

# ANNUAL REPORT & SUSTAINABILITY REPORT 2018

01/01/2018 – 31/12/2018

for Göteborg & Co AB

Corporate ID no. 556428-0369

go:teborg&co

*The mission of Göteborg & Co is to get more people to discover and choose Gothenburg. We do this through wide-reaching collaboration, by leading and promoting the development of Gothenburg as a sustainable destination, so that everyone who lives and works here benefits from a growing visitor industry.*

*Göteborg & Co is owned by the City of Gothenburg. This means that we work for a sustainable city that is open to the world.*

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The Board of Directors and the acting CEO of Göteborg & Co AB hereby submit the following annual report & sustainability report.

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# THE JOURNEY TO OUR FUTURE DESTINATION CONTINUES

**Gothenburg continues to grow. The coming years will be stepping stones to the destination of the future, in which the visitor industry plays a key part in building a dynamic city. Exciting times lie ahead of us.**

The number of guest nights spent in the Gothenburg region rose for the 27th year in a row and hotels were frequently fully booked, indicating that capacity does not match potential demand. In light of this demand, together with Gothenburg's strong appeal and the growth of Stockholm and Malmö in 2018, which show that investment and accessibility drive growth, we are looking forward to coming years when planned investments will increase hotel capacity by around 30 per cent.

As a city of meetings, Gothenburg is a rising star. More and more organisers are showing interest in Gothenburg and are finding facilities and partnerships between the city, business and academia of the highest international standard. In April 2019 Gothenburg will host the Associations World Congress, which will provide a fantastic opportunity to showcase Gothenburg's ambitions to attract a large share of the international meetings business.

Events are part of Gothenburg's identity. Our annual events attract hundreds of thousands of visitors every year, while special events showcase the destination and provide platforms for collaboration and communication. The Volvo Ocean Race, Nordea Masters, Gothenburg Culture Festival and EuroPride are some of the biggest highlights of the year. One event we are looking forward to in 2019 is the European Choir Games. This will take place at the same time as Gothenburg Culture Festival which, as well as continuing to focus on children, will also feature food, music and meetings between people.

With only two years remaining until 2021, at the end of 2018 the Municipal Council approved the plan for the anniversary celebrations. This gives us the opportunity to arrange a fantastic anniversary year that will build broad support for the vision that Gothenburg should be internationally acknowledged by 2021 as a bold model for sustainable and balanced growth.

The goal for the destination is to double tourism by 2030. We do this through wide-reaching collaboration, by leading and promoting the development of Gothenburg as a sustainable destination, so that everyone who

lives and works here benefits from a growing visitor industry. Göteborg & Co is showing the way by promoting an ecological and social perspective, demonstrating successful examples through our own events, and by educating and informing.

The growth of air travel poses a major climate challenge that must be addressed. We need to continuously encourage visitors to travel by rail wherever possible. But the fact remains that the location of Gothenburg means that air travel will continue to be of vital importance for access from countries where rail travel is not competitive enough. We are continuing to work on the environmental certification of our own operations and the activities and events of our partners.

Gothenburg was voted the global leader in sustainability for the third year in a row in the Global Destination Sustainability Index. This confirms that the destination is on the right track, and means we have a responsibility to continue developing in this area based on our strategic plans. This work complies with the ten principles of the UN Global Compact for sustainable development, and is described in our sustainability report.

When we look back on 2018 and our shared goals, we can see that we really are heading in the right direction; in many cases we are achieving our goals and in some areas we still have some way to go.

In partnership with all our stakeholders we have great opportunities to deliver even more value for the residents of Gothenburg, to strengthen the brand of the destination and contribute to growth that is both sustainable and balanced. We look forward to 2019 with confidence.



Camilla Nyman,  
CEO until end of November 2018  
Göteborg & Co AB



Anders Söderberg,  
Acting CEO from December 2018  
Göteborg & Co AB



# VISITOR INDUSTRY TRENDS

Tourism to Gothenburg continued to grow in 2018. The number of guest nights at hotels and hostels is estimated at 4.82 million and room occupancy was very high. We effectively had full occupancy at some times of the year, so the planned investments in new accommodation capacity are welcome. Efforts to make the destination even more attractive and offer a wider choice of accommodation are an important task for the company.

### GROWTH WITH A PURPOSE

Gothenburg has almost three decades of uninterrupted growth in the visitor industry and all forecasts point to a continued rise in travel, both national and international. One of the big topics of discussion in European tourist cities is balanced tourism, or balanced growth. This is about attracting the right kinds of visitors and reaching the right target groups, rather than increasing volume. Some cities are having real problems with over-tourism, with Amsterdam, Barcelona and Venice being the most obvious examples. Most other cities are experiencing balanced and sustainable growth, but they are aware of the problem. While tourism creates employment and economic revenue, the effects of over-tourism can conflict with the best interests of residents.

Göteborg & Co works in the best interests of the people of Gothenburg, as stated in the company's new mission statement: "everyone should benefit from a growing visitor industry". This idea is now being adopted by many other cities as a strategic aim and a prerequisite for balanced tourism.

For many years Gothenburg has taken a selective approach, to attract meetings and events that benefit the destination

and are in line with our overall strategies and general needs. This approach is also being embraced by a growing number of cities around the world. Gothenburg is currently in a phase of development that is likely to lead to strong growth in the city over the next few years. The visitor industry has an important role to play in this growth – not just by generating jobs, but also by contributing to a vibrant and more equal city.

### COLLABORATION MAKES US ATTRACTIVE

Gothenburg's new strategic plan for Gothenburg Convention Bureau creates a strong link to benefits for research, skills enhancement and business development. In Events, the trend is to host major sporting events occasionally, but to place increasing emphasis on partnerships with recurring annual events. Many different stakeholders, large and small, contribute to the full range of reasons for visiting the destination. Göteborg & Co stimulates the industry by collaborating with stakeholders and entrepreneurs, and new themes and seasons are an important aspect of this partnership. Autumn City and Halloween at Liseberg are good examples. The Tourism Growth project is part of this work, and is managed in collaboration with Business Region Göteborg and the West Sweden Tourist Board.

### ACCESSIBILITY

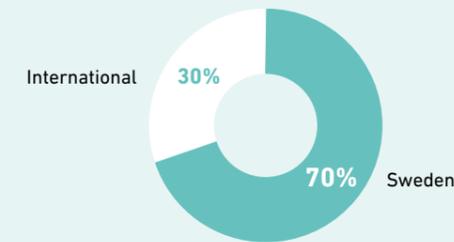
A large proportion of visitors to Gothenburg come by road from Sweden or Norway. For visitors from further afield and for international companies in the region, air travel is essential. The destination works on a series of travel initiatives to match the needs of business and industry. Good rail links and direct flights to selected metropolitan regions are requirements for growth (statistics on tourism growth in the Gothenburg region can be found in the table on page 24).

## DESTINATION GOTHENBURG 2018

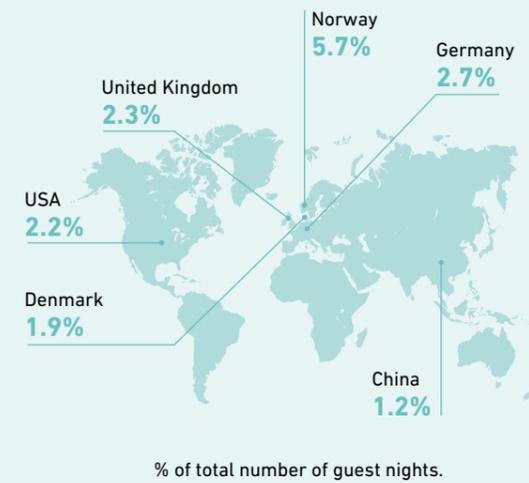


**GUEST NIGHTS AT HOTELS AND HOSTELS**  
**4,820,000**  
 (forecast)

### BREAKDOWN OF GUEST NIGHTS



### SIX LARGEST FOREIGN MARKETS



**FULL-TIME EQUIVALENT JOBS IN VISITOR INDUSTRY**  
**19,200**



**TOURISM TURNOVER**  
**SEK 31 BILLION**

**PERCENTAGE OF CERTIFIED HOTELS AND MEETING FACILITIES**

**92%** Hotels

**100%** Meeting facilities

# BUSINESS PLANS FOR A NEW AGE

At the start of 2018 the Municipal Council agreed to adopt the City's programme for growth in the visitor industry to 2030. This includes a number of strategies and objectives outlining how the destination should continue to grow to reach the goal of doubling tourism.

## OBJECTIVE:

**BY 2030, DESTINATION GOTHENBURG WILL HAVE DOUBLED TOURISM BY SETTING AN INTERNATIONAL EXAMPLE AND CONSTANTLY CHALLENGING ACCEPTED IDEAS OF SUSTAINABILITY**

## FIVE STRATEGIES FOR THE DESTINATION

- 1** SHOWCASE GOTHENBURG GLOBALLY
- 2** RAISE COLLABORATION TO A NEW LEVEL
- 3** CREATE INNOVATION FOR THE FUTURE
- 4** IMPROVE ACCESSIBILITY
- 5** SHARE A VIBRANT GOTHENBURG



In the new global economy, tourism has become a staple industry for cities, regions and nations. It is recognised as having a key role in social development by generating sustainable growth, new jobs, developing infrastructure and improving quality of life. But there are also downsides, such as the risk of over-tourism and the impact of travel on the climate.

The destination is looking at the long picture, and we are now taking steps to reach the 2030 goal of doubling tourism and creating a visitor industry that contributes even more to sustainable development. The big question is not whether tourism to Gothenburg should grow, but how we should achieve this. The answer is: sustainably, and in the best interests of the people of Gothenburg.

### WAY TO GROW – WAY TO GO

For the first time separate business plans have been drawn up for the destination and for Göteborg & Co. The two plans are connected and based on the 2030 programme.

Accessible versions of the business plans for the destination and the company were launched during the year to explain the background, strategies and objectives. Safeguarding sustainable growth is a cornerstone of all our strategies

Stakeholders in the visitor industry contribute to the overall attractiveness of the destination, while the role of Göteborg & Co is to stake out our course, make sure everyone is working towards the same goals and not to forget the importance of sustainable development.

Based on the business plan, each department at Göteborg & Co has drawn up its own plans to define strategies and objectives. Another big task for the company is to coordinate the efforts of other companies and administrations in order to meet the ambitions of the 2030 programme. This can entail acting as a resource in urban planning issues or helping to ensure that the skills needed by the visitor industry are met wherever possible.

### FROM THE DESTINATION PERSPECTIVE, IN 2018–2020 GÖTEBORG & CO WILL FOCUS ON:

1. Leading the development of the destination through collaboration and knowhow.
2. Encouraging people to meet, through experiences, meetings and events.
3. Sharing stories and news about Gothenburg with the rest of the world.

### SUSTAINABILITY STRATEGIES

The sustainability efforts of Göteborg & Co are based on three company-wide strategies that interact and reinforce each other:

1. We will set an example and lead the way through our actions and our resourcefulness.
2. We will encourage and challenge the destination's stakeholders and partners to develop in a sustainable direction.
3. We will inspire and help visitors to enjoy the destination's attractions sustainably.

Göteborg & Co was the process owner for “Be a tourist in your own city”, an initiative that aims to improve opportunities for residents to become tourists in their own city. Being a tourist at home is more sustainable than travelling elsewhere, and also enhances the range of local tourist attractions. It also creates opportunities to counter the issues we see in some European destinations, where local residents have become increasingly critical of tourism and the negative effects it can have if you neglect the three elements of sustainability. We want to continue to see residents of Gothenburg proudly welcoming visitors to their city. We will safeguard this by spreading visits in a sustainable way – throughout the year and across the various parts of the city – and by showing residents all the great things our city has to offer. Contributing to a better quality of life for the people of Gothenburg also helps to create effective ambassadors for the destination.

# DIRECTORS' REPORT

## GROUP AND OWNERSHIP

Göteborg & Co AB is wholly owned by Göteborgs Stadshus AB (corporate ID no. 556537-0888) with its registered office in Gothenburg, which in turn is wholly owned by the City of Gothenburg.

Göteborg & Co AB owns 100 per cent of the shares in Got Event AB (corporate ID no. 556015-9823), Liseberg AB (corporate ID no. 556023-6811) and Göteborgs Stadsteater AB (corporate ID no. 556016-7875). The Parent Company, Göteborgs Stadshus AB (corporate ID no. 556537-0888), prepares the consolidated financial statements.

## INFORMATION ABOUT OPERATIONS

The mission of Göteborg & Co is to get more people to discover and choose Gothenburg. We do this through wide-reaching collaboration, by leading and promoting the development of Gothenburg as a sustainable destination, so that everyone who lives and works here benefits from a growing visitor industry. Since 1991, Göteborg & Co has coordinated and organised development of the visitor industry in the Gothenburg region in close cooperation with the city, industry and academia.

The company recruits and arranges large meetings and events, markets the destination and promotes reasons for travelling to the region. The company generates commercial benefit for society by serving as a platform for collaboration, driving Gothenburg's development as a destination, supporting sustainable growth in the visitor industry and helping to make the destination attractive and dynamic for visitors and residents of the city.

The Municipal Council budget is the overall and overarching policy document that states the goals and focus of the council for the mandate period and budget year. The mission and long-term focus of Göteborg & Co are governed by the Articles of Association and owner directive, as well as the various strategic programmes of the City of Gothenburg, of which the programme for growth in the visitor industry is particularly important. In addition, the company's operations are governed by the three-year business plans for Destination Gothenburg and Göteborg & Co, which are formulated in collaboration with the visitor industry, academia and other public

stakeholders. The company's sales fluctuate from year to year depending on the number of events and assignments. The company shows an operating profit of SEK -13.1 million. A deficit of SEK 13.5 million was expected due to changes in the form of finance of Volvo Ocean Race. The deficit is covered by intra-group transfers. The operating profit for the previous year was SEK 0.5 million.

The Board of Directors and the CEO consider that the business is managed in line with the municipality's intentions for ownership of the company and that the company has complied with the principles set out in paragraph 3 of the Articles of Association.

## SIGNIFICANT EVENTS AND DEVELOPMENTS DURING THE FINANCIAL YEAR

The year has seen continued growth in the visitor industry in Gothenburg. In 2018, it is estimated that almost 4.82 million guest nights were spent in hotels and hostels in the Gothenburg region – an increase of one per cent over the previous year.

Hotel occupancy in Gothenburg is high, reflecting strong demand for commercial accommodation. Periods of very high occupancy are becoming more frequent and the lack of spare capacity is impeding growth.

However, the statistics do not cover alternative new forms of accommodation such as Airbnb. According to surveys conducted this summer and comparisons with other big cities, it appears that more and more people are choosing this type of accommodation, especially international guests.

