and per purchased product category, down to the level of individual items.



# APPENDIX, CALCULATION OF CO2 FOOTPRINT FOR 2021

## DATA COLLECTION PERIOD

The data collection period for our measurements is from January 1, 2022, to December 31, 2022.

## METHOD FOR BASELINE CALCULATION

- We have calculated emissions based on the GHG Protocol with a breakdown into 3 scopes. To do this, we collected our invoices from the financial system for the measurement period from January 1, 2022, to December 31, 2022, for the goods and services we purchased. For most services, such as electricity, gas, district heating, and the purchase of food and beverages, we were able to calculate emissions based on sources such as Concito and information from HOFOR and the Danish Energy Agency. For other services, such as transportation, waste, and IT, we used general sources in a "spend-based method," converting the amount spent on purchases into a CO2 footprint.
- We were unable to make an assumption about the behavior of our guests regarding the mode of transportation they used to visit us. This element is therefore missing from our calculations.
- We used the Climate Compass from the Danish Business Authority to perform the overall calculations for our baseline, and we developed a tool so that, in parts of the largest scope – scope 3 – we can calculate the footprint every quarter to monitor it. Food and beverages are the largest category, and here we calculate the footprint based on Concito's Climate Database.
- In other areas, we will continue to use a "spend-based method" with various sources as a basis.

## METHOD FOR CALCULATING CO2 EMISSIONS FOR DISHES

We base the CO2 footprint on the ingredients in Concito's Climate Database. Where we cannot find a specific ingredient, we use a comparable item or the average CO2 footprint for the ingredient group. With this method, we do not include emissions arising from energy consumption during cooking, baking, drying, etc.

## SOURCES

- HOFOR
- Danish Energy Agency
- The Great Climate Database from Concito
- Climate Compass from the Danish Business Authority
- Suppliers
- DCA - National Center for Food and Agriculture
- Greenhouse Gas Protocol

# APPENDIX, LOCA GROUP EMPLOYEE SATISFACTION SURVEY

## WELL-BEING

LOCA Group's employee satisfaction survey is based on 44 questions/statements, and responses are given on a scale from 1 to 5, where 1 is the lowest rating. The survey is also divided into the following categories, with the opportunity to provide comments after each section:

- Gender, age, department manager, length of employment, etc.
- General well-being in the workplace, relationship with colleagues, workload, professionalism, pride in one's work, assistance from colleagues
- Staff meals, social events, breaks
- Bullying, harassment
- Management: clear communication, clarity about the company's values, support from management, fair compensation
- Questions regarding the physical work environment
- Employees: understanding of expectations, opportunities for learning, pride in the results we achieve, appropriate challenges
- Does working with sustainable gastronomy provide value and meaning

The results of the survey were reviewed by management at departmental staff meetings.

# LOCA GRUPPEN

EVERY MEAL MATTERS

LOCA KANTINER

LOCA RESTAURANTER

KILDEN  
*i haven*

RADIO

*mission  
Green*

almanak  
i operaen

STUDIO

RESTAURANT  
**GAARDEN**