



Communication on Progress



**TOPAS
EXPLORER
GROUP**
Adventurous since 1973





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CEO statement

I follow the CSR projects in our organization closely and it makes me happy to see how well it is received throughout the different companies. To see how the initiatives are received with enthusiasm and a natural understanding of the reasons behind the way of working tells me that the ground pillars of the company are solid and in harmony with the principles from UN Global Compact.

Our core values about treating people and places with respect are widely recognized throughout the organization. They haven't really changed through the decades. However, it has sometimes been difficult to explain to others what precisely they were. When we talk about the Topas spirit, we intuitively know what we mean. We refer to it internally and the fact that new employees and new customers quickly adopt the Topas spirit and start referring to it shows me that our core values successfully permeate our daily work and results. We know our values, we comply with them and our work emanates those values. In the beginning, we didn't write them down. We do now. Writing them down doesn't change the way we act but it makes it easier for us to present ourselves and let people know what we stand for.

I am sure that all employees in each their domain of work will continue to be inspired and contribute to developing Topas' way of working in accordance with the UN Global Compact's Sustainable Development Goals.

Sincerely yours,

Jørgen Sølvsten Nielsen
CEO, Topas Explorer Group ApS



Core Values

- ❖ We share a passion for authentic and active experiences in and with nature
- ❖ We travel with respect for culture, nature and environment
- ❖ We want to thrill and to be thrilled
- ❖ We have a good economy and a healthy business morality
- ❖ We create an environment of engagement and respect for customers, colleagues and collaborators
- ❖ We work in an open organization based on loyalty, knowledge sharing and innovation and with personal leadership



A follow-up to our statements of intent

It was our goal to put our CSR policy as well as our Code of Conduct publicly available on all our websites. With the documents only available on three of our websites, unfortunately this task has not been completed in 2019 and it is our intention to complete this job in 2020.

Reduction of our consumption of fossil fuels at our own facilities has been executed in Diskoline in Greenland and it will now serve as a pilot project. As a result of this effort, our total consumption of fossil fuels on the six targa boats serving in the Disko Bay has diminished by 2.014 liters in 2019 compared to 2018. Read the story on page 8.

A water purification system has successfully been implemented at Topas Ecolodge in 2019. Through massive sand and plant filters the wastewater is purified in a biological process which ensures the wastewater generated at Topas Ecolodge does not impact the local environment in a damaging way. More than 3.967 cubic metres of wastewater has been cleaned this way in 2019.

Plastic water bottles at Topas Ecolodge is now history. So far 10.000 plastic bottles have been saved and the number is growing every day. More details of this success story will follow on page 7.

All things considered; we are on the right track. We are pursuing the goals we have set for our CSR work. There is a lot of work ahead of us, we are very much aware of it, and we are looking forward to it as to seeing the effects it will bring along.



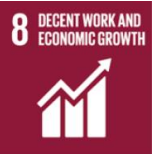
Roll-out of our CSR Policy and Code of Conduct

The CSR policy and Code of Conduct has appeared on the websites of Topas, Topas Ecolodge and Disko Line. The appearance of the CSR policy and Code of Conduct on the websites of those specific companies follows the prioritisation that we have made for our efforts on improving the internal awareness of CSR in each company. As the word of CSR will spread internally, the documents will also be publicly available at all of our websites.