At the same time, investments in new hotels were announced during the year that will increase accommodation capacity considerably by 2025. The effects of this will not, however, be felt until 2022 at the earliest.

The company was responsible for project management and implementation of the Volvo Ocean Race on June 14–21. There was free admission to the event area in Frihamnen harbour, where entertainment and activities were provided. The extensive programme of seminars organised by the city and the business community was well attended and gained good reviews.



However, the poor weather meant that the big public party had to be cancelled.

Gothenburg Culture Festival was held at the same time as EuroPride on 14–19 August and was a big success in terms of visitor numbers. In autumn it was decided that the Culture Festival should be given a special theme. The 2019 Gothenburg Culture Festival will reflect the theme of “Voices and Music” and will coincide with the European Choir Games.

In January, the Municipal Council agreed on a programme of development for the visitor industry in the City of Gothenburg that will guide activities in the coming years. This programme formed the basis for formulating the business plans of the destination and the company in close collaboration with the visitor industry and academia. The company’s mission statement was reformulated to match market requirements and expectations more closely.

In spring 2018 an external review of the FEI European Equestrian Championships was completed. On the basis of this, Göteborgs Stadshus AB decided to implement five different initiatives as part of a collective action plan. The review included an analysis of the destination’s events strategy and proposals for measures to improve the working approach in the TKE cluster. A report was presented at the end of the year and will form the basis for future development of working methods and responsibilities in the events area of the cluster, as well as future work on developing an events strategy for the destination.

**MUNICIPAL COUNCIL'S OBJECTIVE AND MISSION**

During the year the company contributed to the Municipal Council’s goals prioritised by the Board. It also delivered on the assignments allocated to the company in the Municipal Council’s budget, and delivered on its assignments from the 2017 owner dialogue with Göteborgs Stadshus AB.

The assignment to formulate a strategic plan for improving systematic efforts to attract scientific meetings was also completed during the year. The plan was presented in autumn and will serve as a tool for developing the city of meetings, in close collaboration between business, academia and the city.

Göteborg & Co has the task of managing, coordinating, promoting and monitoring the planning of Gothenburg’s 400-year anniversary in 2021. The updated anniversary plan is submitted annually to the city’s budget preparation department and describes the anniversary initiatives. In December, the plan for the anniversary year in 2021 was also approved by the Municipal Council. This describes how the city can celebrate its 400-year history, showcase everything that has been achieved on the road to 2021 and leave a lasting legacy for the future.

**REGIONAL AND NATIONAL COLLABORATION**

Destination Gothenburg covers a larger geographical area than the city alone, and visitors care little about municipal boundaries. The destination is generally regarded as 13 municipalities that make up the Gothenburg region. The company serves the entire destination through cooperation agreements with the Gothenburg region. In order to grow and attract more international visitors, there is also a multi-year agreement with the West Sweden Tourist Board and Visit Sweden that aims to coordinate resources in prioritised foreign markets to maximise the effects of marketing.

**FUTURE OUTLOOK**

Global travel rose by five per cent in the first nine months of 2018, according to the UN tourism organisation UN-WTO. This reflects continued strong growth in the visitor industry internationally. The number of guest nights spent in Gothenburg rose for the 27th year in succession. Growth is impeded by a shortage of accommodation capacity. Periods when hotels are almost fully occupied are increasing, and there has been little increase in capacity in recent years. Stakeholders in the visitor industry are keen to invest, and at present there are plans to add almost 4,000 hotel rooms by 2025, representing around a 30 per cent increase in the accommodation capacity of the destination, which will help to remedy the shortage and create potential to meet the long-term goal to double tourism by 2030. The planned completion date for some of the larger projects is 2021 at the earliest. The company has already begun to work on measures to meet the growth in capacity.

The new business plans for the destination and the company have been translated into action plans that support the established strategies for meetings, events and marketing/communications. It is now a requirement that growth must be sustainable. Gothenburg already has a strong lead in this area and has been voted the world’s most sustainable destination for three years in a row.

Ensuring a good supply of skills is one of the main issues for the visitor industry. The major initiatives planned for Gothenburg will increase the need for recruitment, especially in the hotel and restaurant sector. You can read more about future issues in the descriptions of operations on pages 14–22.

**RISKS AND UNCERTAINTIES**

An annual risk analysis is conducted in relation to the company’s overall and operational goals. The risks include various events that could directly or indirectly affect activities. The following are worth mentioning in particular:

- The appeal against the decision of the Swedish Competition Authority in 2017 regarding the City of

Gothenburg’s financing of the company has not yet been decided. This case is very important in principle and affects the forms of the company’s financing and the prospects for similar operations in the EU.

- Gothenburg’s ability to compete for major international events is weakened by a shortage of attractive venues, economic conditions or poor accessibility.
- External risks arising from events in the outside world, such as economic unrest, recession or acts of terrorism, could have a major impact on the company’s ability to meet its goals. These lie outside the company’s control but affect tourism and travel in general. Insecurity on streets and in public squares is also a risk that can be managed through proactive communication and continuous security and safety measures by authorities and the City of Gothenburg.
- Several large infrastructure projects are currently under way in Gothenburg that limit accessibility in some areas. This could create an image of an inaccessible city and lead organisers and visitors to rule out Gothenburg.

**SUSTAINABILITY**

The company shall strive, through long-term, integrated environmental and sustainability initiatives, to prevent and minimise negative impact from the business and to contribute positively as a collaborative platform to the development of the city and the region. The company was awarded its first environmental diploma in 2008. Göteborg & Co’s operations are not subject to a permit or duty to give notice under other provisions of the Environmental Code.

Environmental initiatives are carried out systematically based on the Swedish Environmental Base national environmental management standard, with a focus on continual improvement.

Travel and transportation are crucial for the company’s mission, but also play a substantial role from an environmental standpoint. The scope of this impact fluctuates from year to year depending on the number of recruitment processes, events and other assignments. The climate impact of business travel is offset by the City of Gothenburg’s internal climate compensation.

Göteborg & Co is not subject to the legal requirement to prepare a sustainability report. Nevertheless, the company has chosen to prepare a sustainability report in accordance with Global Reporting Initiative (GRI) standards for sustainability reporting (2016) at the “Core” level. The sustainability report can be found on pages 40–63.

**PERSONNEL**

Göteborg & Co will be an attractive workplace where equality and diversity are natural elements. The company

wants to be seen as an innovative, creative and professional organisation that works proactively and has clear goals and values. During the year, two departments have been reorganized and gained new managers. At the end of the year the CEO left the company and an acting CEO was appointed, while the recruitment process began for a permanent CEO.

The annual employee survey is carried out in autumn and reported in February the following year. The results from the 2017 survey show that the company’s values are above or in line with the index for the City of Gothenburg’s companies in most areas relating to sustainable employee engagement, the psychosocial working environment, trust in the organisation, etc. However, the scores for the company have fallen slightly compared with the previous year (2016). The areas where the scores fell most were employee satisfaction index, trust in the organisation and employer attractiveness. The reason behind this may be the reorganisation that primarily took place in 2017 and 2018. The response rate was 91 per cent.

Absence due to illness is historically low, but showed a weakly rising trend in 2016–2017. During the previous autumn, when the number of absences due to illness rose further, a special working environment action plan was drawn up by the work environment committee, company management and union representatives. This work continued in 2018. Staff turnover is at about the same level as the year before.



## EVENTS

2018 offered a packed summer programme of events including Volvo Ocean Race, Nordea Masters, Gothenburg Culture Festival and EuroPride. In addition there were all the annual events that draw visitors to the city. The reorganisation means that the department is ready to meet future challenges.

### THE BUSINESS AREA'S MISSION

The task of the Events department is to promote and strengthen Gothenburg as a city of events by strategically developing, facilitating and implementing sustainable events in sports and culture. In short, to create a sustainable city of events.

### REORGANISING FOR A NEW ERA

In the first half of the year the department was reorganised and now consists of three units.

**Recruitment and Sales** positions and markets Gothenburg as a destination by attracting or establishing major national and international music, culture and sports events. This is done in close association with rights owners, organisations or associations.

**Event Support** assists internal and external organisers and project organisations by providing expertise in event management, development, logistics, infrastructure, safety and communications. This also includes the Team Göteborg pool of volunteers.

**Projects** deals with events currently being produced by the company. The following events were held in 2018: Gothenburg International Science Festival, Volvo Ocean Race, Gothenburg Culture Festival, Student Göteborg and Gothenburg Christmas City.



## OBJECTIVE FOR 2030: THE MOST SUSTAINABLE EVENTS CITY IN NORTHERN EUROPE

### SUMMARY OF THE FINANCIAL YEAR

Two big future events that the city won bids for in 2018 are the 2021 Europe Karate Championships and the 2022 World Masters Athletics Championships. The department has been involved in around 40 ongoing processes to bid for or set up events.

On 14–21 June the Volvo Ocean Race was welcomed to Gothenburg and the large events site at Frihamnen harbour. There was free admission to entertainment and activities, and visitors were able to watch world-class sailing. The city and the business community provided an extensive seminar programme that was well attended, but the public events were adversely affected by bad weather for much of the week.

Gothenburg Culture Festival was held at the same time as EuroPride and together they created a big public festival. For the fourth year in a row a concert was arranged featuring a popular Arab artist at Götaplatsen square, which drew 40,000 spectators.

The 2019 European Choir Games will be held at the same time as the new Gothenburg Culture Festival and preparations began in autumn. The organisers of the European Handball Championships and the European Championship in Trampoline, both in 2020, have also started making plans in collaboration with us. Discussions are under way regarding the theme and concepts for Gothenburg Culture Festival in 2020, and the future plans for Gothenburg Christmas City and Student Göteborg are being explored.

## BUSINESS STRATEGIES FOR EVENTS

1

### INNOVATING AND CREATING VALUE

The events industry is constantly changing, and one task is to develop new concepts that can provide a basis for the future success of Gothenburg as a city of events. Preparations for developing Gothenburg Culture Festival began in autumn and will continue in 2019.

2

### SHARPER DESTINATION FOCUS FOR ATTRACTING AND DEVELOPING EVENTS

Events serve as publicity platforms for destinations that want to showcase themselves nationally and internationally. It should therefore be a priority to attract events that have strong potential to promote Destination Gothenburg. The department worked with a number of potential candidates in the sports field in 2018.

3

### LEADING THE WAY WITH SUSTAINABLE EVENTS

In 2018, Gothenburg Culture Festival was voted the Most Sustainable Event of the Year by the sustainability magazine Aktuell Hållbarhet and has become a model for sustainability efforts. We intend to build on these experiences to become a leading platform for collaboration on sustainable events, and to set even higher standards for ourselves and our partners.

4

### LEADING, DRIVING AND BUILDING COLLABORATION

The big infrastructure projects that are currently under way in Gothenburg place high demands on the way we collaborate and work on event issues. Event Support has established initiatives during the year and been a driving force in networks that enable organisers, city administrations and authorities to discuss these issues.

## CONVENTION BUREAU

**For the third year in a row Gothenburg was voted the world's most sustainable destination in 2018. This, combined with a new strategic plan and active measures to attract events, provides a foundation for the continued growth of Gothenburg as a destination for meetings.**

### THE BUSINESS AREA'S MISSION

Gothenburg Convention Bureau will actively attract major congresses and corporate meetings that bring together academia and business in the region with research & development at a high international level. This will be done by marketing and selling Destination Gothenburg to decision-makers, particularly for international meet-

ings, political meetings and large corporate meetings. Internationally, the department operates under the name Gothenburg Convention Bureau.

### STRATEGIC PLAN FOR FUTURE MEETINGS

Meetings are vitally important for the destination and last year the Municipal Council gave Göteborg & Co the task of developing a strategic plan to support city-wide efforts to attract scientific congresses. The plan was launched in autumn and builds on a broad collective commitment from business, academia and the city. It includes strategies and measures for further enhancing Gothenburg's reputation as a city for meetings, and creating clearer opportunities for local research, entrepreneurship and sustainable growth.



## OBJECTIVE FOR 2030: A LEADING GLOBAL DESTINATION FOR SUSTAINABLE MEETINGS

### SUMMARY OF THE FINANCIAL YEAR

It was a great success for Gothenburg when the Global Destination Sustainability Index voted the city the world's most sustainable destination in November. Gothenburg achieved the highest score for the third consecutive year, with 94 points out of a possible 100. The index measures the sustainability efforts of 50 destinations in three dimensions: ecological, social and economic. This shows that Gothenburg has a strong lead, and confirms the importance of close collaboration between business and the city on such issues.

In 2018, Gothenburg Convention Bureau was involved in around 40 bidding processes that successfully attracted 35 future meetings with a total attendance of almost 100,000 delegate days. A total of 26 city tours were also

arranged for organisers. The feedback from customers was very positive and brought welcome publicity in the international meeting press.

The skills and reputation of our meeting ambassadors play a vital role in attracting scientific meetings to Gothenburg. To safeguard a constant supply of meeting ambassadors a course was held in collaboration with Chalmers University of Technology, the University of Gothenburg and several congress organisers.

At the start of the year the city's bid for the Associations World Congress & Expo was successful and this will take place in April 2019. This is a fantastic opportunity for Gothenburg to showcase the city and its strengths to an important group of decision makers in the meetings industry.

## BUSINESS STRATEGIES FOR GOTHENBURG CONVENTION BUREAU

1

### ATTRACTING LARGE MEETINGS IN SPECIALIST AREAS

The focus of efforts to attract meetings has to some extent shifted towards larger meetings. As a result, several of the bids during the year were for meetings with between 2,000 and 6,700 delegates. Strategic initiatives and activities were also carried out with the aim of attracting more large meetings, for example by inviting 40 international customers on a tour during the 100th anniversary of the Swedish Exhibition & Congress Centre.

Meetings in specialist areas improve skills locally and regionally, generating long-term value for society while also strengthening the city's brand. Recruiting meetings in areas such as human rights and social issues contributes to the city's long-term goals. Our partnership with Region Västra Götaland has grown even stronger and a routine has been developed for exploiting medical congresses to enhance skills.

2

### RAMPING UP COLLABORATION WITH REGIONAL TRADE & INDUSTRY

As part of the strategic planning process, close cooperation has been established with a number of large companies with internationally respected brands in the region. This has led to the identification of around 40 meetings that are seen as valuable to attract to Gothenburg. The work has already led to new bidding processes and successful bids.

3

### USING GOTHENBURG AS AN ARENA TO DEVELOP NEW MEETING CONCEPTS

During the year Gothenburg has improved its ability to develop concepts and content in close collaboration with organisers and partners. Two international examples are the AESOP schools conference, which held 20 mobile workshops linked to urban development and social projects, and the ESOC stroke conference, which arranged activities for practitioners, students and the public.

