

ESS GROUP

Sustainability work within the ESS Group family



Introduction

Long-term perspective is important to us, and we always aim to improve

We often say that we want to become smaller. This might sound strange considering how quickly we have grown since our first purchase of Ystad Saltsjöbad in 2007. However, what we mean is that, despite our size, we want to act swiftly, closely, wisely, and with a strong commitment to our employees, guests, and the environment. Acting like a small entity also means being innovative and creative within these realms. This document elaborates on these principles.

Understanding your carbon footprint and working to reduce it is an important part in the development of sustainability efforts. This is something we have now started with and by 2026, we will have a baseline for the year 2025. Contributing to and developing society is equally important, and it is something we work on daily through various projects and initiatives.

In all aspects of our sustainability efforts, our goal is to be long-term in sustainability. Long-term commitment for us involves genuine, authentic, and heartfelt actions. We avoid short-term projects or endeavors that result in quick profits at first glance, instead opting for initiatives that we can be proud of and that last over time.

ESS is a values-driven company rooted in “The Little Red Book.” This booklet, which is readable and available to all employees, is connected to our daily lives. The Little Red Book aids us in recruiting based on values, creating security for employees, providing feedback in line with our service promise, and making decisions aligned with our objectives. The Little Red Book serves as our tool for leaders and employees alike in their daily activities.

Viewing ESS through UN:s 17 Global Goals helps us focus on specific areas. This expands the traditional view of sustainability, aligning with everything we do and wish to develop, touching on gender equality, decent working conditions, reduced inequality, and more. We aspire to be a role model in the industry and take significant social responsibility through initiatives such as the ESS Academy school, the Warm Meal project, and our memberships in Tent and Real Star, which you can read more about in Chapter 3. Our sustainability work is conducted at two levels. Centrally, where projects, processes, and decisions are made to apply to all destinations. But also, at the destination where local projects and initiatives are carried out to support and strengthen the immediate local area.



Our Operations – We offer individual guest experiences of world-class quality with high service standards. Before we have our baseline in place, we are taking actions at the operational level based on: energy, water, waste, and purchasing.

Our Employees – We want our employees to enjoy working with us, feel well, and have the opportunity for personal development. We aim to provide our employees with a balanced life by giving them the right conditions, such as clear expectations, explicit job descriptions, clarity on where to seek help, and offering a well-structured schedule. We have well-established training programs and a clear culture that propels us forward.

Our Society – We believe in hope and possibilities. We strive to create the world's best workplace, ensuring that people feel good and spread positivity to their surroundings.

Our societal initiatives are evident through educational and development opportunities for everyone. In 2022, we opened our own external school in collaboration with the Employment Service, offering apprenticeship programs for those unemployed within Sweden.

This policy applies to our operations of Sweden, Denmark, and Norway.





1. Our Operations

ESS Group operates in environmental categories: energy, water, waste, and purchases. By establishing routines, making conscious decisions and setting goals, we create opportunities and lay the groundwork for enhanced sustainability. We are now starting to report and analyze to provide us with a comprehensive view, enabling us to make changes and improve every day. Setting the goal to improve is crucial, and we continuously work towards positive trend shifts.

Energy

Monthly registrations and annual reports on energy consumption are conducted by all destinations to understand the amount of energy consumed per square meter and per guest. Based on Table 1. Energy Thresholds, destinations are assessed for reasonable energy consumption. If a destination does not meet the recommendation, resources are assigned to reduce consumption and gradually move towards a more sustainable energy use.