CSR policy and Code of Conduct made publicly available on our websites



■ Made publicly available in 2019 ■ Scheduled to be publicly available in 2020



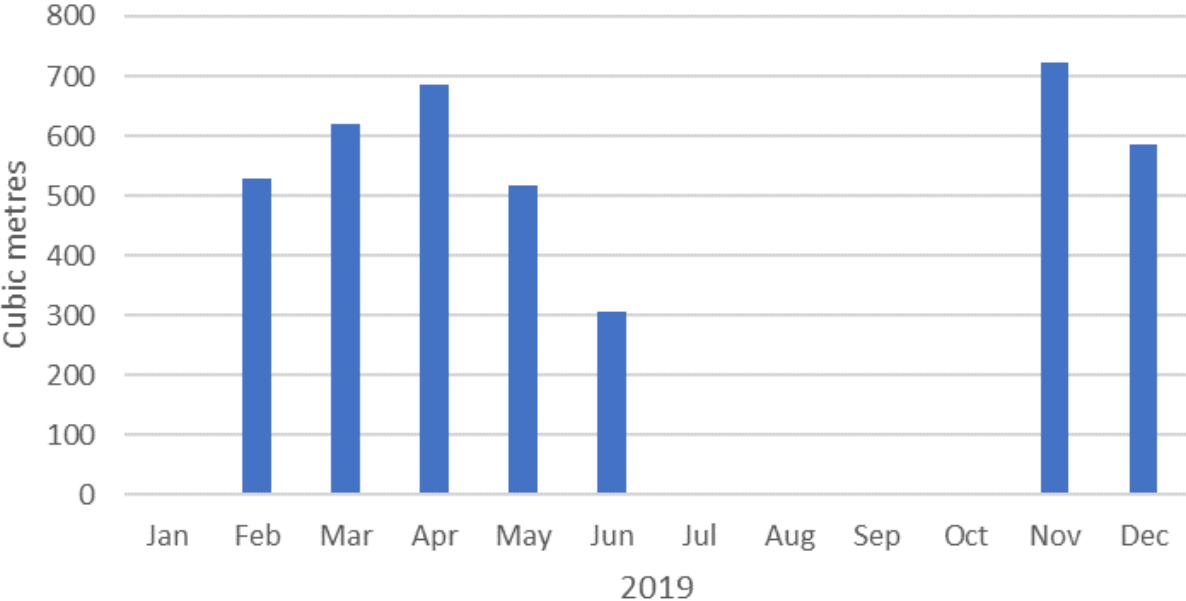
Cleaning water

Cleaning water from dishwashing and other activities has successfully been implemented at Topas Ecolodge in 2019. Through massive sand and plant filters the wastewater is purified in a biological process which ensures the wastewater generated at Topas Ecolodge does not impact the local environment in a damaging way.

Measurements have been unstable in 2019 and we wish to improve the stability of this workflow in 2020. However, it is still possible to conclude that more than 3.967 cubic metres of wastewater has been cleaned at our own premises without the use of any chemicals.

The wastewater that runs through the sand and plant filters of our constructed wetland comes from our restaurant kitchen and the laundry service.

Wastewater purified at Topas Ecolodge



Selected projects realized during 2019

On the following pages you will find a presentation of selected CSR projects that have been realized during 2019.

Some CSR projects are part of a wider strategy, like the introduction of our bamboo water bottles at Topas Ecolodge. Here, the implementation of a larger strategy has successfully been carried out to reduce the use of plastic in the restaurant kitchen and putting the use of single use plastic in the establishment at large to an absolute minimum. In time, the experiences done in this place should help a smooth introduction of a similar strategy in other areas of our business.

Other CSR projects are independent initiatives, like the development of the local trade on the mountainside where Topas Ecolodge is situated.

Whatever the background and context for each CSR project may be, they are all contributing to an important process of integrating our CSR policy in our routines and awareness. We are still at a stage where we must spread the knowledge of our CSR policy and the meaning and purpose of our commitment to the UN Global Compact community. Each realized project helps us in this work. It generates conversations among colleagues, questions are asked, knowledge is shared, and it leads to new creative ideas and improvements in the CSR area.



Phasing out plastic water bottles

A drop rather than another plastic water bottle in the ocean.

We all know it. There is too much plastic, in our trash, in our lives and in the oceans. But where to start in order to change things? Instead of putting out a plastic bottle of water in each room, we have decided to offer a reusable water bottle to all our guests at Topas Ecolodge. With regard to both practical and sustainability considerations, the right bamboo water bottle has been chosen and today, we do not use any plastic water bottles here.

It is one among other initiatives to reduce the overall use of plastic, but we are only a small piece of the jigsaw. We know. However, other than minimizing the amount of plastic in the waste bins at Topas Ecolodge, we also observe another effect of the bamboo water bottles. In the hands of our guests, our position to the plastic issue starts working in the heads of our guests and they are more than welcome to take both bottle and thoughts with them when they leave Topas Ecolodge.

The numbers: So far more than 10.000 plastic bottles have been saved

SDG 12 Working to ensure responsible consumption and production patterns

SDG 14 Working to conserve life below water

SDG 15 Working to protect life on land



Phaseout of plastic water bottles

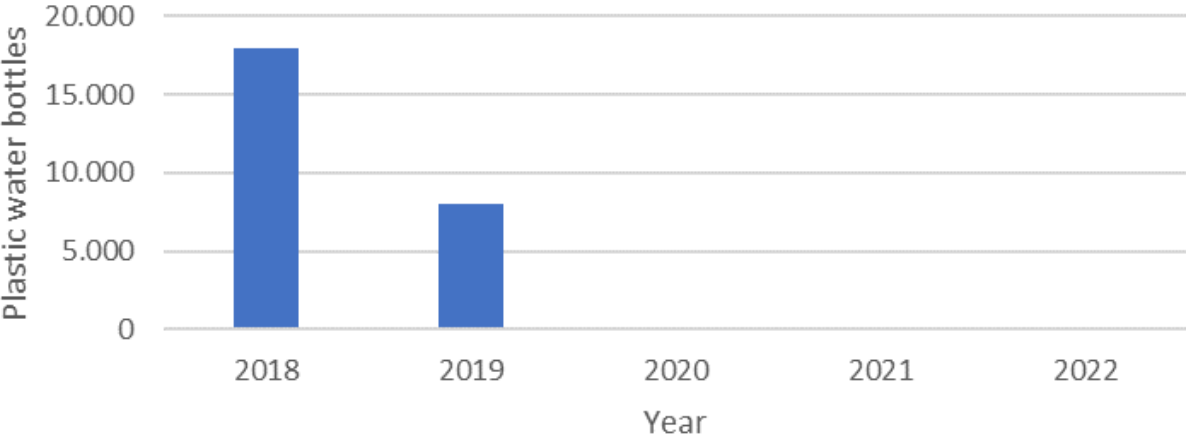
Plastic water bottles at Topas Ecolodge is now history. So far 10.000 plastic bottles have been saved and the number is growing every day.