# MARKETING & COMMUNICATIONS

Professional communication enhances Destination Gothenburg and makes the city more attractive. Over the past decade there has been a revolution in marketing communications, as traditional campaigns have given way to ongoing dialogues through digital channels.

### THE BUSINESS AREA'S MISSION

Marketing & Communications develops and communicates themes and seasons as reasons to visit the region, alongside first-class hospitality. The department is responsible for the company's communications, promotes the brand of Gothenburg and ensures that communications are digital, innovative and accessible.

### TWO DEPARTMENTS MERGE INTO ONE

In 2018, the new Marketing & Communications department was formed by a merger between the former Leisure Tourism and Communications departments. The department now has four units:

**PR and Campaigns**, which markets the destination to potential visitors, media and influencers, and targets tour operators.

**Inhouse** is the company's resource for producing communication materials and is also responsible for social channels and the goteborg.com website.

**Themes & Seasons** contributes to the development of new seasons and reasons to travel, in collaboration with partners.

**Hosting & Visitor Services** meets visitors to the city, runs Gothenburg's two tourist centres, info points in the Gothenburg archipelago and the call centre.



## OBJECTIVE FOR 2030: THE MOST TALKED-ABOUT DESTINATION IN SCANDINAVIA

### SUMMARY OF THE FINANCIAL YEAR

The destination website – goteborg.com – is steadily growing and had 2.7 million unique visitors in 2018. The number of followers and interactions on social media is also growing.

The company arranged around 175 international media visits for bloggers and journalists, which led to exposure for the destination in several channels.

Two major destination campaigns were conducted with Liseberg, targeting the Swedish and Norwegian markets (autumn campaign and Christmas campaign), as well as six different flight campaigns (aimed at the UK, Germany, Poland and Spain). Packaging and communication of reasons to travel (events and themes – Volvo Ocean Race, EuroPride, Nordea Masters, nature, food, design, Valentines, Autumn City, Gothenburg Christmas City). Efforts were made to safeguard the destination perspective

during major events and meetings.

The Tourism Growth project (with Business Region Göteborg and the West Sweden Tourist Board) has worked throughout the year to develop more sustainable companies in the visitor industry and new export-ready products. This project has reached its goal for corporate and business development of 50 companies and has started or launched 20 new products/routes.

The Gothenburg Archipelago is a collaborative project between Göteborg & Co, the municipality of Öckerö and the City District Administration of Västra Göteborg. The new ferry service operated by Styröbolaget between Stenpiren and Hönö Klåva was a success, and carried 33,439 passengers. Öckerö residents have also used the ferry to visit Gothenburg city centre.

## BUSINESS STRATEGIES FOR MARKETING & COMMUNICATIONS

1

### DEVELOPING SEASONS AND THEME CONCEPTS THAT PROMOTE INTEREST IN GOTHENBURG AS A DESTINATION

The Autumn City concept was further developed in 2018. Using Halloween at Liseberg as the central attraction, this is about to be established as a new season in Gothenburg. The focus of efforts on themes and seasons is on shopping, food, design and nature (mainly the archipelago) as well as autumn and Christmas.

2

### MARKETING GOTHENBURG BY COMMUNICATING IN NEW AND INNOVATIVE WAYS AND THROUGH NEW CHANNELS/PLATFORMS

A new brand platform for the destination was formulated during the year, in cooperation with Visit Sweden, to focus marketing efforts more accurately on each target group, internationally and nationally. Shared materials for international marketing were developed within the partnership framework with the West Sweden Tourist Board and Visit Sweden.

3

### HAVING A DIGITAL PRESENCE WHERE VISITORS ARE

Marketing communications and campaigns are increasingly shifting to digital channels and social media. During the year, greater focus was placed on an ongoing digital presence to offer inspiration to visitors. This also meant that print production in 2018 is expected to decline by 15 percent.

4

### TAKING THE HOSPITALITY OF GOTHENBURG TO NEW HEIGHTS

383,000 visits were made to the tourist centres in Gothenburg, where the staff are experts in what the destination has to offer. But visitors do not always seek out our tourist centres. Targeted training measures were therefore provided for reception personnel at hotels and other facilities, as well as for guides. To improve the level of knowledge of these groups about the destination, three full-day courses were held during the year, as well as two knowledge seminars about international markets. Gothenburg received 43 cruise ship calls to Amerikakajen during the year, carrying around 54,000 guests.

## TRADE & INDUSTRY GROUP

The region's future competitiveness and sustainable wellbeing are the focus of the Trade & Industry Group. Several strategic collaborations were initiated and extended during the year, including Gothenburg International Science Festival, Junior Achievement and various projects to increase inclusiveness and promote the long-term supply of skills.

### THE BUSINESS AREA'S MISSION

The Trade & Industry Group will serve as a platform for collaboration between trade & industry, organisations, municipalities and academia, in their efforts to make Gothenburg even more competitive and attractive. We will use initiatives and projects to stimulate inclusivity and the long-term provision of skills, in order to contribute

to an attractive, dynamic and sustainable metropolitan region.

### LONG-TERM FRAMEWORKS

2018 involved a process of change in which initiatives were directed towards building long-term, sustainable frameworks. This means that operations focused even more clearly on supporting the destination's overall strategies, and shifting from being a contributor to acting as a resource by providing knowhow and financial initiatives.

Several strategic collaboration projects were set up, within the company and with external parties, with the aim of creating platforms and hence the conditions for long-term involvement.



## OBJECTIVE FOR 2030: AN ATTRACTIVE AND SUSTAINABLE METROPOLITAN REGION WHERE IDEAS, BUSINESSES AND PEOPLE GROW TOGETHER

### SUMMARY OF THE FINANCIAL YEAR

Some key events during the year that are also examples of how the long-term strategic platforms have developed:

Two successful job fairs – Skarpt Läge and At your service – gave young people opportunities to meet prospective employers, regardless of their situations. 143 full-time and part-time vacancies were filled at the Skarpt Läge job fair in February.

Gothenburg International Science Festival, which is one of the leading popular science events in Europe and draws around 50,000 visitors, had a spectacular opening this year with Max Tegmark appearing in hologram form. A review of the legal home of the International Science Festival has been initiated together with a strategic vision process that aims to increase the number of sponsors and basic funding by 2021.

On the initiative of Bonnier and the Göteborg Book Fair, work began on creating an event for children during the summer holiday. A Bonnier Hoops! event and other activities were arranged in collaboration with several partners in Biskopsgården. These included everything from street basketball, a poetry slam, martial arts, water play and rap school.

The focus theme for 2019 – Knowledge and Enlightenment – will allow projects supported by the Trade & Industry Group to be upgraded and linked together in the longer term as part of lifelong learning and skills-provision. These include, for example, Gothenburg International Science Festival, Future Skills, Junior Achievement, the Skarpt Läge job fair, #gbgtechweek and Connect2Capital.

## BUSINESS STRATEGIES FOR THE TRADE & INDUSTRY GROUP

1

### DEVELOPING FORMS OF COLLABORATION

The forms of cooperation for the long-term projects and partnerships that the Trade & Industry Group is working on were developed and given a more formal framework in 2018. These include Student Göteborg, Gothenburg International Science Festival, Junior Achievement, Arab music performances at Gothenburg Culture Festival, and Gothenburg Symphony Orchestra. A new company (Essity) has been added as a member. PR and news publishing activities have been established for each project.

2

### INITIATING AND FACILITATING NEW PROJECTS

A sustainability element has been added to the application process to the Trade & Industry Group, and an assessment process has been developed and established. A number of initiatives in the focus areas of inclusion and the provision of skills were initiated and implemented during the year. The Trade & Industry Group leads the Knowledge and Enlightenment focus theme for 2019 (as part of Gothenburg's 400-year anniversary) and works in close collaboration with Business Region Göteborg on the business policy programme for the provision of skills.

3

### HIGHLIGHTING AND BUILDING AWARENESS OF GOTHENBURG

The projects that the Trade & Industry Group was involved in during the year help to raise awareness of Gothenburg, the region and its attractiveness. There has been ongoing internal and external communication through various channels at local, national and international level. The Magasin Gothenburg supplement was published in collaboration with Business Region Göteborg. It was the most widely read supplement to the Dagens Industri magazine during the year, with 210,000 readers.

## RESEARCH & DEVELOPMENT

Knowledge of business and external market trends has been an important part of operations since the company was formed. Göteborg & Co has been a pioneer in the industry globally for many years. One of the keys to this position is a strong focus on knowledge and the courage to turn that knowledge into action. Links with academia have been invaluable in building support and proving this approach.

In order to give more focus to the role as knowledge hub and building a network, Analysis & Market Trends was set up as a separate department during the year.

Data was gathered during the year following major events in the city such as the Volvo Ocean Race, the GöteborgsVarvet half marathon, Gothenburg Culture Festival and EuroPride. Data was also collected on the tourist centres' service to visitors.

Another project that began during the year involves working with the visitor industry to develop a framework for a broad survey of the various groups of visitors to the destination.

# PAVING THE WAY TO GOTHENBURG'S 400-YEAR ANNIVERSARY IN 2021

In 2009, Göteborg & Co was given the mission to develop a plan for the city's 400-year anniversary. Since then, thousands of Gothenburg residents have had their say in this process and contributed ideas and suggestions about how the city should develop. Many of the city's administrations and companies are involved and help to drive the realisation of these ideas and projects in the form of anniversary initiatives.

Several of the anniversary initiatives have made excellent progress, while a few still face challenges in realisation and one has been postponed for the future. Priorities for 2018 included delivery of the anniversary initiatives in time for the anniversary in 2021 and assessment of their benefits and value to the development of the city. The anniversary team was reinforced with a programme manager and artistic director.

## FROM IDEA TO REALITY

The anniversary organisation's role in leading, coordinating, communicating and measuring progress has promoted cross-sectoral collaboration, open dialogue and more meetings between people during the year. A large number of activities and events were completed. Anniversary initiatives that have been completed during 2018 include, for example: the rain playground in Renströmsparken, a ferry service between Stenpiren and Hönö, Strandparken waterside park in Frihamnen harbour, the music camp Side by Side by El Sistema and the Gothenburg City Triennial.

## FOCUS YEARS 2018–2020

The city-wide approach to the focus years has involved the city, region, business community, associations and

residents. The theme for 2018 was Go Global, focusing on how the city will welcome the world to its 400-year anniversary. Events such as the Volvo Ocean Race, Nordea Masters, Gothenburg Culture Festival and EuroPride were used to create meeting places. This gave residents of Gothenburg opportunities to get involved through various activities.

The theme for the 2019 focus year is Knowledge and Enlightenment. Ensuring a good supply of skills is a particularly relevant issue, and training bodies, academia and science parks will all play vital roles. The International Science Festival in Gothenburg will be an important platform. The final focus year in 2020 will link together the effects of all the anniversary initiatives with the theme of Sustainable Growth.

## THE ANNIVERSARY YEAR 2021

The Municipal Council's decision in December means that a framework has now been created to celebrate the anniversary year and that funding of SEK 100 million has been approved for the four main highlights.

1. 2021 will begin with a New Year celebration that will open the curtain on the anniversary year, and an artistic light show outdoors will then continue to light up the winter season.
2. Anniversary weekend 4–6 June. The official birthday weekend will be celebrated in memory of the city rights that were signed on 4 June 1621 by King Gustav II Adolf.
3. The great ManiFEST party will be the highlight of the anniversary year, with celebrations that showcase Gothenburg's commitment to sustainable growth, human rights and democracy.
4. The fourth highlight will tie the year together with a variety of experiences throughout the city that are manifested and communicated during the anniversary year.



**PERFORMANCE AND FINANCIAL POSITION**

The following table shows the company's performance with regard to some central earnings measures and key ratios (amounts in SEK thousand):

|                              | 2018      | 2017      | 2016    | 2015    | 2014    |
|------------------------------|-----------|-----------|---------|---------|---------|
| Operating income             | 203,447   | 196,252   | 241,755 | 249,874 | 199,933 |
| Profit after financial items | 10,009    | 1,370     | 1,122   | -1,166  | 1,237   |
| Total assets**               | 1,118,488 | 1,115,346 | 90,022  | 69,224  | 68,605  |
| Equity/assets ratio*         | 95.9%     | 95.5%     | 21.2%   | 26.7%   | 28.6%   |
| Average number of employees  | 106       | 105       | 112     | 113     | 112     |
| Sales per employee           | 1,919     | 1,869     | 2,159   | 2,211   | 1,780   |

\*Equity + 78% of untaxed reserves/total assets

\*\* During 2017 there was a reverse merger between Göteborg & Co Kommunintressent AB. The company then became the owner of three subsidiaries, which affected the total assets.

**TOURIST DEVELOPMENT IN THE GOTHENBURG REGION**

|  | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   |
|--|--------|--------|--------|--------|--------|--------|
| Total tourist sales SEKm                           | 31,100 | 30,200 | 27,700 | 25,600 | 22,900 | 22,100 |
| Market share of commercial hotel and hostel nights | 11.0%  | 11.1%  | 11.3%  | 11.0%  | 10.7%  | 10.4%  |
| Number of guest nights, thousands                  | 4,820  | 4,777  | 4,696  | 4,488  | 4,050  | 3,740  |
| Number of employees in travel and tourism industry | 19,200 | 18,600 | 17,600 | 17,100 | 16,700 | 16,100 |

Forecast figures for 2018. Outcome for other years.