Energy Thresholds

Category		Lower Limit	Upper Limit
Verksamhet utan restaurang			
1	Operation without a restaurant OR Operation with only breakfast service and/or simple bar food.	160 kWh/m ²	300 kWh/m ^{2**}
Operation with a restaurant			
2	The operation has a restaurant turnover under 40% of the total turnover AND Room occupancy is less than 60%	190 kWh/m ²	350 kWh/m ^{2**}
3	The operation has a restaurant turnover over 40% of the total turnover OR Room occupancy is higher than 60%	230 kWh/m ²	425 kWh/m ²

Nordic Ecolabel (2022) 055 Swan Labeling of Hotels and Accommodation, version 5.2w

- Choosing fossil-free and/or renewable energy is prioritized where destinations can influence agreements.
- Automatic systems governing heating, cooling, air, and lighting help minimize energy consumption and provide optimal conditions for guests and employees. Checklists and routines are used where necessary to ensure control over energy consumption.
- ESS is committed to implementing LED lighting everywhere, replacing non-LED areas during renovations.
- An investigation into solar panels at destinations has been conducted, with analysis completion in Q2 2024.
- Destinations with parking always offer charging stations.
- Pool heating at destinations is powered by district heating/geothermal energy.

Water

Annual reports on water consumption are conducted by all destinations to understand the amount of water consumed per guest. This is then compared to the average water consumption per guest stay to gain insights. *Pool water is not included in this water consumption and is measured separately to detect any deviations.*

Department	Gränsvärde
Hotel	150 liters/hotel guest
Restaurant	30 liters/served guest
Catering	20 liters/catering portion
Conference Facility	15 liters/conference guest

Nordic Ecolabel (2022) 055 Swan Labeling of Hotels and Accommodation, version 5.2

- Still bottled water is not served, neither during conferences nor in restaurants.
- Our laundry supplier is Elis, managing 98% of the business’s laundry. Elis is a circular laundry with a sustainability focus, holding certifications from Swan, ISO, UN Global Goals, and EcoVadis, ensuring confidence in our laundry management.
- To reduce laundry and water consumption, towels, bathrobes, and bed linens are changed only when guests request it.

Waste

Annually, all destinations report their waste to understand the amount of waste consumed per guest. This allows for the identification of necessary measures to reduce waste.

Department	Threshold
Hotel	0.10 kg/hotel guest
Restaurant	0.40 kg/served guest
Conference Facility	0.10 kg/conference guest

Nordic Ecolabel (2022) 055 Swan Labeling of Hotels and Accommodation, version 5.2

- We sort at least corrugated cardboard, plastic, light and dark glass, cooking oil, hazardous waste, and organic waste. In addition, destinations sort according to the directives of each municipality. Property departments are responsible for any waste transport to the landfill.
- In 2023, a pilot project was conducted to decide on a food waste scale supplier. Implementation is scheduled for Q2 2024.
- Since 2024, we have been weighing our food waste at all destinations.

Procurement

Annually, we review our acquisition to gradually replace products with more sustainable and eco-labeled alternatives, aligning with our commitment to positive shifts.

Minimum requirements for our destination operations:

- Chemicals used for general cleaning, dishwashing, and laundry are 100% eco-labeled.
- Destinations using granules in dishwashers use bio-based granules.
- Toilet paper, paper towels, and copying paper are 100% eco-labeled.
- When using take-away packaging for food and beverages, 100% renewable materials are always used. All take-away packaging is distributed by staff upon request.
- Disused or broken furniture is taken care of. We have a large inventory where we can store furniture for future use. We use local services to reupholster and repair furniture. Additionally, we organize secondhand events and donate furniture that is no longer needed.
- In ESS Group's car policy, it is explicitly stated that we encourage employees with company cars to choose environmentally friendly cars (electric and hybrid) when compatible with the driver's job requirements.
- Destinations with pool clubs provide guests with a pair of spa slippers to take home, either classic flip-flops or fabric slippers. Guests receive recommendations on washing and reusing the slippers for sustainable home use.