Our guests are very positive about the initiative and have welcomed the bamboo water bottles as a responsible and aesthetic solution.

In Vietnam, Topas Ecolodge enjoys a privileged position as a showcase for sustainable tourism and we hope that other hotels will be inspired by this success story.

With a total of approximately 9.500 guests staying at the Topas Ecolodge every year, we can now expect to save at least 18.000 plastic bottles every year going forward.

Consumption of plastic water bottles at Topas Ecolodge



Reduced rotational speed

Wheels are turning, minds are spinning, and engines are rotating.

A new engine in a targa, a type of boat that we use for transportation of both people and goods in Greenland, will sail with approximately 3500 rpm giving the boat a speed of 35-36 knots. That is a significant speed in a sea with treacherous ice cubes of a considerable size. Unpleasant encounters between boat and iceberg is a realistic risk in those waters and the higher the speed the higher the risk. In 2018, we had to change three boat engines due to such accidents. Fortunately, no people experienced any danger.

In 2019, we made a permanent change to the engines of four boats. They were electronically sealed to reduce their maximum speed. The sailing is slightly longer now but in return we have no registered damages on the boats, people have a more pleasant ride and on top of that we see a significant reduction in the consumption of fossil fuels on those boats.

The numbers: Despite an increase in the number of sailing hours, 2.014 liters of diesel was saved in 2019 compared to 2018.

SDG 12 Working to ensure sustainable consumption and production patterns

SDG 14 Working to conserve life below water

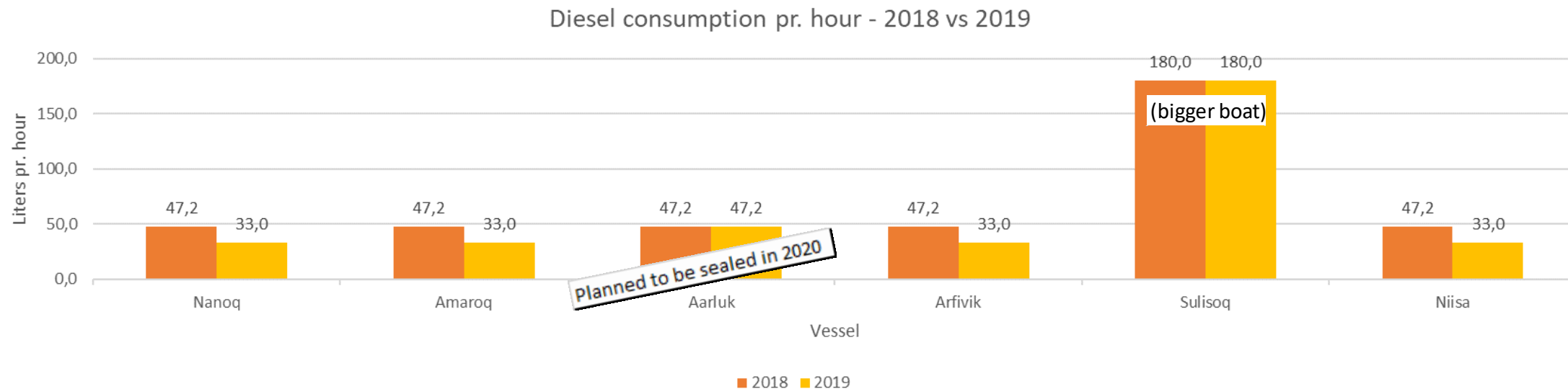


Reduction of energy consumption

A reduction in the consumption of fossil fuels at our own facilities has been executed in Diskoline in Greenland and it will now serve as a pilot project. Four out of six targa boats serving in the Disko Bay has been electronically sealed to reduce their maximum speed. As a result of this effort, our total consumption of fossil fuels on the six boats has diminished by 2.014 liters in 2019 compared to 2018.

It may not sound like a lot, but it is noteworthy because this reduction has been possible despite of the fact that the total number of sailing hours for those same six boats has increased in the same period of time by approximately 9,3%. Had the sailing hours been the same in 2019, we would have seen a reduction of 45.213 liters in the consumption of fossil fuels.

To get a better understanding of the value of this effort, we should therefore look at the reduction pr. sailing hour. As the figure here below demonstrates, we have registered a reduction of 30,1% being the equivalent of 14,2 liters pr. sailing hour on the four boats that have been electronically sealed.