**PROPOSED APPROPRIATION OF PROFITS**

The following profits are at the disposal of the Annual General Meeting:

|                         |     |                      |
|-------------------------|-----|----------------------|
| Profit brought forward  |     | 1,043,196,259        |
| Net profit for the year |     | 23,089,802           |
|                         | SEK | <b>1,066,286,061</b> |

The Board of Directors proposes that the profits be appropriated so that:

|                          |     |                      |
|--------------------------|-----|----------------------|
| dividend to shareholders |     | 23,084,100           |
| carried forward          |     | 1,043,201,961        |
|                          | SEK | <b>1,066,286,061</b> |

The company's performance during the year and financial position at year-end in other respects can be seen from the following income statement and balance sheet.

| Intra-group transfers were paid to              | SEK thousand |
|---|--------------|
| Göteborgs Stadshus AB                           | 15,700       |
| Liseberg AB                                     | 26,000       |
| Göteborgs Stadsteater AB                        | 3,595        |
| <b>Intra-group transfers were received from</b> |              |
|   | SEK thousand |
| Got Event AB                                    | 15,700       |
| Göteborgs Stadshus AB                           | 43,095       |

**EQUITY**

|                          | Share capital    | Statutory reserve | Profit brought forward | Net profit for the year |
|--------------------------|------------------|-------------------|------------------------|-------------------------|
| Opening balance          | 3,000,000        | 1,208,540         | 1,056,874,527          | 921,732                 |
| Appropriation of profit  |                  |                   | 921,732                | -921,732                |
| Dividend to shareholders |                  |                   | -14,600,000            |                         |
| Net profit for the year  |                  |                   |                        | 23,089,802              |
| Closing balance          | <b>3,000,000</b> | <b>1,208,540</b>  | <b>1,043,196,259</b>   | <b>23,089,802</b>       |

# INCOME STATEMENT

|  | Note        | 2018                | 2017                |
|--|-------------|---------------------|---------------------|
| <b>Operating income</b>                        | <b>1</b>    | 203,447,296         | 196,252,470         |
| Cost of services sold                          |             | -7,613,753          | -8,489,393          |
| Other external costs                           | <b>2, 3</b> | -124,865,585        | -106,316,317        |
| Personnel costs                                | <b>4, 5</b> | -82,839,876         | -79,704,783         |
| Depreciation of property, plant and equipment  | <b>6</b>    | -1,182,700          | -1,262,217          |
| <b>Total operating expenses</b>                |             | <b>-216,501,914</b> | <b>-195,772,711</b> |
| <b>Operating profit</b>                        |             | <b>-13,054,618</b>  | <b>479,759</b>      |
| Profit from shares in Group companies          | <b>7</b>    | 23,084,100          | 910,000             |
| Interest expense and similar profit/loss items |             | 23,545              | 399                 |
| Interest expense and similar profit/loss items |             | -43,872             | -19,675             |
| <b>Profit after financial items</b>            |             | <b>10,009,155</b>   | <b>1,370,483</b>    |
| Appropriations                                 | <b>8</b>    | 13,630,000          | 52,020              |
| Tax on profit for the year                     | <b>9</b>    | -549,353            | -500,771            |
| <b>Net profit for the year</b>                 |             | <b>23,089,802</b>   | <b>921,732</b>      |

# BALANCE SHEET

|   | Note      | 31/12/2018           | 31/12/2017           |
|---|-----------|----------------------|----------------------|
| <b>ASSETS</b>                                     |           |                      |                      |
| <b>Property, plant and equipment</b>              |           |                      |                      |
| Equipment   | <b>6</b>  | 4,100,117            | 5,131,174            |
| <b>Financial assets</b>                           |           |                      |                      |
| Shares in Group companies                         | <b>10</b> | 1,032,151,120        | 1,032,151,120        |
| Other non-current securities                      | <b>11</b> | 146,000              | 146,000              |
| <b>Total non-current assets</b>                   |           | <b>1,036,397,237</b> | <b>1,037,428,294</b> |
| <b>Current assets</b>                             |           |                      |                      |
| <b>Inventories, goods for resale</b>              |           | <b>820,785</b>       | <b>587,020</b>       |
| <b>Current receivables</b>                        |           |                      |                      |
| Trade receivables                                 |           | 18,812,214           | 16,634,281           |
| Receivables from companies within Gbg Stadshus AB |           | 29,811,933           | 30,308,596           |
| Tax assets  |           | 2,819,866            | 2,667,251            |
| Other receivables                                 |           | 25,125,663           | 17,795,694           |
| Prepaid expenses and accrued income               | <b>12</b> | 4,557,214            | 9,751,957            |
| <b>Total current receivables</b>                  |           | <b>81,126,890</b>    | <b>77,157,779</b>    |
| <b>Cash and bank balances</b>                     | <b>13</b> | <b>143,025</b>       | <b>173,309</b>       |
| <b>Total current assets</b>                       |           | <b>82,090,699</b>    | <b>77,918,108</b>    |
| <b>TOTAL ASSETS</b>                               |           | <b>1,118,487,937</b> | <b>1,115,346,401</b> |

## BALANCE SHEET CONT.

### EQUITY AND LIABILITIES

#### Equity

|  |    |                      |                      |
|--|----|----------------------|----------------------|
| Restricted equity                                      |    |                      |                      |
| Share capital (30,000 shares, par value SEK 100/share) |    | 3,000,000            | 3,000,000            |
| Statutory reserve                                      |    | 1,208,540            | 1,208,540            |
|  |    | <b>4,208,540</b>     | <b>4,208,540</b>     |
| Non-restricted equity                                  |    |                      |                      |
| Merger difference                                      |    | 0                    | 1,007,211,864        |
| Profit brought forward                                 |    | 1,043,196,259        | 49,662,663           |
| Net profit for the year                                | 14 | 23,089,802           | 921,732              |
|  |    | <b>1,066,286,061</b> | <b>1,057,796,259</b> |
| <b>Total equity</b>                                    |    | <b>1,070,494,601</b> | <b>1,062,004,799</b> |
| <b>Untaxed reserves</b>                                | 15 | <b>3,254,161</b>     | <b>3,384,161</b>     |
| <b>Current liabilities</b>                             |    |                      |                      |
| Trade payables   |    | 15,170,132           | 17,220,582           |
| Liabilities to companies within Gbg Stadshus AB        |    | 5,954,723            | 15,103,210           |
| Other current liabilities                              |    | 3,049,080            | 2,244,853            |
| Accrued expenses and deferred income                   | 16 | 20,565,240           | 15,388,796           |
| <b>Total current liabilities</b>                       |    | <b>44,739,175</b>    | <b>49,957,441</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                    |    | <b>1,118,487,937</b> | <b>1,115,346,401</b> |

## CASH FLOW STATEMENT

|  | Note | 2018              | 2017               |
|--|------|-------------------|--------------------|
| <b>Operating activities</b>  |      |                   |                    |
| Profit after financial items   |      | 10,009,155        | 1,370,483          |
| Adjustments for non-cash items   |      | 1,182,700         | 14,952,217         |
| Tax paid   |      | -701,969          | -478,517           |
| <i>Cash flow from operating activities before working capital changes</i>      |      | <b>10,489,886</b> | <b>15,844,183</b>  |
| <i>Working capital changes</i>   |      |                   |                    |
| Inventories  |      | -233,765          | 72,577             |
| Current receivables  |      | 4,623,857         | -21,568,844        |
| Current liabilities  |      | -5,218,267        | -22,036,216        |
| <b>Cash flow from operating activities</b>                                     |      | <b>9,661,711</b>  | <b>-27,688,300</b> |
| <b>Investing activities</b>  |      |                   |                    |
| Investment in equipment  |      | -151,643          | -2,004,136         |
| Funds from the merger  |      | 0                 | 1,528,502          |
| Acquisition of shares in subsidiaries  |      | 0                 | -25,000            |
| <b>Cash flow from investing activities</b>                                     |      | <b>-151,643</b>   | <b>-500,634</b>    |
| <b>Financing activities</b>  |      |                   |                    |
| Intra-group transfers received   |      | 13,500,000        | 0                  |
| Amortisation of debt   |      | 0                 | -1,200,000         |
| Dividend paid out  |      | -14,600,000       | 0                  |
| <b>Cash flow from financing activities</b>                                     |      | <b>-1,100,000</b> | <b>-1,200,000</b>  |
| <b>Cash flow for the year</b>  |      | <b>8,410,068</b>  | <b>-29,388,934</b> |
| <b>Cash and cash equivalents at beginning of the year, incl. Group account</b> |      | <b>16,682,001</b> | <b>46,070,935</b>  |
| <b>Cash and cash equivalents at end of the year, incl. Group account</b>       | 17   | <b>25,092,069</b> | <b>16,682,001</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

## General information

The consolidated financial statements are not prepared with reference to the exception to the Annual Accounts Act Chapter 7. § 2.

## Accounting principles

Göteborg & Co complies with the Annual Accounts Act (1995:1554) and the general advice of the Swedish Accounting Standards Board, BFNAR 2012:1 *Annual Report and Consolidated Financial Statements* ("K3").

## Intra-group transfers

Received and paid intra-group transfers are recognised as appropriations in the income statement. Shareholder contributions received are recognised directly against equity.

## Shares in Group companies

Shares in subsidiaries are carried at cost. Dividends from subsidiaries are recognised as income when the right to the dividend is deemed secure and can be measured reliably. An impairment charge was taken for shares in subsidiaries because of the decline in value.

## Depreciation

Depreciation according to plan is based on the original cost of the assets and is allocated over the estimated useful life. Equipment is written off at 20% per year as its useful life is estimated to be 5 years.

The difference between depreciation according to plan and book depreciation is shown as an appropriation.

## Inventories

Inventories have been valued at the lower of cost or fair value. The FIFO method has been applied when determining cost. Fair value consists of estimated sales value less estimated selling expense.

## Receivables

Receivables have been recognised at the amounts expected to be received. Other assets and liabilities are recognised at nominal amounts unless otherwise stated in the notes below.

## Revenue

Payment for assignments from the City of Gothenburg is recognised the year the expenses arise that the payment relates to.

The company recognises revenue from fixed-price service assignments carried out on completion of the work. This means that ongoing service assignments are valued in the balance sheet at direct expenses

accrued less invoiced part payments. The outcome of the mission is assessed in connection with the annual accounts. If there is reason to suspect that a loss has occurred, it is recorded in its entirety.

Other revenue is recognised when the income can be estimated reliably and when, on the whole, all the risks and rights associated with ownership have been transferred to the purchaser, which normally takes place when goods are delivered or services provided.

## Taxes

The tax expense or tax income for the period consists of current and deferred tax. Current tax is the tax calculated on the taxable profit for the period. Deferred tax is calculated on the difference between the carrying amounts of the company's assets and liabilities and their tax base. The difference between these amounts is multiplied by the current tax rate, giving the amount of the deferred tax asset/liability. Deferred tax assets are recognised in the balance sheet to the extent that it is probable that the amounts can be utilised against future taxable profit. In June 2018 the Swedish Parliament decided to reduce the corporate tax rate in two stages. Deferred tax liabilities/assets that are expected to be realised in 2019–2020 are thus valued at 21.4 per cent, while other items are valued at 20.6 per cent.

## Leasing

All lease agreements are recognised as operating lease agreements, which means that the lease payments are allocated on a straight-line basis over the lease term.

## Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow only includes transactions resulting in cash receipts or payments. Cash and cash equivalents refer to cash and bank balances. The balance in the Group account is reported as cash and cash equivalents.

## Parent Company

Göteborg & Co AB is wholly owned by Göteborgs Stadshus AB (556537-0888).

Revenue amounted to 9% of income (2017: 7%) from other Göteborgs Stadshus companies and 4% (2017: 8%) of costs for "costs of services sold" and "other external costs" are assigned to other Göteborgs Stadshus companies.

## Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

## Note 1 Operating income

|  | 2018               | 2017               |
|--|--------------------|--------------------|
| Payment for assignments from the City of Gothenburg                            | 118,970,000        | 115,700,000        |
| Income from sales of services  | 16,581,045         | 21,168,360         |
| Marketing payment, project funds and other income from owners and stakeholders | 67,896,251         | 59,384,110         |
|  | <b>203,447,296</b> | <b>196,252,470</b> |

## Note 2 Fee and reimbursement

|   | 2018    | 2017    |
|---|---------|---------|
| Audit assignment Ernst & Young AB                     | 151,643 | 114,692 |
| Audit assignment City Audit                           | 191,101 | 202,326 |
| Audit duties beyond audit assignment Ernst & Young AB | 149,354 | 141,396 |

Audit assignment refers to the statutory audit of the annual accounts, the accounting records and the administration of the Board of Directors and the CEO. Other audit services refers to an audit of the administration or the financial information that is required by statute, articles of association, regulations or agreements and that results in a report or some other document in addition to the audit report, as well as guidance or other assistance occasioned by observations in connection with an audit assignment. Other services are services that do not relate to the audit assignment, other audit services or tax consultancy.

## Note 3 Leasing

The essential leases refer to leases for the company's premises on Mässans Gata and Kungssportsplatsen square. These agreements include indexation according to the CPI. The agreement for Mässans Gata runs through 2022 and will be extended for 36 months if it is not terminated. The agreement for Kungssportsplatsen runs through 2024 and will be extended for 36 months if it is not terminated. Other leases relate to equipment such as copying machines.

|                                       | 2018       | 2017      |
|---------------------------------------|------------|-----------|
| Lease payments for the financial year | 7,122,659  | 6,764,058 |
| Future contracted lease payments:     |            |           |
| Within one year                       | 7,192,651  | 6,577,285 |
| Two to five years                     | 23,558,797 | 9,511,689 |
| More than five years                  | 2,287,200  | 6,861,600 |

**Note 4 Personnel**

|       | 2018       | 2017       |
|-------|------------|------------|
| Men   | 29         | 26         |
| Women | 77         | 79         |
|       | <b>106</b> | <b>105</b> |

The average number of employees as above has been calculated in relation to the company's normal hours worked per year.

In order to give a more complete picture of employment in the company, the table below shows the number of permanent employees and fixed-term employees (project employment, seasonal employment, temporary employment or consultants) during the year.

|                                  | Number of full-time equivalent jobs 2018 | Number of people 2018 |
|----------------------------------|--|-----------------------|
| Permanent employees              | 71                                       | 106                   |
| Fixed-term employees/Consultants | 35                                       | 290                   |
|                                  | <b>106</b>                               | <b>396</b>            |

**Note 5 Wages, other remuneration and social security expenses**

|                              | 2018        | 2017        |
|------------------------------|-------------|-------------|
| Board, CEO and deputy CEO    |             |             |
| Wages and other remuneration | 1,881,781   | 1,764,790   |
| Social security expenses     | 1,208,031   | 1,162,998   |
| Of which pension expenses    | (496,359)   | (487,149)   |
| Other employees              |             |             |
| Wages and other remuneration | 53,317,220  | 52,073,225  |
| Social security expenses     | 23,198,101  | 21,976,101  |
| Of which pension expenses    | (5,241,682) | (4,770,340) |
| Total                        |             |             |
| Wages and other remuneration | 55,199,001  | 53,838,015  |
| Social security expenses     | 24,406,132  | 23,139,099  |
| Of which pension expenses    | (5,738,041) | (5,257,489) |

The company has an acting CEO. Acting CEO is equivalent to administrative manager with a permanent position. No agreement has been signed regarding severance pay or equivalent benefits.