Food & Beverage (F&B)

Currently, all destinations adhere to the following minimum requirements:

- ESS Group exclusively uses cage-free eggs. All eggs served come exclusively from free-range hens, even when used as an ingredient.
- We work with eco-labeled ingredients such as MSC, ASC, Krav, and Organic.
- We have chosen to work with the [European Chicken Commitment \(ECC\)](#) as part of our efforts for improved animal welfare, covering all chicken we purchase and serve. All criteria will be met by the year 2026.
- We offer tea and coffee that are eko certified.
- In 2024, we initiated the “Food Waste” project within our restaurants and kitchens. This will lead to greater awareness from day one. A system for measurement and control will be implemented, and competency training in menu development for employees is a fundamental requirement. Exact goals for reducing food waste will be established in 2025.
- We strive to choose seasonal ingredients whenever possible.
- Opting for locally sourced products benefits both nature and local entrepreneurs; hence, we aim to supplement our offerings in both food and beverages with locally sourced items. Local sourcing means it should come from an area within 250km.
- We never buy endangered fish and use guidelines from FAO, IUCN and the UN.
- All frying oil is palm oil-free.





2. Our Employees

Our Employees

One can build fantastic destinations, but it's the people who make the real difference, and make it come to life. At ESS Group, employees are the cornerstone of success. We closely monitor the well-being of our employees. We measure and follow up on the Employee Satisfaction Index (eNPS) every two weeks. This allows us to take action in case of deviations, constantly improving and maintaining job satisfaction. Through systematic occupational health and safety practices, where department managers and safety representatives are trained in Better Work Environment (BAM), knowledge and conditions in our workplaces are enhanced to create a safe working environment.

Birds of a feather flock together, but different birds create new games. We have employees from about 70 different nations. Our leadership focuses on equal treatment and inclusion of all employees. Our employees are continuously offered introductions and ongoing skills training. In 2025, we will join the Diversity Charter Sweden to learn from others based on best practices.

We operate based on policies, goals, and action plans for alcohol and drugs, harassment, and discrimination, which are communicated to all employees. We have a zero-tolerance policy against harassment and discrimination.

Employees have access to and are encouraged to use wellness subsidies. Regular joint activity sessions are organized at our various destinations, such as football, yoga, running, gym, etc. We continuously monitor our health index, and activities on each individual destination are carried out to create a sense of community and belonging for employees at no cost.

ESS Group has an internal social app for communication across departmental, destination, and country borders to create even greater belonging and provide the best conditions for information flow in operations.

Since 2023, we are making efforts to offer all our employees a minimum employment rate of 60% to provide better work-life balance.

For the safety of our employees and guests, safety data sheets for all cleaning products are always available. We always use dosing equipment and train staff in both ergonomic cleaning and the handling of chemicals.



ESS Academy

Our company's culture resides not within the walls, but among the employees.

"Little Red" is the book that lays the foundation for our culture and everything we do. The importance of the Little Red is equated to how our blood flows in our veins, making it clear to our employees that we always aim for our goal of creating regular guests.

Leadership is the most crucial element to maintain and develop our warm and personal culture. We live and work to ensure that all our leaders have the right expectations, conditions, and that we provide them with feedback.

We create hope and development by offering all employees opportunities. Through various processes, we ensure that personal development takes place. In order to continue with our introductory classes, our company needs internal mobility, to create new positions for existing employees, which makes it easier for new employees to enter the industry, making it part of our lifecycle.

WE CREATE
Moments of happiness

Our beliefs

Passionate
Professional
Playful
Personal

ESS Group are active in developing hotels, restaurants and concepts. We create one-of-a-kind meeting spaces that are characterized by unique personalities. Through our passion, professionalism and personal touch, we create profitability and world class guest experiences.

Our service guarantees

- We always smile before the guest does
- We welcome each guest with a personal greeting
- Your first response is never a "no"
- What more can I do for you?
- Always say thank you

Mission

By continuously staying updated on the needs of our guests, we succeed in exceeding their expectations and create an individual world class customer experience.

Our goal

To keep guests coming back.