A kitchen inspired by local community and trade

Not that long ago a local farmer provided the restaurant kitchen at Topas Ecolodge with chickens and ginger. Due to a growing capacity at the ecolodge, this farmer alone cannot deliver the volume needed in the kitchen anymore.

Lately, a broader network to the local community has developed around trade. Local people sell wild roots and other basics and “must haves” for the world-famous Vietnamese kitchen to the chef at Topas Ecolodge. The Red Dao- women, who live on the same mountainside as where Topas Ecolodge is, assist in the garden and the chef goes on excursions with them to find local edible herbs. Product development has become the newest branch of the local trade. The chef shows a few pictures of what he is looking for and items such as bread proofing baskets for use in the restaurant kitchen is now being produced, sold, bought and used on that same mountainside.

What about the first farmer? He is still providing the chef with chickens and ginger, whenever he is ready with a new load of goods.

SDG 12 Working to ensure sustainable consumption and production patterns



Topas Explorer Group
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The crusher

It sounds destructive and not very constructive but in fact it is the opposite. The glass crusher does indeed help us to break down glass but in doing so, it contributes to building up new things.

At Topas Ecolodge in the remote areas of the Sapa Valley a need for a glass crusher arose as part of a larger sustainability project focusing on waste management. Our aim was to reduce the amount of waste sent to landfill. New solutions were needed as facilities for sorting of waste and recycling are not well developed in the area. So, we took a closer look at our garbage and came up with the idea of recycling empty glass containers such as wine bottles.

Today, the glass crusher is transforming glass bottles into a very fine sand, which is used in mortar in the construction work and maintenance of the buildings on site. It is both safe and easy to operate the machine and it can easily be moved around depending on where it is needed.

The numbers: In 2019, more than 3.205 kg of empty bottles were crushed and recycled instead of filling up the landfill.

SDG 12 Working to ensure sustainable consumption and production patterns

SDG 15 Working to protect life on land



Establishment of continuous efforts

Alongside sustainability strategies and individual initiatives, it is our ambition to make a continuous effort on two specific areas throughout our organization. We want to focus on waste management and employee satisfaction.

In 2019, the first measurements have been made on waste management at Topas Ecolodge but to get the full picture we need to initiate measurements in each company. Recycling on site and sorting of waste for recycling in a larger established context is already taking place, in some places to a larger extent than in others, but in the future, we will find ways to improve this work. Inspiration from external sources and internally between the companies will help us reducing the amount of useless waste that we know will leave a negative imprint on our planet.

Beginning next year, we will start measuring the employee satisfaction in the different companies of the business. Our means to do so will be by looking at statistics for employee churn and after having asked our guests and customers about their satisfaction for many years, we will complete our first employee satisfaction survey in 2020. Within four years we hope to be able to conduct yearly surveys in all companies.



Continuous efforts

Waste management

SDG 6 Working to ensure availability and sustainable management of water and sanitation for all

SDG 12 Working to ensure sustainable consumption and production patterns

SDG 14 Working to conserve life below water

SDG 15 Working to protect life on land

Actions to be taken

We want to implement measures for the amount of waste produced in our facilities

As a means of reducing the amount of waste, we want to start sorting waste where it is meaningful and recycle when it is possible