## Gender distribution in senior management

|                   | 2018   |              | 2017   |              |
|-------------------|--------|--------------|--------|--------------|
|                   | Number | Of which men | Number | Of which men |
| Board members     | 7      | 29%          | 7      | 43%          |
| Senior management | 10     | 50%          | 11     | 27%          |

**Note 6 Equipment**

|  | 31/12/2018        | 31/12/2017        |
|--|-------------------|-------------------|
| Opening costs                            | 15,291,697        | 15,909,231        |
| Purchases                                | 151,643           | 2,004,136         |
| Sale/disposal                            | -651,456          | -2,621,670        |
| Closing costs                            | <b>14,791,884</b> | <b>15,291,697</b> |
| Opening depreciation according to plan   | 10,160,523        | 11,516,273        |
| Depreciation according to plan           | 1,182,700         | 1,262,217         |
| Sale/disposal                            | -651,456          | -2,617,967        |
| Closing depreciation according to plan   | <b>10,691,767</b> | <b>10,160,523</b> |
| Closing residual value according to plan | <b>4,100,117</b>  | <b>5,131,174</b>  |

**Note 7 Profit from shares in Group companies**

|  | 2018              | 2017           |
|--|-------------------|----------------|
| Anticipated dividend                             | 23,084,100        | 14,600,000     |
| Impairment charge from shares in Group companies | 0                 | -13,690,000    |
|  | <b>23,084,100</b> | <b>910,000</b> |

**Note 8 Appropriations**

|                                  | 2018              | 2017          |
|----------------------------------|-------------------|---------------|
| Change in tax allocation reserve | -720,000          | 307,600       |
| Change in excess depreciation    | 850,000           | -255,580      |
| Intra-group transfers received   | 58,795,000        | 77,800,000    |
| Intra-group transfers paid       | -45,295,000       | -77,800,000   |
|                                  | <b>13,630,000</b> | <b>52,020</b> |

**Note 9 Tax on profit for the year**

|                                   | 2018            | 2017            |
|-----------------------------------|-----------------|-----------------|
| Current tax                       | -549,353        | -500,771        |
| Deferred tax                      | 0               | 0               |
| <b>Tax on profit for the year</b> | <b>-549,353</b> | <b>-500,771</b> |

**Reconciliation of tax expense for the year**

|  |                 |                 |
|--|-----------------|-----------------|
| Recognised profit/loss before tax          | 23,639,155      | 1,422,503       |
| Tax calculated at a tax rate of 22%        | -5,200,614      | -312,951        |
| Tax effect of non-taxable expenses         | -425,557        | -387,090        |
| Tax effect of impairment charges           | 0               | -3,011,800      |
| Tax effect of non-taxable income           | 5,078,502       | 3,212,000       |
| Deferred tax                               | 0               | 0               |
| Standard income on tax allocation reserves | -1,684          | -930            |
| <b>Total</b>                               | <b>-549,353</b> | <b>-500,771</b> |

**Note 10 Shares in Group companies**

|                                     | <b>2018</b>          | <b>2017</b>          |
|-------------------------------------|----------------------|----------------------|
| Opening cost                        | 1,032,151,120        | 0                    |
| Shares in subsidiary through merger | 0                    | 1,008,441,120        |
| Shareholder permit                  | 0                    | 37,400,000           |
| Impairment of shares                | 0                    | -13,690,000          |
| <b>Closing cost</b>                 | <b>1,032,151,120</b> | <b>1,032,151,120</b> |

|                          |                  |                 | <b>31/12/2018</b>    | <b>31/12/2017</b>    |
|--------------------------|------------------|-----------------|----------------------|----------------------|
|                          | Number of shares | Capital share % | Carrying amount      | Carrying amount      |
| Liseberg AB              |                  |                 |                      |                      |
| 556023-6811, Göteborg    | 419,998          | 100.0%          | 975,188,000          | 975,188,000          |
| Got Event AB             |                  |                 |                      |                      |
| 556015-9823, Göteborg    | 15,000           | 100.0%          | 30,771,000           | 30,771,000           |
| Göteborgs Stadsteater AB |                  |                 |                      |                      |
| 556016-7875, Göteborg    | 79,941           | 100.0%          | 26,192,120           | 26,192,120           |
|                          |                  |                 | <b>1,032,151,120</b> | <b>1,032,151,120</b> |

**Note 11 Other non-current securities**

|  | <b>31/12/2018</b> | <b>31/12/2017</b> |
|--|-------------------|-------------------|
| Svensk Turism AB, 556452-7157, Stockholm | 146,000           | 146,000           |

The par value of the above shares is SEK 100/share and share capital totalled SEK 6,619,000 in 2018.

**Note 12 Prepaid expenses and accrued income**

|                 | <b>31/12/2018</b> | <b>31/12/2017</b> |
|-----------------|-------------------|-------------------|
| Staff-related   | 44,456            | 124,450           |
| Rental expenses | 1,907,294         | 1,832,962         |
| Project-related | 1,486,361         | 4,834,029         |
| Other           | 1,119,103         | 2,960,516         |
|                 | <b>4,557,214</b>  | <b>9,751,957</b>  |

**Note 13 Pledged assets**

|                                   | <b>31/12/2018</b> | <b>31/12/2017</b> |
|-----------------------------------|-------------------|-------------------|
| Travel guarantee (bank guarantee) | 50,000            | 50,000            |

**Note 14 Appropriation of profit**

The following profits are at the disposal of the Annual General Meeting:

|                         |                      |
|-------------------------|----------------------|
| Profit brought forward  | 1,043,196,259        |
| Net profit for the year | 23,089,802           |
|                         | <b>1,066,286,061</b> |

SEK

The Board of Directors proposes that the profits be appropriated so that:

|                          |               |
|--------------------------|---------------|
| dividend to shareholders | 23,084,100    |
| carried forward          | 1,043,201,961 |

SEK

**Note 15 Untaxed reserves**

|   | <b>31/12/2018</b> | <b>31/12/2017</b> |
|---|-------------------|-------------------|
| Accumulated excess depreciation         | 407,802           | 1,257,802         |
| Allocation reserve assessment year 2014 | 358,000           | 358,000           |
| Allocation reserve assessment year 2015 | 285,459           | 285,459           |
| Allocation reserve assessment year 2016 | 724,900           | 724,900           |
| Allocation reserve assessment year 2017 | 758,000           | 758,000           |
| Allocation reserve assessment year 2018 | 720,000           | 0                 |
|   | <b>3,254,161</b>  | <b>3,384,161</b>  |

**Note 16 Accrued expenses and deferred income**

|                 | <b>31/12/2018</b> | <b>31/12/2017</b> |
|-----------------|-------------------|-------------------|
| Staff-related   | 7,732,168         | 7,356,550         |
| Project-related | 4,822,010         | 1,754,209         |
| Other           | 8,011,062         | 6,278,037         |
|                 | <b>20,565,240</b> | <b>15,388,796</b> |

**Note 17 Cash and cash equivalents**

|   | <b>31/12/2018</b> | <b>31/12/2017</b> |
|---|-------------------|-------------------|
| Of this item, balance in Group account makes up | 24,949,044        | 16,508,692        |

GOTHENBURG, 8 FEBRUARY 2019

Håkan Linnarsson  
Chairman

Kristina Körnung  
assigned in place of ordinary  
member Kia Andreasson

Monica Djurner

Eva Flyborg

Pär-Ola Mannefred

Hanna Friberg

Kerstin Billmark

Anders Söderberg  
Acting CEO, Göteborg & Co AB

Our audit report was submitted on 20 February 2019  
Ernst & Young AB

Hans Gavin  
Authorised Public Accountant

Our review report was submitted on 8 February 2019

Annika Hofmann  
lay auditor appointed by  
the Municipal Council

Lars-Gunnar Landin  
lay auditor appointed by  
the Municipal Council

# SUSTAINABILITY REPORT 2018



# PRIORITIES FOR SUSTAINABLE DEVELOPMENT

Göteborg & Co works to make Gothenburg an even better city. To succeed, the company aims to ensure economic, environmental and social responsibility and to constantly challenge accepted ideas of sustainability. Göteborg & Co is a small organisation, but by setting good examples itself and collaborating with others, it aims to encourage many stakeholders in a sustainable direction. By doing so, the company contributes to long-term sustainable growth in the visitor industry in Gothenburg.

## NEW BUSINESS PLAN SHOWS THE WAY

The destination's goal is to double tourism between 2015 and 2030 by setting an international example and constantly challenging accepted ideas of sustainability.

In 2018, Göteborg & Co adopted a new business plan for the period 2018–2020, WAY TO GO, which describes how the company can best ensure that the destination's goal is achieved and thus create value for Gothenburg. Read more on page 8.

## ONGOING STAKEHOLDER DIALOGUE

The mission of Göteborg & Co is to get more people to discover and choose Gothenburg. We do this through wide-reaching collaboration, by leading and promoting the development of Gothenburg as a sustainable destination, so that everyone who lives and works here benefits from a growing visitor industry.

The company actively collaborates with various actors and stakeholders. The experiences and views of stakeholders are important for the continuing development of the business.

As a platform for collaboration, the company's operations build on ongoing dialogue with stakeholders. Its most important stakeholders are its employees, owner, cluster companies and partners, in the shape of the local visitor industry, local organisers and rights owners, academia, and city administrations and companies. These groups were very active and involved in the preparation of both the City of Gothenburg's development programme for the visitor industry to 2030 and the destination's business plan. Visitors and residents are also important stakeholders; they are the target groups for the company's business. Dialogue with these diverse groups is naturally a challenge. During the year, the company's new Analysis & Market Trends department has started work on building a clearer picture of visitors and their preferences. See page 21.

The company's other stakeholders are suppliers, media, regional, national and international trade associations, authorities, national and international organisers and rights owners, tour operators and potential visitors. When the company selects stakeholders for its ongoing stakeholder dialogue, it focuses on primary stakeholder groups and aims for a broad cross-section of different perspectives and experiences of the company and Gothenburg as a destination.



## GÖTEBORG & CO'S PRIMARY STAKEHOLDERS

| Stakeholders   | Channels for dialogue  |
|--|--|
| <b>Owner</b><br>- City of Gothenburg through Göteborgs Stadshus AB   | Annual General Meeting, Board meetings, owner dialogue, annual and interim reports and group council.  |
| <b>Employees</b>   | Employee reviews, departmental/group meetings, internal conferences, employee survey.  |
| <b>Partners</b><br>- Companies in the visitor industry, through the Visitor Industry Forum (BNF): representatives of the Association of Large Hotels, the Association of Gothenburg Hotels, Gothenburg Restaurant Association, shopping, meetings, academia, transport companies and Göteborg Region Association of Local Authorities.<br>- Local organisers, ambassadors and rights owners. | BNF meetings, BNF members co-opted to the Board, steering groups and collaborative groups and newsletters.<br><br>Collaboration and networking groups such as networks for annual events, GCB member meetings and newsletters. |
| <b>Visitors</b><br>- National and international  | Social media, visitor services, interviews and questionnaires.   |
| <b>Residents</b>   | State-of-market survey, digital channels, visitor services, through the owner.   |
| <b>City of Gothenburg administrations and authorities</b>  | "Nålsögat" (a collaborative group of licensing authorities, blue light organisations and technical administrations), collaboration groups and councils.  |
| <b>Cluster companies</b><br>- Liseberg, Got Event, Göteborgs Stadsteater   | CEO and thematic cluster councils in areas such as finance, sustainability, communication, HR, digitalisation and purchasing.  |

The Board of the company is made up of politically appointed representatives from the visitor industry (Visitor Industry Forum, BNF) who are co-opted to the Board. Each business area has steering groups with representatives from the business area's key stakeholders, and these steering groups meet regularly. Company employees represent and promote its aims in various collaboration groups and councils in the city administrations.

## OVERALL GOAL

**BY 2030, DESTINATION GOTHENBURG WILL HAVE DOUBLED TOURISM BY SETTING AN INTERNATIONAL EXAMPLE AND CONSTANTLY CHALLENGING ACCEPTED IDEAS OF SUSTAINABILITY.**

### EXTENDED STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

In 2017, Göteborg & Co conducted an in-depth stakeholder dialogue with selected stakeholders. Around ten representatives of the company's key stakeholders, including its owner, event organisers, hotels and tourism organisations, were interviewed to find out their views regarding the company's main responsibilities.

The results from this extended stakeholder dialogue were discussed and explored during a workshop attended by representatives from various parts of the company, resulting in twelve key sustainability issues.

The materiality analysis is an important basis for consensus on the company's main priorities for sustainable development.

In 2018, this analysis was further developed and solidified to provide an even better foundation for guiding operations. See figure 1, Göteborg & Co's key issues. This work will continue in 2019.

### GLOBAL OBJECTIVES AND IMPROVED GOVERNANCE

The key issues during the year were also aligned with the Municipal Council's goals and the global goals for sustainable development (see figure 2).



Looking at the company in relation to its global goals and sub-goals helps to understand its operations in a wider context and identify what must be done to contribute to a sustainable world.

In 2019 the company will continue working to equip the new organisation to tackle sustainability issues and solidify objectives and methods of monitoring progress, as well as implementing the company's three main sustainability strategies. See page 9.

There is potential for improvement here. Spreading awareness of sustainability efforts and highlighting good examples among our partners are also important areas for improvement.

### GOVERNING DOCUMENTS AND RESPONSIBILITIES

The company is governed at a general level by owner directives, the Municipal Council budget, the three-year business plan for the destination and the company, the Board's objectives and focus documents, and the City of Gothenburg's programmes, policies and guidelines. The sustainability perspective is integrated into the relevant parts of the governing documents. Göteborg & Co gained its first environmental diploma in 2008 and has had a constantly evolving environmental management system in place ever since.

Göteborg & Co's sustainability officer drives and develops the sustainability efforts in collaboration with the company's various departments, and in 2018 reported to the administrative manager. The CEO is ultimately responsible for sustainability management.

### RISKS AND RISK MANAGEMENT

The company's management team carries out an annual risk analysis that examines risks from the perspective of the destination and the company. The risk analysis is established by the Board of the company. Risks that the company cannot influence are covered by contingency plans. Risks that the company has some degree of control over are managed by the responsible manager(s) through

### CASE STUDY: MOST SUSTAINABLE IN THE WORLD AGAIN

For the third year in succession the Global Destination Sustainability Index (GDS-Index) confirmed that Gothenburg is the world's most sustainable destination for meetings and events. This means a lot to the city and the visitor industry. The GDS-Index compares how well different cities meet a long list of sustainability criteria grouped into social, economic and ecological aspects. All cities are assessed on the basis of about 40 criteria, such as recycling, waste management, gender equality, anti-corruption, environmental certification of hotels and facilities, greenhouse gas emissions, accessibility and traffic conditions. The company's initiatives, strategy and efforts to support, educate and develop trade and industry are also assessed. Gothenburg is awarded high scores in all areas. A high sustainability score makes Gothenburg more competitive with other cities in terms of attracting large meetings, events and investments.

action plans. Risks that have been identified as the most significant in coming years are described in more detail on pages 12–13. From a sustainability perspective, in addition to the requirements for the city to finance the company and the safety or perceived security of visitors, particular risks are climate change leading to extreme weather events, the psychosocial working environment and compliance with purchasing and procurement policies (LOU).

More long-term risks that require monitoring from a destination perspective are over-tourism, provision of skills and climate effects associated with air travel and travel in general.



Figure 1: Göteborg & Co's sustainability areas and key issues.



Figure 2: The global goals that Göteborg & Co primarily contributes to through its operations.

## A WELCOMING DESTINATION

Everyone who visits or lives in Gothenburg should feel that they are part of the city and that the meetings and events that take place here are also for them. Integration is one of the biggest challenges faced by modern society. The City of Gothenburg's efforts to create an equal city aim to reduce disparities in living conditions and health. Göteborg & Co aims to make the events and experiences on offer in Gothenburg accessible to everyone, regardless of gender, beliefs, ethnicity, sexual orientation, ability, age and language.

### A VISITOR INDUSTRY FOR EVERYONE

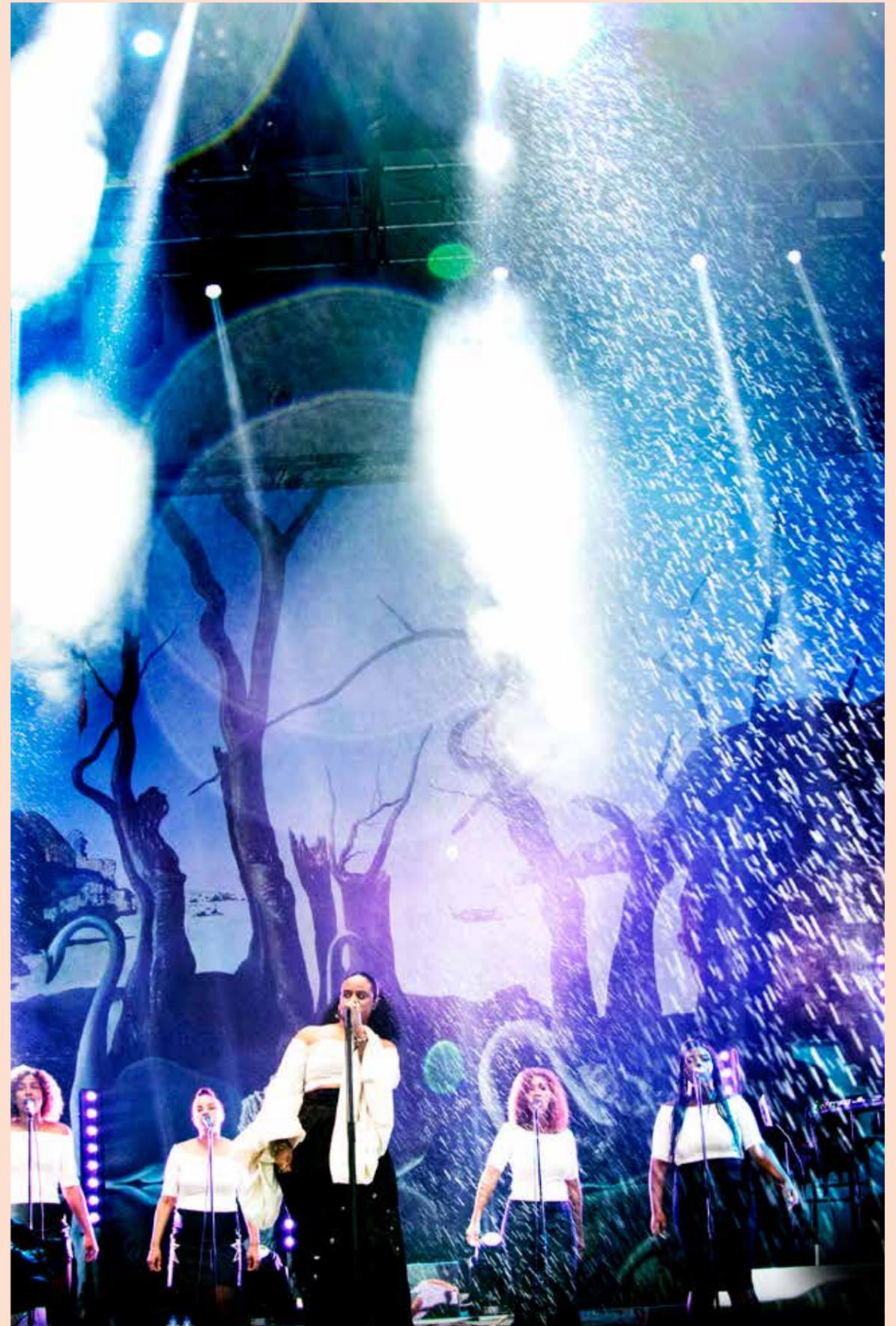
The visitor industry helps to build bridges between people from different cultures, and makes the city more attractive through a wider offering of culture, entertainment, restaurants, cafés, excursions and trade. Göteborg & Co contributes by marketing the city and investing in a wide variety of events and experiences for everyone. The company works in partnership with the industry to ensure that its offering reflects the residents of the city, and the aim is provide something for everyone and eliminate any physical or language barriers to taking part in events. Parts of the offering should also be free of charge and free to participate in for anyone who lives in or visits Gothenburg.

### A DIVERSE RANGE OF EVENTS

By 2030, Gothenburg will be northern Europe's leading city for sustainable events. Events are a rapidly growing sector with clear synergies for tourism and the visitor industry, but this is also a sector with fierce competition for big international events that are suitable for Gothenburg. Göteborg & Co will promote and strengthen Gothenburg as a city of events by strategically developing, facilitating and implementing sustainable events in sports and culture. The Events business area will work to broaden the range of events available to people of all ages, genders and backgrounds.

During the year, Göteborg & Co has provided advice, support or recruitment assistance for 120 events. The company has also organised five events itself: Volvo Ocean Race and the annual International Science Festival in Gothenburg, Gothenburg Culture Festival, Student Göteborg and Gothenburg Christmas City. The mix of events that the company was involved in during the year comprised 40 per cent sports events and 60 per cent music and cultural events.

Göteborg & Co aims to make events accessible enough so that everyone can attend and participate, regardless of their abilities. The Events department takes a range of measures to improve physical access. Many of the events that Göteborg & Co organises or contributes to in other ways are free and accessible to everyone. Several events were held during the year that anyone could participate in completely free of charge, including the Volvo Ocean Race and Gothenburg Culture Festival, which was co-organised with EuroPride.



**🕒 CASE STUDY: GOTHENBURG INTERNATIONAL SCIENCE FESTIVAL**

What are we? This was the theme of the 2018 International Science Festival in Gothenburg. The question was explored from several different angles. It looked at everything from how we act as a collective and how our cells communicate with each other, to issues of democracy and where the boundary lies between human and artificial intelligence.

Gothenburg International Science Festival is Sweden's biggest annual celebration of knowledge and one of the leading popular science events in Europe. The 2018 festival was the twenty-second of its kind – a unique event with hundreds of items on the programme, offering more than 1,000 hours of science, open to everyone free of charge. The programme is divided into three groups: the Schools programme, for preschool and primary school pupils; the Open programme, open to the public; and the Specialist programme, which is a collaborative platform and meeting place for researchers, media, educators, politicians and business. The basic aims of the festival are to be accessible, interdisciplinary, creative and inclusive.

**INTERNATIONAL MEETINGS THAT OPEN UP TO THE PUBLIC**

It is the task of Göteborg & Co to actively attract major congresses and corporate meetings to Gothenburg that bring together academia and the business community in the region with research & development at a high national and international level.

Göteborg & Co cannot directly influence the content of meetings, but where there are issues that are of broad interest the company encourages activities that give wider public access to the content.

One example of a meeting with many public elements was the European Stroke Organisation Conference (ESOC), which took place in May 2018. This offered high-school students free admission for a day, with medical students acting as guides. Local and international researchers also visited four high schools and there was a free seminar on stroke for the public at the University of Gothenburg auditorium in Vasaparken. A post-conference session was held afterwards with highlights from ESOC for nurses, ambulance staff and the press/media.

Other examples during the year include the Advances in Architectural Geometry Symposium (AAG), which held an open evening lecture and Conference on Radiation Effects on Components and Devices (RADECS),

which had a public session at which Christer Fuglesang was one of the speakers.

Göteborg & Co was involved in attracting 36 of the meetings that were held in Gothenburg during the year, and helped to attract 37 meetings for the coming year. Göteborg & Co has no direct control over the physical accessibility of meetings held in Gothenburg. However, the company does promote improvements in this area through collaboration with event organisers, meeting facilities and other venues that set very high standards of accessibility. A link to the Accessibility database, which shows the accessibility standard of various facilities, will be included in the new version of Venue Finder. Venue Finder is a tool designed primarily to help meeting buyers to find facilities that fit their meeting requirements, and the tool includes conference facilities and hotels. This tool will be launched in spring 2019.

**COMMUNICATIONS THAT ARE INCLUSIVE**

Göteborg & Co is committed to promoting effective and inclusive communications. For instance, the company has guidelines to ensure that the language used is easy to understand and accessible to everyone. There are also guidelines for non-discriminatory image analysis that



explain what to consider when selecting images for the company's communications. Using these guidelines, Göteborg & Co reviewed its image bank in 2018 and added images that reflect greater diversity and a non-discriminatory outlook.

**SAFE AND SECURE ENVIRONMENTS**

Recent occurrences such as natural disasters, terrorism and climate threats have contributed to a general sense of insecurity in society. Göteborg & Co works proactively in areas such as risk analysis and safety and emergency drills when planning its events. For events where Göteborg & Co provides support to the organiser, the company gives advice and sets requirements so that the event meets certain safety criteria, which vary according to the requirements of the event and situation. Göteborg & Co also collaborates with authorities (police, emergency services, healthcare, traffic and public transport authorities etc.) in various networks, as well as in preparation for specific events. Göteborg & Co has been involved in a



project between the Prehospital and Disaster Medicine Centre (PKMC) and the University of Gothenburg to develop a template containing questions for organisers regarding the event and its safety. This form is now in use and is sent out to organisers by the police permit unit when an application is submitted.

**🕒 CASE STUDY: GOTHENBURG CULTURE FESTIVAL – A SAFE AND REWARDING GATHERING**

Gothenburg Culture Festival is an opportunity for people to meet and experience things together. The visitor survey confirms that the atmosphere, mood, public celebration and sense of community are seen as the best aspects of the Culture Festival. Gothenburg Culture Festival is perceived as a place that makes it easier for people to meet and helps to make the city feel safer.

No one should feel excluded from Gothenburg Culture Festival due to their gender, ethnicity, ability, sexual orientation, gender identity/expression, religion or age. Wherever possible access is provided for people with disabilities, for example, platforms for wheelchairs and signing/audio description for people with visual/hearing impairments.

The programme for Gothenburg Culture Festival featured a total of 1,469 events of enormous variety. 4,500 people were involved in the programme, and the stage performers at the festival comprised 52 per cent women, 46 per cent men, and 2 per cent of non-binary gender.

Four incidents were reported to the festival's communication centre during this year's event. The incidents related to fire, assault and injuries. Two of these incidents were also reported to the police. Considering the scale of the event the number of incidents was relatively low, but every incident is taken seriously. Each incident is analysed so that preventive measures can be taken to prevent similar events in the future. The Göteborg City Museum also filed a police report for an incident involving a threat to the audience and speakers during a EuroPride presentation.

**🕒 CASE STUDY: GOTHENBURG CULTURE FESTIVAL IS COMMITTED TO INTEGRATION**

For four consecutive years Gothenburg Culture Festival has booked a world-renowned Arab artist in order to

attract a wider audience. This year, Lebanese superstar Nancy Ajram took to the stage. In previous years, Nawal El Zoghbi, Najwa Karam and Elissa have all attracted a large and mostly new audience to Gothenburg Culture Festival. The concert at Götaplatsen square in August drew the biggest audience of the year, with over 40,000 spectators.

The aim of inviting Arab artists to Gothenburg Culture Festival is to reach new audiences that may otherwise feel excluded from the festival programme, and thus help to reduce segregation and improve the feeling of identification with their city.

In previous years, the audience attracted by Arab artists has differed from the rest of visitors to the festival in that they generally do not attend other cultural events during the year. Since 2017 that difference has decreased dramatically. Originally, 30 to 40 per cent of the audience did not visit any other cultural events during the year, but in 2018 that figure fell to 11 per cent. The corresponding figure for the rest of visitors to the festival was 8 per cent. This clear trend shows that a real change has taken place.

**🕒 CASE STUDY: EUROPRIDE 2018**

EuroPride 2018 was co-arranged between West Pride and Stockholm Pride, and was also co-organised with the Gothenburg Culture Festival.

EuroPride was first held in 1992. Each year, a European pride festival is given the right to use the title by the European Pride Organisers' Association (EPOA).

For the first time ever this honour was shared by two cities with the message: "Two cities, one country – for a united Europe open to the world". By choosing this banner the organisers wanted to shift the gaze from Sweden and highlight diversity, integration and equal rights for everyone, and celebrate LGBTQ culture in Europe and the world.

The EuroPride Parade drew the most publicity and the biggest crowds. The parade started at Heden, passed Brunnsparcken and proceeded up the main boulevard, Avenyn, before ending with a ceremony at Götaplatsen square. Around 25,000 people joined in the parade, which was watched by about 50,000 spectators. In total, around 225,000 people took part in EuroPride Gothenburg 2018.

# POSITIVE EFFECTS ON THE LOCAL COMMUNITY

**Tourism and the visitor industry create jobs for many people. A wider range of events, restaurants, hotels, meetings and experiences helps to make Gothenburg an even better city to live and work in. Göteborg & Co contributes benefits to society by being a leading collaboration platform and by driving sustainable development in the visitor industry. Through its activities, the company also aims to turn the spotlight on important social issues.**

## SUSTAINABLE DOUBLING OF TOURISM BY 2030

The visitor industry in Gothenburg has seen real growth every year since 1991. The process of developing Gothenburg's visitor industry is continuing, with new challenges, renewed energy and new strategies. The destination's goal is to double tourism between 2015 and 2030 by setting an international example and constantly challenging accepted ideas of sustainability. Through this goal the visitor industry aims to take greater responsibility for Gothenburg's development. In 2018, Destination Gothenburg adopted a new business plan, WAY TO GROW, for the period 2018–2020, which describes how it will reach this goal. The business plan describes the destination's strategic challenges and goals, and its performance indicators. Key strategies are to showcase Gothenburg globally, take collaboration to a new level, create innovation for tomorrow, improve accessibility and share a vibrant Gothenburg. Göteborg & Co has also adopted a new business plan for the period 2018–2020, WAY TO GO, which describes how the company can best ensure that the destination's goal is achieved and thus create value for Gothenburg. See pages 8–9.

## AN ATTRACTIVE AND SUSTAINABLE METROPOLITAN REGION

Gothenburg is growing, and it is not just the number of visitors that will rise. By the year 2035, the city must provide space for 150,000 new residents, 80,000 new

homes and new workplaces. This creates challenges – as well as big opportunities for Gothenburg as a destination.

The mission of Göteborg & Co is to make Gothenburg an attractive and sustainable metropolitan region where ideas, businesses and people grow together. Tourism and the visitor industry in the Gothenburg region continue to develop positively in terms of guest nights, employment and tourism turnover. See page 7 and the table on page 24. In 2018, Gothenburg hosted several large events, including the Volvo Ocean Race and EuroPride, which attracted many visitors. The leisure travel market has also grown. In summer in particular, Gothenburg is a very attractive destination that draws visitors from the rest of Sweden and from the Nordic countries and further afield. Under the strategic plan for Gothenburg Convention Bureau, the city will “attract meetings that have been identified as strategically important for business, academia and the city”. The meetings industry generates growth and raises the profile of the city in research, innovation and business. These all help to make Gothenburg an attractive place to study, work and invest in. During the year the company has developed a strategic plan to give Gothenburg an even stronger position as a city for meetings, and thus create better conditions for local research, entrepreneurship, skills development and sustainable growth.

## A VISITOR INDUSTRY THAT CREATES JOBS

The visitor industry boosts employment by generating basic and more highly skilled jobs. One of the biggest challenges in the visitor industry is to provide the right skills, particularly in the restaurant sector. This offers many opportunities for young people and new residents to enter the labour market. The initiatives and activities of Göteborg & Co to create jobs have contributed to internships and concrete job opportunities, thanks in part to the Skarpt Läge job fair, which is supported by the Trade & Industry Group. To generate interest in the visitor industry the At Your Service job fair was also held during the year (see case study).

## ◉ CASE STUDY: JOBS AND OPPORTUNITIES IN THE VISITOR INDUSTRY

In September 2018 the Skarpt Läge association arranged the At Your Service job fair to bring together job seekers and employers in the visitor industry. During the three-hour fair, 754 job seekers came to the Scandic Crown to meet employers, including Liseberg, Scandic and Casino Cosmopol. The 20 employers and training coordinators who exhibited at the fair are all affiliated to the visitor industry and offered over 150 different positions in hotels, restaurants, tourism and commerce. They all had something to offer in the form of jobs, training or internships. At Your Service is based on a partnership between the Trade & Industry Group at Göteborg & Co, Visita, Scandic, the Swedish Public Employment Service and the Skarpt Läge association. The fair led to a total of 32 jobs, 14 full-time and 18 part-time, and a total of 41 interviews for various jobs.

The Skarpt Läge job fair, which took place in February 2018, resulted in 143 jobs. A follow-up survey six months later showed that 60 per cent of those who found a job were still there. Previous job fairs and meetings arranged by the Skarpt Läge association have attracted 3,000 visitors and led to over 600 jobs in the last three years.

## FOCUSING ON IMPORTANT SOCIAL ISSUES

Göteborg & Co works through the visitor industry to highlight important social issues such as gender equality, diversity, health, integration and consideration for the environment. The Trade & Industry Group promotes inclusion and job creation, and during the year supported both the Skarpt Läge job fair (see above) and Bonnier Hoops (see case study).

Another initiative is the hosting of the Congress of the Association of Europe Schools of Planning, AESOP 2018, which highlighted urban development and social projects in various locations. Twenty mobile workshops were arranged in the city and region during the congress, on topics such as climate and housing challenges. The local housing policy was examined, and there were discussions on planning measures to improve the housing supply, and on challenges and solutions for various stakeholders in the housing market.

The European Stroke Organisation Conference, ESOC 2018, (read more on page 48) focused on stroke treatment and reached out to a wide audience through lectures on public health. Run Against Stroke was one of the activities that took place during ESOC 2018. In partnership with the GöteborgsVarvet half marathon, delegates were given the opportunity to run a half marathon to promote the message that exercise reduces the risk of stroke.

## ◉ CASE STUDY: BONNIER HOOPS

Throughout the summer holidays, the Bonnier Hoops project offered free activities to young people from the Biskopsgården district. A street basketball court, library tent and reading corner were set up in the Svarte Mosse area of Biskopsgården in early June, and remained there throughout the summer holidays. The area was open from Monday to Saturday and welcomed between 80 and 150 young people each day to a range of activities. Basketball tournaments, a rap workshop, barbecues and reading were all part of the programme on offer. Bonnier Hoops finished off at Göteborg Book Fair with a large street basketball court, book lounge and a spoken word competition.

Most visitors during the summer were aged between 11 and 20, and the target group was primarily 12–18 year-olds. During the summer the project attracted about 7,000 visitors, distributed 600 books and helped 15 young people to find summer work. According to the police, it was the quietest summer in the Svarte Mosse area in 13 years.

The aim of Bonnier Hoops is to encourage more children to read, and to create a safe place for young people to spend their summer holidays. Bonnier Hoops is a project supported by Bonnier in collaboration with the Trade & Industry Group, various associations, the city and blue light organisations, among others.

## COUNTERING NEGATIVE EFFECTS OF THE VISITOR INDUSTRY

International research shows that increased tourism leads to greater risk of black labour, human trafficking and demand for sexual services including prostitution and trafficking. By using the existing collaboration platforms of the visitor industry and Göteborg & Co, structural conditions can be created that promote social sustainability and counter trafficking and prostitution in the visitor industry. The company has continued to collaborate with the Social Resources Administration and County Administrative Board on measures to counter human trafficking. No outreach activities took place in 2018, but the ambition is to follow up in some form the Destination Gothenburg against Human Trafficking conference that was held in late autumn 2017. The purpose of the conference was to offer stakeholders in the visitor industry information on this issue and show concrete ways to get involved.

Another negative consequence of the visitor industry is potential pressure on the city's public spaces. Göteborg & Co aims to spread the various events between different parts of the city, and to identify and develop new event sites.

# AN ENVIRONMENTALLY AND CLIMATE-FRIENDLY DESTINATION

The recent extreme weather and climate concerns have drawn increasing attention to the fact that climate change is one of the biggest issues of our time. The City of Gothenburg aims to reduce its environmental and climate impact and become a sustainable city with globally and locally fair emission levels. The big challenge for the industry is to help improve opportunities to reduce the environmental impact of travel. Göteborg & Co also contributes by promoting city-wide environmental measures at meetings, events and among its partners.

## CLIMATE-SMART TRANSPORT A BIG CHALLENGE

Climate-smart travel is the central issue for the industry. The destination's goal is to double tourism by 2030. Increased tourism has a positive impact on the local economy, but also has negative impacts on the environment. Seventy per cent of Gothenburg's visitors are Swedish, and most of these visitors travel to Gothenburg by car. Air travel is the dominant means of international travel today, and rail travel cannot currently compete with it. See page 7 and the table on page 24. As long as fossil-free travel options remain limited, an increase in travel is in conflict with the city's goal to reduce climate impact.

However, Gothenburg has relatively favourable conditions for climate-smart tourism. For instance, Göteborg-Landvetter Airport has the highest level of environmental certification, and renewable energy is used for more than 90 per cent of passenger and vehicle travel on the Gothenburg public transport system, although there

is still much to be done. Our entire society depends on a large number of stakeholders in the transport sector, and the main ways in which Göteborg & Co can contribute to reducing environmental impact from travel are by advocating sustainable transport choices wherever possible and promoting a sustainable transport system.

## CLIMATE-SMART HOLIDAYS

In 2017, Göteborg & Co was instructed by the Municipal Council to conduct a study on how visitors can be encouraged to choose sustainable transport methods when travelling to Gothenburg. In 2018, the focus was on encouraging visitors to choose sustainable transport alternatives to Gothenburg, by providing more information and guidance. One result will be the re-prioritisation of forms of transport in the Gothenburg Guide in 2019 so that they are listed in order of climate-friendliness.

There is information on [www.goteborg.com](http://www.goteborg.com) on how visitors can travel to Gothenburg. The most climate-smart option is presented first in the list, and air travel is listed last. When the city bids for and hosts meetings and events, visitors are also encouraged to walk, cycle or use public transport while in Gothenburg.

Due to the clear conflict of objectives in efforts to develop the visitor industry, it is important that the company tackles the travel issue as part of an integrated strategy and with a more active approach that is not limited to highlighting sustainable means of transport. In 2019, a company-wide framework for more sustainable travel will be developed, with the overall objective of helping to reduce the carbon footprint of the company and visitors during travel to and from the destination.

During 2018, Göteborg & Co was involved in developing a calculator for climate-smart holidays, in collaboration

with the city, academia and various regional and national stakeholders. The website [klimatsmartsemester.se](http://klimatsmartsemester.se) is a digital platform that offers tools and advice to help people minimise their climate impact as tourists. The project also aims to contribute to sustainability efforts in the visitor industry by sharing knowledge and opportunities for businesses in the industry to enter their own climate performance figures.

## BENEFITS OF A COMPACT CITY

Global trends in the visitor industry show that the younger generation has an increasingly holistic perspective and frequently chooses to visit places with clean air and clean water. This puts Scandinavia and smaller cities in a favourable position.

For the meetings and events sector, the destination's ability to offer "everything within walking distance" and the "all under one roof" concept offered by the Scandinavium arena and the Swedish Exhibition & Congress Centre are important competitive advantages during the bid process. This, in turn, reduces the organisers' need for transport. Göteborg & Co has a long-standing dialogue with Västtrafik aimed at finding competitive and viable business models for offering public transport solutions to meeting delegates and in combination with event tickets. Organisers of meetings and events are currently offered public transport deals at discount prices. In the case of meetings there is also growing interest in offsetting the carbon emissions that delegates' journeys give rise to, an opportunity that Göteborg & Co highlights for organisers.

## TRAVEL WILL ALWAYS BE AN ISSUE

Göteborg & Co always raises the issue of travel and transport in dialogues with meeting and event organisers. Similarly, the first recommendation is always to use the airport bus and public transport during press visits and site visits. Where environmental certification of meetings and events is carried out, issues relating to travel are systematically addressed in the certification process. This can include everything from examining travel and vehicle requirements, to partnerships with public transport and communications.

## ENVIRONMENTAL CERTIFICATION AND ADVICE

The company encourages and challenges all organisers to improve their environmental and sustainability efforts, and offers advice and support in this process, for example through individual advisory meetings, assistance with analysis and help in finding various contacts and information sources. Göteborg & Co aims to get environmental certification for all events that the company has complete or significant influence over, and this goal was achieved again during the year. Göteborg & Co assisted

in the preparations for environmental certification of one meeting and two events in 2018. These events will take place in collaboration with external organisers in 2019.

To qualify for an environmental diploma, it is necessary to have an environmental management system that complies with Swedish Environmental Base criteria. An environmental management system is a tool that enables an organisation to systematically reduce environmental impact. This contributes to a more eco-friendly selection of products and services, and requires suppliers to contribute to positive development. The effect is like ripples on the water. Regarding general procurement by the company, Göteborg & Co enlisted a procurement specialist during the year to develop a more systematic approach when specifying requirements and following up on suppliers, placing more emphasis on environmental performance.

Göteborg & Co aims to encourage sustainability efforts among its partners. This is often a challenge and it takes long-term efforts to get external organisers to go all the way towards environmental certification. However, one of the requirements is that collaboration should always lead to collective progress in sustainability efforts. Göteborg & Co therefore offers advice and support in the form of environmental tips for travel, resource management, food and drink, accommodation, etc., for all meetings and events, including those that do not directly opt for environmental certification.

## ONE OF THE GREENEST HOTEL CITIES IN THE WORLD

In Gothenburg, 92 per cent of all hotels and 100 per cent of meeting facilities are environmentally certified. According to the GDS-Index, this makes Gothenburg one of the world's greenest cities for hotel accommodation. Göteborg & Co encourages and supports hotels and facilities to become environmentally certified, but it is their choice whether and how they gain certification. Certification is done according to established standards such as the Nordic Swan, Swedish Environmental Base, Green Key or ISO 20121.

## THE IMPORTANCE OF PRACTISING WHAT YOU PREACH

Göteborg & Co was first awarded environmental certification in 2008 and follows an environmental management system. For example, all travel undertaken by the company's employees must comply with our travel policy and be offset by the City of Gothenburg's carbon offsetting policy. The travel policy requires employees to choose the mode of travel with the lowest climate impact and low cost. A new environmental training course was developed during the year and will be implemented in 2019. The purpose is to give all departments a clearer picture of their contributions and help them focus on the most important environmental issues for the business.



#### GOTHENBURG – A FOODIE CITY

Food gives us pleasure and also creates jobs and growth. Food has long been a strategic reason for visiting Gothenburg. Restaurateurs and producers work together in a well-established partnership to raise Gothenburg's profile as a city of culinary experiences. Other crucial factors include the west Swedish regional collaboration, in which local food production plays a key role, as well as the need to create opportunities for small-scale producers to generate sustainable profits. The city of Gothenburg has also been promoting an organic profile to support local businesses.

To develop cooperation within the region and city around food on a strategic level, Göteborg & Co has initiated the Food Strategy Group for Gothenburg and West Sweden. The group has agreed on six focus areas for development:

- Food tourism as a tool for developing the destination.
- A creative region creates the conditions for sustainable food production.
- The diversity we see in the city and region should be reflected in the City of Food.
- Safeguard a supply of skills that more closely matches the needs of the city and region.
- Local food in a wider range of situations.
- We will serve sustainably produced food to preschools, schools and elderly care.

In 2018, the company was involved in organising the Tomorrow's Food Travel conference together with the Centre for Tourism at the University of Gothenburg, Visit Sweden and the West Sweden Tourist Board. The conference focused on food and sustainability from the perspective of the visitor industry and drew more than 200 participants from Sweden and abroad.

Göteborg & Co also promotes the development of sustainable restaurants and suppliers through its participation in meetings and events. Collaboration and setting requirements are two important parts of this work. For instance, in order for meetings and events to gain environmental certification they must offer organic food and meals, vegetarian options and fish from sustainable stocks.

#### 🕒 CASE STUDY: DISPOSABLE-FREE GOTHENBURG CULTURE FESTIVAL

To reduce waste, Gothenburg Culture Festival has decided that the event will be free from disposable packaging. The goal is to eliminate all disposable packaging from events by 2021, but this year alone the use of 6,500 plates and cutlery and thousands of glasses made from disposable materials was avoided.

In the first year of the project Gothenburg Culture Festival tested three systems: a disposable-free food area called Green Corner, serving beer in reusable glasses at Kungstorget, and encouraging visitors to use lunch boxes.

At Green Corner, dishes, glass and cutlery were washed in a dish container, i.e. a large restaurant dishwasher housed in a container. Four sales staff were assigned to the initiative, and all tastings and cooking activities during the week took place without using any disposable products.

At Kungstorget, beer was served in reusable glasses instead of the disposable glasses that are commonly used at Swedish festivals.