ESS GROUP

Laws and Regulations

In the countries where we operate, we submit us to the respective national laws and regulations. Our organization is committed to staying current, by following and updating policies in response to changes. Environmental legislation and regulatory requirements serve as the baseline for our sustainability efforts, with the overarching goal of surpassing these minimum standards.

Code of Conduct

Maintaining a structure and guidelines for sustainable operations is of paramount importance to us. Through our code of conduct, we facilitate adherence to these guidelines and foster transparency in our operations. The code of conduct is designed to offer clarity and serves as the bedrock for the organization's values.

During Q4 2025, we will begin the process of signed Code of conduct by selected suppliers for the destinations' operation. Home of ESS, Mandels and Spik Studios have already signed the Code of conducts.

Monitoring and Documentation

To uphold our sustainability policy, we implement the following measures:

Additionally, the policy undergoes annual evaluation for potential revisions, including aspects related to procurement. Revisions occur in tandem with the evolution and establishment of new destinations. ESS remains updated on new legislation, guidelines, and global events impacting sustainability efforts. ESS Group's Sustainability Report according to CSRD will be completed in the spring of 2026, where we will report on 6 categories.

Reporting is centralized, overseen by the sustainability officer. Benchmarking helps observe trends, shifts, and discrepancies. Initial discrepancies are addressed by the respective CEO, who creates an action plan. In the second step, the CEO seeks assistance from the central function.

Whistleblowing

A structure for whistleblowing exists for both internal and external use, with an anonymous digital survey or phone number as alternatives via each respective destination's website. All cases reported through the whistleblowing procedure are handled by a limited group of specially selected individuals within the company.

Knowledge

We aim to inform and motivate all employees to perform their work responsibly, achieved through documentation, workshops, and best practices. Taking responsibility for the environment, nature, and humanity is expected as a natural part of daily operations.

Travel & Transportation

ESS Group regulates business travel in a cost-effective, environmentally friendly, and safe manner. Internal company travel occurs only when necessary, with environmental considerations such as car-pooling or train usage.

Employees are encouraged to use environmentally friendly transportation to and from their workplaces. Internal flights are allowed only when travel time exceeds 4 hours by train, bus, or car and should be minimized. Flights must always be carbon-offset. When booking taxi rides, preference should be given to companies with collective agreements.

ESS Group's sustainability policy and code of conduct are made accessible to all employees through visibility on our internal communication app, emphasized during introductions, and integrated into the onboarding processes for new employees.



3. Our Community Efforts

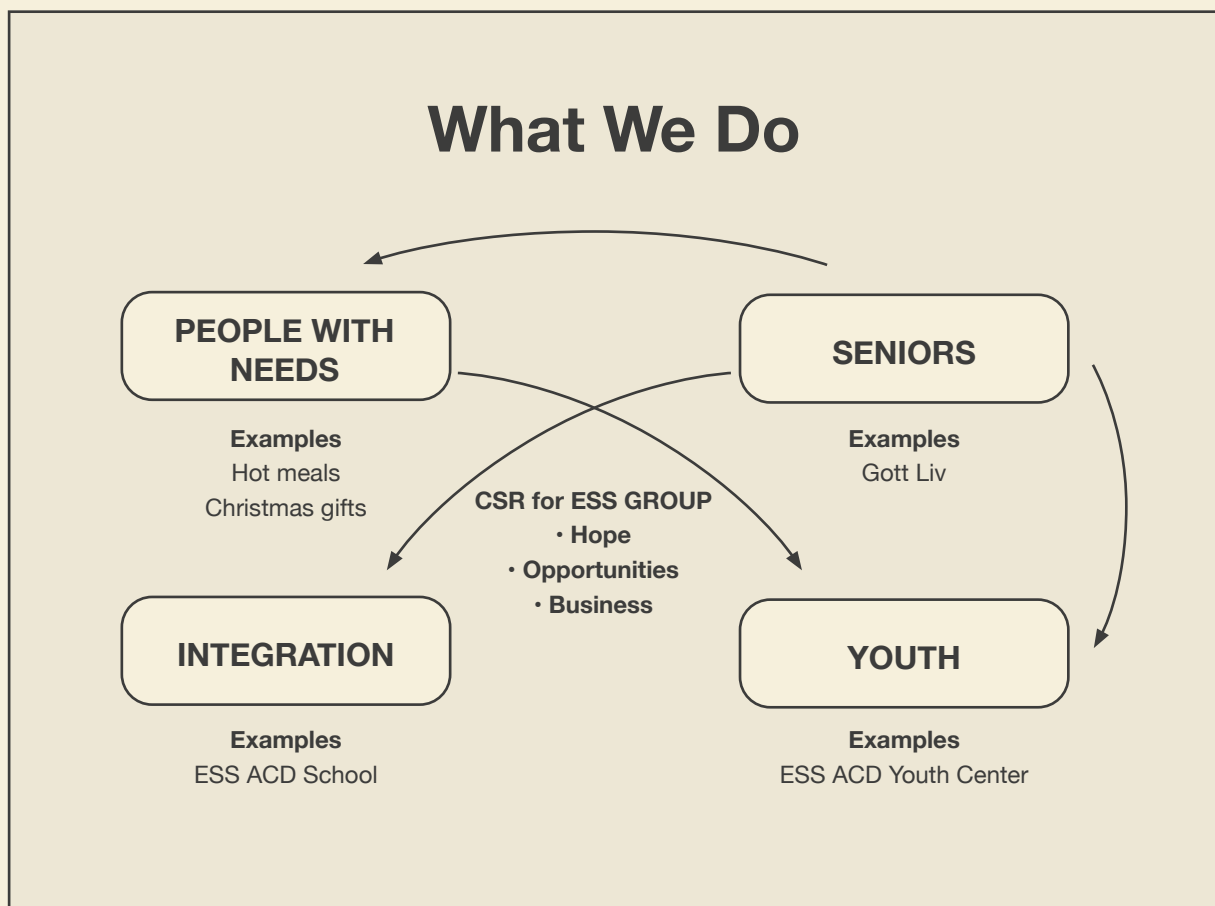
"If You're Big, You Need to Be Kind"

Our driving force is to include and find synergies in society to contribute to improving the overall well-being in the world.

"If you're big, you need to be kind," as quoted. And it's so true! As we grow as employers in the regions where we are active, we can and want to make a real difference based on aspects that are natural to our operations.

The sketch below illustrates the various areas where we focus on our societal impact. Each destination works with at least two of them.

Our community efforts primarily revolve around reducing social exclusion, promoting integration, fostering a long and good life, providing hope and creating opportunities for the future.



How We Operate

LOCAL

- **Involvement:** Everyone is involved in at least two of the focus areas.
- **Projects:** Everyone has at least two projects per year where the focus areas are integrated.
- **Regional Development:** The driving force is to tailor development according to the specific needs of each region.
- **Budget Allocation:** There is a designated portion in the budget for these initiatives

CENTRALIZED

- **Pilot Initiatives:** Initiate pilot projects.
- **Support:** Act as support for all local destinations.
- **ESS Projects:** Undertake ESS-specific projects.
- **Budget Allocation:** Allocate a portion of the budget centrally.

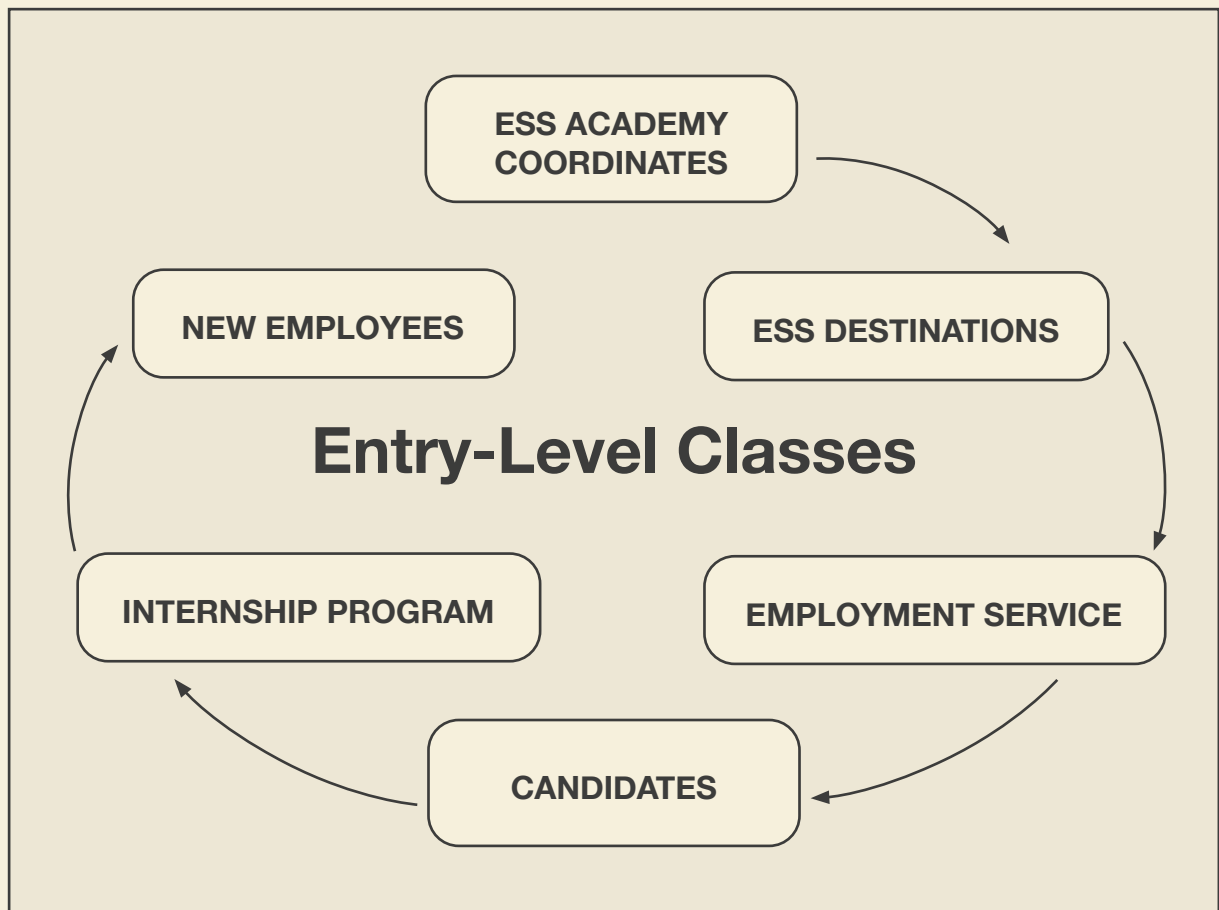
Three examples of current community efforts:

1. ESS Academy Entry-Level Classes:

After the pandemic, it became evident that to expand with new destinations, we need to take control of educating and introducing more individuals to our industry. Despite a demand for more workforce in our industry, many are unemployed. In collaboration with the Employment Service, we facilitate the employment of more people in a sector they might not have considered before.

Through a 3-week internship program with 5 days of theory and 10 days of practical experience, we ensure that these interns are well-prepared to enter employment. We focus on education in dining, kitchen, bar, and housekeeping. An entry-level class means that interns receive a certification to take their first step in being part of a team, starting with lighter tasks and advancing, for example, from being a dining assistant to becoming a waiter.





2. Warm Meals

Food waste contributes significantly to our global environmental impact, especially in the challenging economic times many face in our regions. Through our own project and initiative, “Warm Meals,” we aim to reduce food waste by utilizing items that grocery stores typically discard because they haven’t been purchased before the expiry date. We transform this surplus food into delicious meals that satisfy hungry individuals. Collaborating with charitable organizations, we distribute these food portions to those in need.

The pilot project commenced in November 2022 at Ystad Saltsjöbad, delivering 120 meals per week that would otherwise have been discarded. .

The pilot project has now expanded from solely impacting our Ystad Saltsjöbad destination to a broader initiative driven by ESS Group, conducted four times more frequently than our initial efforts. We have engaged more businesses in surrounding municipalities around Ystad. With this expansion, we aim to produce over 10,000 portions over 9 months, benefiting three municipalities in southern Skåne. The plans for 2025 and 2026 involve encouraging more hotels, restaurants, and kitchens to adopt this method to assist communities across Sweden

ESS Group’s goal is to replicate the “Warm Meals” model, as initiated at Ystad Saltsjöbad, for four more destinations by 2026.

3. Organizations that ESS are part of

Real Star

In our daily lives, we unfortunately encounter the rental of hotel rooms by the hour. With increased knowledge and a network on how to contribute to reducing prostitution and human trafficking, we have chosen to be a part of the Real Star organization. Through our membership for all our destinations, we receive training and greater understanding to make a difference and create change. Information about trafficking is provided to all new employees during their introduction, and once a year to the and reception staff at all destinations undergo training.

Tent

Recruitment and assisting individuals who are refugees have always been important to us. When Tent started in Sweden, it was natural for us to join the network, so that we could learn from each other and come together to address the issue of creating a new everyday life for those fleeing war. Our commitment involves participating in panel discussions, building networks across industries, sharing experiences and tips, which demonstrates to other companies how simple it is for everyone to make a difference.

Diversity Charter Sweden

Is the world’s largest network for diversity and inclusion issues. Through this network, we gain knowledge on all seven grounds of discrimination, are inspired by best practices, and apply all learning to create dynamics within our organization. All of this is linked to our business and operational benefits, making us even more competitive.



4. Measurability

We move forward through different types of projects.

We believe in implementing actions step by step and have a well-functioning project organization to drive our efforts. Our vision is to continuously improve. The following projects are planned for implementation in 2024/2025:

Operational Focus:

- Matsvinnsvåg (Food Waste Scale) purchased for all destinations by Q2 2024.
- Reduction of food waste at all destinations by the end of 2025.
- Purchase of a structured Sustainability Monitoring System by Q2 2024.
- During Q4 2025, we will begin the process of signed Code of conduct by selected suppliers for the destinations' operation. Home of ESS, Mandels and Spik Studios have already signed the Code of conducts.
- Investigation of solar panels on four destinations until 2026.

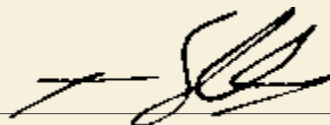
Employee Focus:

- Achieve sustainable employees by offering a minimum 60% employment rate by Q4 2023.
- AI helps us to have all communication internally in the employee's native language.

Community Focus:

- ESS Academys entry-level classes are conducted based on the need to hire.
- Provide warm meals to those in need from four destinations until 2026.
- Implement 2 local initiatives on each destination.

These projects are designed to be measurable, contributing to our commitment to continuous improvement and long-term sustainability. Regular evaluations and assessments will be conducted to track progress and adjust strategies as needed.



VD, Jonas Stenberg

ESS GROUP

YSTAD *Saltsjöbad*



FALKENBERG



STRANDBAD

Marientlyst
STRANDHOTEL SIDEN 1861

ELLERY
BEACH HOUSE

Jacy's
HOTEL & RESORT

HJORTVIKEN
Country Club

FÝRI
RESORT OF NORDMÖR

VILLA STRANDVÄGEN
ESTABLISHED 1861

MARYHILL
ESTATE
HOTEL & RESORT

MJ'S

BELLORA
Hotel & Restaurant

HOTEL *Pigalle*