We want to promote awareness of proper waste management



Establishment of continuous efforts

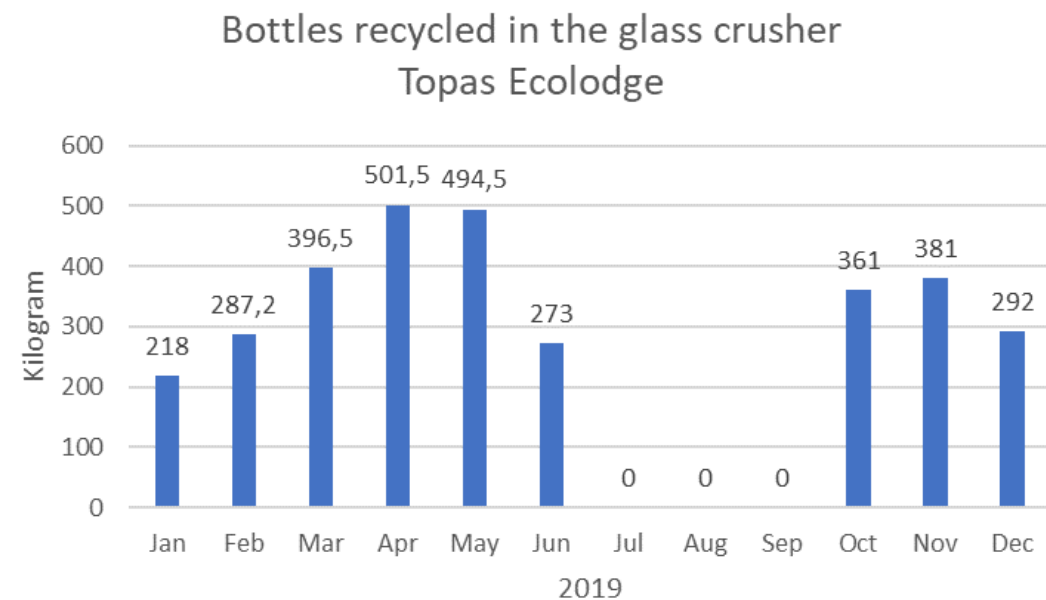
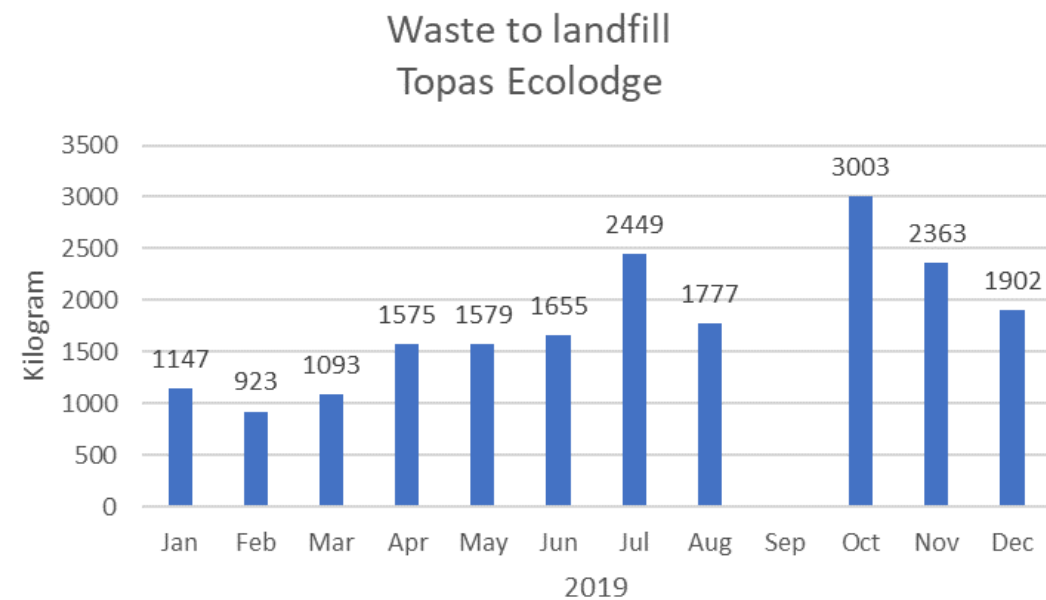
Waste management

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More details:

As shown to the right, measurements on the amounts of waste produced and sent to landfill have been established and executed fairly regularly at Topas Ecolodge during 2019. In the future, we aim at producing even more stable measurements to guarantee more accurate numbers.

With our focus on waste management throughout the organization, we wish to implement similar measurements on the amounts of waste sent to landfill in at least three of our other companies during 2020 and 2021.





Continuous efforts

Employee satisfaction

SDG 8 Decent work and economic growth

Actions to be taken

We want to produce statistics on employee churn

We want to make a determined effort to lower the employee churn

We want to produce, complete and analyze employee satisfaction surveys for each company

We want to identify with which actions we can raise the work satisfaction among our employees and realize those actions if possible



Establishment of continuous efforts

Employee satisfaction

Beginning next year, we will start measuring the employee satisfaction in the different companies of the business. Our means to do so will be by looking at statistics for employee churn and after having asked our guests and customers about their satisfaction for many years, we will complete our first employee satisfaction survey in 2020. Within four years we hope to be able to conduct yearly surveys in all companies.

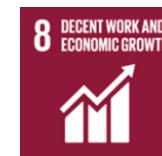
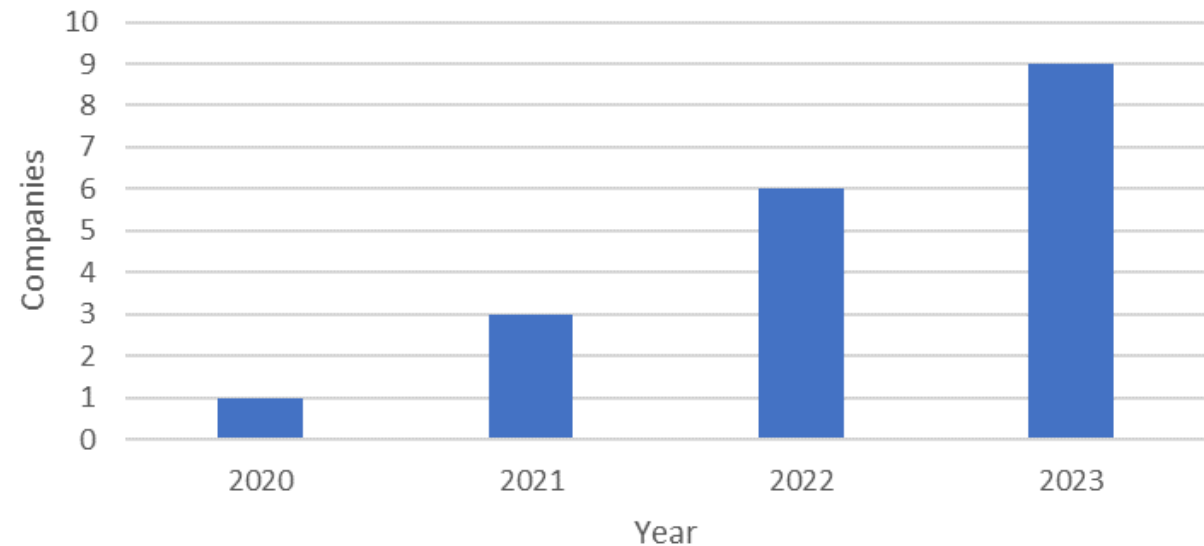
More details on employee satisfaction surveys:

An employee satisfaction survey will be developed to fit the situation and field of work of each company. It will be translated into a language which can be understood by the employees of the specific company.

A completed survey means that it has been distributed to all permanent employees of a given company and that the response rate is at least 75%.

An analysis of the survey must be completed within one month after the last response deadline and the result is communicated internally within the company.

Number of companies with completed employee satisfaction survey



Looking into the crystal ball

In the future, we expect to see more positive results from our CSR projects that are already up and running, and on top of that we have of course planned new CSR initiatives to be realized in 2020.

In certain places in Greenland sewerage is a challenge and it calls for creative toilet solutions. In 2020, we wish to install our first incinerating toilets in the Disko Island to reduce the amount of waste which is otherwise produced from the current toilets.

Our first hybrid boat powered partly by diesel partly by electricity is scheduled to serve in our fleet in Greenland from next year. This will evidently reduce our consumption of fossil fuels.

Our Code of Conduct exists but to make it work we need to create awareness around its existence and roll it out internally for a greater understanding of its meaning and value. In 2020, we will make a campaign with the purpose of creating internal awareness of our Code of Conduct and have employees sign it.

A CSR responsible of Topas Explorer Group will be appointed in the beginning of 2020. This means that more resources will be put into this area and it will enable us to be better organized when it comes to CSR and hopefully it will result in more efficient outcomes in the CSR area.



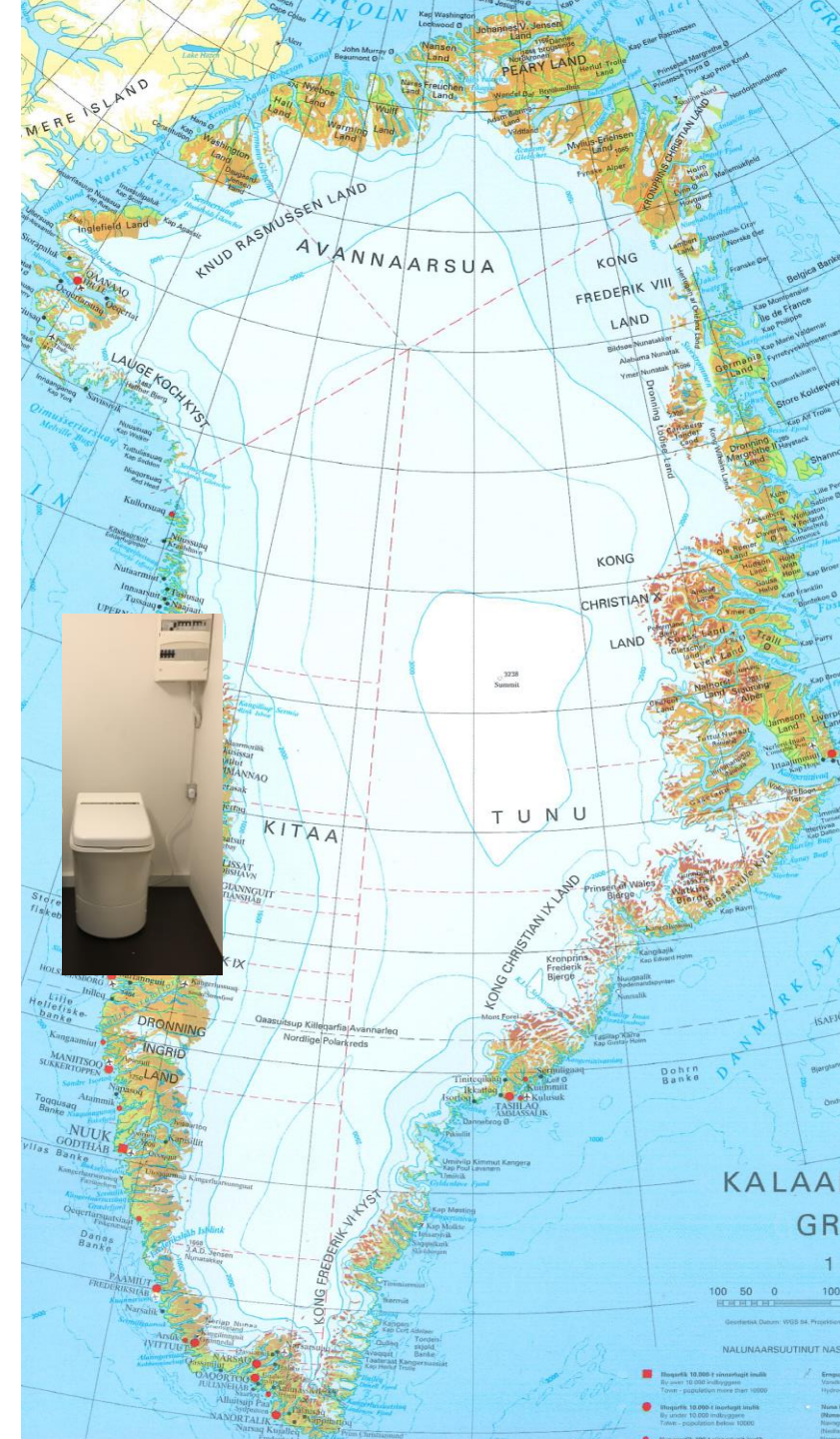
Topas Explorer Group
Communication on Progress 2019

Incinerating toilets

As mentioned, sewerage can be a complicated case in Greenland, but we are ready to test what could be an appropriate solution. In 2020, we wish to install our first incinerating toilet in Disko Island to reduce the amount of waste which is otherwise produced from the current toilets.

The current solution in places like the Disko Island is a plastic bag that collects the waste from each visit to the toilet. At its best the plastic bag will end up at the landfill. Unfortunately, what we see is, that too often the plastic bags end up in the ocean. With an incinerating toilet we can handle the waste at our own facilities and assure that it leaves as small a negative impact as possible.

Once our first experiences are done with the incinerating toilet, we hope that it can serve as a pilot project and that the experiences from this can be transferred to other places in Greenland with the same conditions that make sewerage difficult.



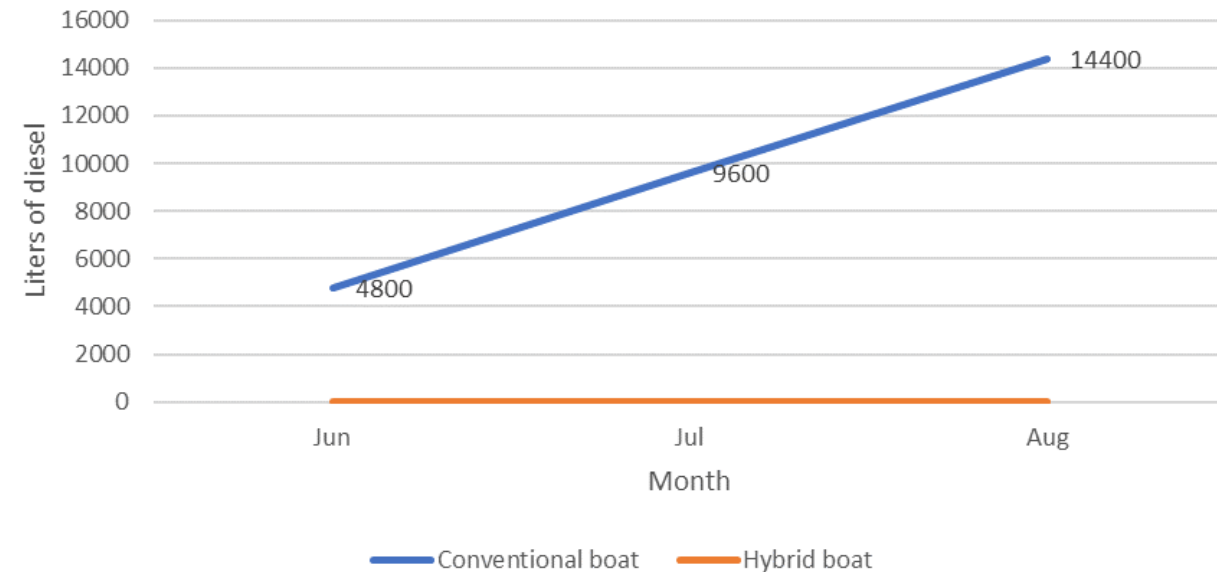
Converting into renewable energy sources

Our first hybrid boat powered partly by diesel partly by electricity is scheduled to serve in our fleet in Greenland from next year. This will evidently reduce our consumption of fossil fuels. On a typical four hours excursion, we expect to see a reduction in the consumption of fossil fuels of 80 liters. With two daily excursions in high season, we can expect to reduce our consumption of fossil fuels with 14.400 liters during the three summer months.

The electricity used for the boat is produced at a local power plant with turbines that are 100% powered by meltwater from the Inland Ice and has a vast overproduction of electricity.

It will also provide our guests with an even more unique experience without a noisy diesel engine in the background while enjoying the sight of gigantic icebergs.

Accumulated consumption of fossil fuels on Iceberg Sightseeing in high season



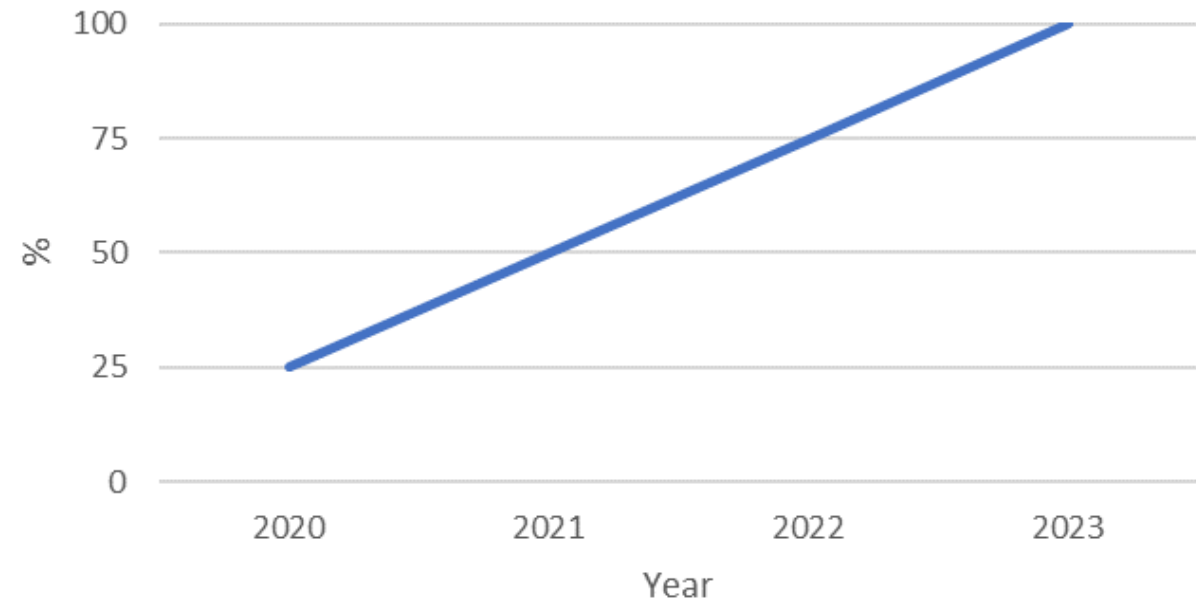
Roll-out of our Code of Conduct

Our Code of Conduct exists but to make it work we need to create awareness around its existence and roll it out internally for a greater understanding of its meaning and value. In 2020, we will make a campaign with the purpose of creating internal awareness of how we are all responsible for upholding a respectful and healthy work environment, how we can continue to develop solutions that promote greater environmental responsibility, how we want to ensure good practices against corruption, and how we work with respect for human rights.

From 2020, we will have new employees sign our Code of Conduct as part of their employment contract and it is our ambition that 25% of our current employees will sign the Code of Conduct during 2020.

In 2021, we aim to have 50% of our employees sign the Code of Conduct and by the end of the year 2023 all employees should have signed the Code of Conduct and be aware of its content.

Quantity of employees who signed our Code of Conduct



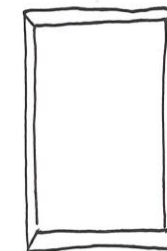
CSR manager at Topas Explorer Group

A CSR responsible of Topas Explorer Group will be appointed in the beginning of 2020.

This means that more resources will be put into this area and the expected outcome is an intensified effort and a broader awareness of the CSR work among our employees.

The CSR responsible will be co-ordinator of CSR initiatives throughout the organization and it will enable us to be better organized and to reach a higher degree of efficiency in our efforts.

2019



CSR
TOPAS EXPLORER GROUP

2020



Quality education and gender equality are SDGs that we have so far only worked with in spontaneous projects and without any proper documentation. We are convinced that the work has been fruitful despite the lack of organizational measurements on the outcome but we are looking forward to improving the efforts made in those areas.

SDG 4: Quality education

Where necessary we already support the development of our employees' skills, and we document qualifications and experience for our employees to pursue their career goals.

In the future, we wish to systematize those efforts to improve the efficiency and value of this work.

We also wish to make a more ambitious and steady collaboration with local education close to our establishments.



SDG 5: Gender equality

It is our declared intention, as stated in our CSR policy, that recruitment to any available position in any of our companies is done based on the competencies needed to do the job effectively.

In the future, we will produce statistic data to identify any possible gender discriminating tendencies in our hiring procedures and practices. If needed, we will take action and change a discriminatory course of action, as gender equality is a fundamental value in our business.