Visitors were also encouraged to use reusable lunch boxes, supported by a series of communication initiatives and discounts on food. All food vendors had agreed that visitors who brought their own lunch box would be given a 10 per cent discount. This meant that as well as being good for the environment, there was also a financial saving for visitors – food in disposable packaging was simply more expensive. Many visitors welcomed the idea to bring their own lunch boxes, and almost 2,500 people who bought food took advantage of the discount.

The Disposable-free Gothenburg Culture Festival is a three-year project in partnership with the Ecocycling and Water administration. Thanks to this initiative Gothenburg Culture Festival was also voted Sustainable Event of the Year in 2018 at the Sustainable Visitor Industry conference arranged by the sustainability magazine Aktuell Hållbarhet.

## FAIR CONDITIONS

**Göteborg & Co aims to make the visitor industry stronger and more attractive by making demands on suppliers, employing sound business ethics and offering its own employees fair working conditions and a good working environment. Because the company takes considerable efforts to encourage others to be sustainable, it is important that we act sustainably and set a good example ourselves.**

### REORGANISATION HAS SHAPED THE YEAR

The reorganisation that took place in 2018 primarily affected the Events and Marketing & Communications departments. The company appointed three new managers during the year and several new members joined the management team. The CEO departed at year-end 2018/2019 and an acting CEO has been appointed. These changes have affected employees and the company is focusing on integrating the new organisation and finding effective ways of working as it moves forward.

### FOCUSING ON A FAIR WORKING ENVIRONMENT

A fair working environment for all employees is crucial in order for Göteborg & Co to perform its duties satisfactorily and achieve its goals. The work load can be high at times and this requires flexibility. The stress of tight deadlines and intense periods of work affects employees. This is something that Göteborg & Co is constantly working to improve. Ongoing occupational health activities include occupational inspection tours and employee reviews, while the annual employee survey assesses factors such as psychosocial working conditions. The City of Gothenburg aims to reduce absence due to illness within the city. For Göteborg & Co, absence due to illness rose to 4.99 per cent in 2018, compared to 3.45 per cent in 2017.

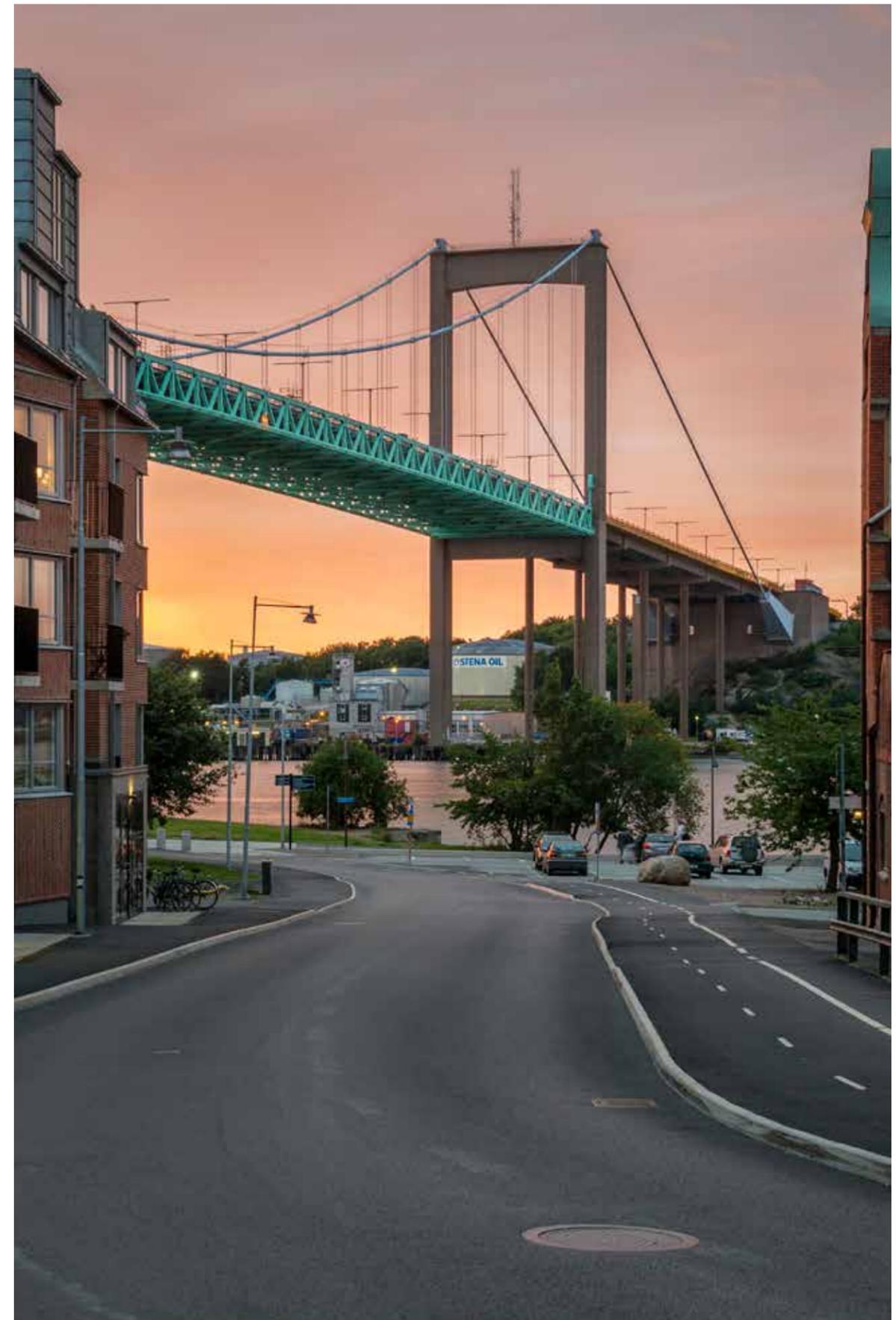
Absence due to illness is historically low, but shows a weakly increasing trend in 2016–2017. In the previous

autumn, when absence due to illness rose again, a special working environment action plan was drawn up by the work environment committee, company management and union representatives. This work continued in 2018, when the company carried out health profile assessments and asked the working environment representative to join the regular monthly meetings between HR, the CEO and union representatives, in order to get early feedback on issues affecting the working environment. A document clarifying working hours and accessibility has also been drawn up. Fitness allowances, bike allowances, massage and corporate discount at gyms are other elements that should contribute to employee wellbeing.

### EMPLOYEE SURVEY REVEALS CHALLENGES

The annual employee survey (for the City of Gothenburg) is conducted in autumn and reported in February the following year. The results from the 2017 survey show that the company's values are above or in line with the index for the City of Gothenburg's companies in most areas relating to sustainable employee engagement, the psychosocial working environment, trust in the organisation, etc. The scores for the company have however fallen compared with the previous year (2016). The largest falls were in the employee satisfaction index, trust in the organisation and employer attractiveness. The result for the employee satisfaction index was 57 compared with 67 for the previous year. Sustainable employee engagement, another important indicator of guidance, motivation and leadership, also showed a reduction; from 80 (2016) to 76 (2017). The reason for these falls may be the reorganisation that was largely implemented in 2017 and 2018. The response rate to the survey was 91 per cent.

Action plans have been drawn up at company level and in each department to reverse this trend. Overall, the focus is on communication, organisation, participation and the working environment.



EMPLOYEES IN FIGURES

|   | 2018 | 2017 | 2016 | 2015 |
|---|------|------|------|------|
| Sickness absence %                      | 4.99 | 3.45 | 3.4  | 3.42 |
| Work-related injuries, number reported* | 2    | 3    | 3    | 5    |

\* The figure for 2018 is forecast and not confirmed. The figures refer to the date the injury occurred, not when it was reported. The reported work-related injuries include sickness, work accidents and travel accidents.

|                                  | 2018 | 2017 | 2016 | 2015 |
|----------------------------------|------|------|------|------|
| Employee Satisfaction Index*     | 67   | 57   | 67   | 67   |
| Sustainable Employee Motivation* | 80   | 76   | 80   | 81   |

\* The results for 2018 are not available at the time of writing, so the target figures are shown instead.

|                   | Women | Men | Under 30 years | Age 30-49 | Over 50 years |
|-------------------|-------|-----|----------------|-----------|---------------|
| Board*            | 5     | 2   | 1              | 1         | 5             |
| Senior management | 5     | 5   | 0              | 4         | 6             |
| All employees**   | 72    | 22  | 2              | 64        | 28            |

\* Excl. deputies. \*\* Figures refer to permanent employees in December 2018.

Other staff data are presented on page 32.

**CLEARER GUIDANCE ON ANTI-CORRUPTION**

Göteborg & Co complies with the City of Gothenburg’s policy and guidelines on bribery, which are formulated in line with the Swedish Anti-corruption Institute’s Code on gifts, rewards and other benefits in business. In autumn 2018, specific instructions were drawn up for Göteborg & Co. These describe the city’s stance, as well as stating its position in various situations that are specific to the company’s operations. This is intended to facilitate discussion of such issues. The instructions cover aspects concerning bribery, partiality and conflicts of interest, and will be assessed by the Board early in 2019. They will then be incorporated in the company’s operations through discussion and training within each department. The aim of this work is to minimise risks and make it easier for employees to act correctly in different situations. Corruption is primarily a risk in connection with purchasing and business entertainment. Compliance of the business with policies and guidelines will be assessed by internal audit.

**DIVERSITY AND EQUALITY ARE ALWAYS ON THE AGENDA**

Diversity and gender equality are central issues for Göteborg & Co in external communications and in the company’s operations. The company also provides ongoing training for all employees in non-discrimination and inclusivity.

The City of Gothenburg aims to eliminate gender

discrimination within the organisation, and Göteborg & Co sets out and follows a gender equality and diversity plan each year. The plan is based on the City of Gothenburg’s equality efforts and budget for improving equality in Gothenburg. During the annual review of the diversity plan, various parameters are examined from a gender perspective to ensure that equality is continuously addressed within the company. The results form part of the basis for the next annual plan. Göteborg & Co also works to provide better opportunities to combine parenthood with working life.

**BULLYING AND HARASSMENT**

In the 2017 employee survey, 5 per cent of respondents reported having suffered discrimination and harassment in the workplace (0% by external parties). One per cent reported having suffered sexual harassment in the workplace (by external parties). Following on from #metoo, the issue was addressed through internal communication with all employees, the company’s zero tolerance policy was clearly stated and employees were urged to report any incidents.

**GÖTEBORG & CO CONTRIBUTES TO JOB OPPORTUNITIES**

Göteborg & Co annually receives a number of interns from various areas, including polytechnic colleges and universities and through collaborations that aim to help groups/individuals who are otherwise excluded from



the labour market. The interns are taken on for various lengths of time. In 2018, Göteborg & Co took on 10 interns, all in the Events department. Three of the interns who gained work experience in spring also received temporary employment during summer events. During the year, the tourist centre employed 31 seasonal workers and gave two summer jobs to participants in the city’s initiative to provide summer work for high-school students. Two department heads were “shadowed” during the year by participants in the City of Gothenburg’s Manager of the Future scheme for 2017/2018. Next year, the company is aiming to recruit interns more systematically, to other departments as well.

**POLICY AND REQUIREMENTS FOR PURCHASING AND PROCUREMENT**

As a municipal company, Göteborg & Co is governed by the Public Procurement Act and the City of Gothenburg’s policy and guidelines for procurement and purchasing. This policy sets requirements for contributing to global sustainability. Consideration must be given to climate and environmental impact, human rights at work and the UN Convention on the Rights of the Child. When working with major service contracts and tenders, the company is required to evaluate the feasibility and suitability of offering employment to individuals who have been excluded from the employment market. However, Göteborg & Co’s service contracts are usually too small for it to apply this requirement. The City of Gothenburg aims to increase the proportion of sustainable procurement.

**PROCUREMENT AND CONTRACTS**

Göteborg & Co had a total of 934 suppliers in 2018. Where possible, Göteborg & Co uses the City of Gothenburg’s blanket agreements, which include requirements

for environmental and social responsibility. Due to the nature of Göteborg & Co’s operations, existing blanket agreements only cover a small proportion of requirements, and the company therefore draws up its own procurement contracts. Depending on the purchase value, this can be done by advertising procurement needs or by direct procurement. Procured goods and services include sound, lighting, stage, tents and catering, and other items needed for hosting events. The company aims, wherever possible, to produce its own blanket agreements. Göteborg & Co has many small suppliers from which it procures goods and services on single occasions for specific purposes. When celebrity performers or artists are engaged for an event it is unlikely that procurement can be carried out (for artistic reasons). Whether advertised procurement or direct procurement is used, the company must adhere to the City of Gothenburg’s policy, and direct procurements worth over SEK 50,000 must be documented.

Events and projects such as Gothenburg Culture Festival, Gothenburg International Science Festival, Gothenburg Christmas City and the Volvo Ocean Race are environmentally certified, which means that purchases must meet environmental requirements.

**IMPROVED SYSTEM FOR PROCUREMENT AND PURCHASING**

In 2018, Göteborg & Co recruited a procurement specialist to give valuable support in procurement and to produce clearer guidance for purchasing and procurement. The aim is to create a more uniform approach to implementation, specifying requirements and following up procurement contracts. Following up on contracts is an important area for improvement within the company.

# GRI INDEX

This is Göteborg & Co's second sustainability report. For 2018, the annual report and sustainability report have been combined in a single report. The report has been prepared in accordance with the Core option of the Global Reporting Initiative Sustainability Reporting Standards (2016), and describes Göteborg & Co's management of key sustainability issues. Göteborg & Co issue a sustainability report once a year.

| GRI Standards (Core)                      | Disclosure   | Page number  | Global Compact                            | Global targets |
|---|--|--|---|----------------|
| <b>GRI 101 (2016) Basic principles</b>    |  |  |   |                |
| <b>GRI 102 (2016) General information</b> |  |  |   |                |
| <b>ORGANISATIONAL PROFILE</b>             |  |  |   |                |
| 102-1                                     | Name of the organisation                                     | Göteborg & Co AB   |   |                |
| 102-2                                     | Activities, brands, products and services                    | 8-9, 14-21   |   |                |
| 102-3                                     | Location of headquarters                                     | Gothenburg   |   |                |
| 102-4                                     | Location of operations                                       | Gothenburg   |   |                |
| 102-5                                     | Ownership and legal form                                     | 10   |   |                |
| 102-6                                     | Markets served   | Sweden and international through marketing and partnerships.   |   |                |
| 102-7                                     | Scale of the organisation                                    | 24, 32   |   |                |
| 102-8                                     | Information on other workers                                 | The company conducts all its operations in Gothenburg. Full-time employees (December): 94 part-time employees (hourly paid during the year): 13 people Average number of employees during the year: 106 people | