COMMUNICATION ON ENGAGEMENT

DANMARKS RESTAURANTER & CAFEER



UN GLOBAL COMPACT - COMMUNICATION ON ENGAGEMENT (COE)

Period covered by this Communication on Engagement:

From: February 28 th 2022 To: February 28 th 2024

Part I. Statement of continued commitment and support

Copenhagen, March 1st, 2024

I am pleased to confirm that Danmarks Restauranter & Cafeer (DRC) hereby reaffirms its support for the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on the content.

In this Communication of Engagement, we describe the actions our organization has taken to support the UN Global Compact and its Principles, as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Torben E. Hoffmann Rosenstock Director, Danmarks Restauranter & Cafeer



Danmarks Restauranter & Cafeer (DRC)

Denmark's Restaurants & Cafes, DRC, is the restaurant and hotel industry's trade association, which offers membership for all of Denmark's restaurants, cafes, bars, discos, and accommodations etc. The trade association, with approximately 1500 members, provides industry-specific legal advice, as well as a wide range of cash benefits and improved competitive conditions.

DRC is an organization in constant development, where we set new goals that can contribute to, develop and future-proof the industry. We work to ensure the best framework conditions for the industry whereas corporate social responsibility is fundamental in everything we do. We always inform and try to inspire our members to act sustainably and strengthen accountability in their daily operations.

Visit our website and read more about DRC here

Part II. Description of Actions

DRC became a member of Global Compact in 2017. Only a few months later DRC's Board of Directions amended the association's articles of association, so that our commitment to work with Corporate Social Responsibility is written into the association's statutes.

DRC has taken several actions to support the UN Global Compact Principles and to engage with the initiative. We do this on two levels:

- 1. We look at DRC internally how we engage with our members, business relations, political stakeholders, employees at DRC etc.
- 2. We look at how we can support a more responsible restaurant industry and how we can inspire and guide our members in line with the 10 principles in UN Global Compact.

Ad.1. Internal descriptions of actions

 At DRC we have initiated our due diligence work and have almost implemented the minimum standard for responsible business conduct according to the UNGP's and OECD guidelines (we are still missing a tell-us mechanism). In this respect, we are about to launch our impact assessment on possible negative impact on both social-, environmental and economic sustainability on our website to create transparency and inspire others to do the same.



Ad.2. External descriptions of actions

- In DRC we want to contribute to improve the physical and mental health for employees in the industry. Therefore, DRC have conducted an impact survey involving +700 respondents from nine different restaurant chains in November 2022. Question about employees' experiences with discrimination and harassment were among others included.
- DRC have developed a policy and a guide on how to prevent sexual harassment and abusive behavior in the industry and how to react if it happens. The policy and guide are distributed to our members and available on our website.
- In DRC we have taken initiatives to offer educational programs. The programs have different educational topics such as a good leadership, working environment, and prevention of bullying, sexual harassment.

DENMARK'S FIRST INDUSTRY STANDARD FOR ESG REPORTING

In recent years, many of our members have worked intensively to become more sustainable. They have, for example, done by reducing energy consumption, food waste, purchased more sustainable food and working with social sustainability and improved conditions for employees.

New reporting requirements from EU (CSRD) for companies must support this sustainable transition within both climate, environment, and social conditions as well as corporate governance.

Reporting, therefore, means a requirement for measurability and documentation, which for many can mean an administrative hassle.

Therefore, DRC, in collaboration with Validated, has developed an ESG universe with an industry standard for ESG reporting that makes the work with documentation and registration much easier for even small and medium-sized companies. Valified is a digital platform that makes it easier and simpler to collect sustainability data as well as measure, report, and work in a structured manner with the green transition and document e.g. a CO2 account.

An industry standard is a concrete tool for the industry, so that our members can work systematically and specifically with the most important sustainability factors for our industry. We help you along the way and clarify how you can work with sustainability and how you can measure it. It is much easier to start from a standard than to start from scratch.

Our industry standard is based on a materiality assessment. It is assessed how a Danish restaurant generally has an impact on sustainability conditions, and how different sustainability conditions affect the development, financial results, and situation of Danish restaurants. The materiality assessment is industry-specific and general and is intended as an auxiliary tool for the company's specific assessment.

It can therefore be used as a starting point and inspiration as part of the company's documentation for the assessment of the work with sustainability. The companies can also use the industry standard, including an assessment of what is significant, to lay out a sustainability strategy and make concrete action plans.



DRC's ESG platform allows you to:

- Prepare an ESG baseline based on FNS global goals for sustainable development and the UN Global Compact's 10 principles.
- View and respond to DRC's industry indicators, which are based on industry-level materiality analysis, as well as CSRD/ESRS. This also includes the UN's guiding principles for human rights and business, with a total of 70 specific data points.
- Find a light version of the industry indicators with 15 data points.
- Prepare a DRC sustainability report based on selected data points among the DRC industry indicators as well as the world goals.
- Get access to user-friendly CO2 calculator based on the climate compass.

There are currently 35 companies on the platform that have started to prepare a sustainability report.

DRC'S INSPIRATION CATALOGUE SUSTAINABILITY // THE INDUSTRY

DRC has prepared an inspiration catalog with proposals for concrete sustainability measures for the member companies. Working with sustainability can both give the member companies savings, stronger competitiveness, and perhaps new business opportunities. The savings come largely from a reduced consumption of energy and resources.

The catalog of inspiration is wide-ranging, and the possible measures are many. Some of the efforts will provide significant financial savings, while others will require investments that can provide value in the short or long term.

In the inspiration catalogue, we touch on energy savings, measurement of food waste, reusable packaging, increased biodiversity, waste sorting, calculation of food's climate footprint, interior design and much more.

DRC | ESG-indsatser (thehost.dk)

The REGA Project

To support the restaurant industry in becoming more sustainable DRC has initiated REGA (Restaurateurs' Guarantee Association). It was launched in May 2018 and the project was completed in December 2023. The work with REGA has been heavily affected by Covid19 and the long shutdown in the industry. However, during 2022/2023, the first 7 companies have gone through their REGA audit.

REGA was a binding collaboration for restaurateurs who guarantee to work systematic and focused with responsible business conduct.

Members of REGA are committed to signing up to the UN Global Compact and adhering to the UN and OECD's minimum standards for responsible business conduct (UN Guidelines for Human Rights and Business and OECD Guidelines for Multinational Enterprises). This means that members of REGA work together and focus on improving the company's social, environmental and economic bottom line. In this way, respect for <u>human rights, the environment</u>, and a focus on <u>anti-corruption</u> are guaranteed.



Part III. Measurement of Outcomes

- Digital Industry standard for sustainability reporting
- The inspiration catalog for sustainability efforts
- Various courses and educations
- In Copenhagen, DRC is a co-developer of the charter for fair nightlife (anti-discrimination initiative)
- DRC has created and runs three networks that deal with sustainability: HR network (social sustainability), ESG network and Packaging network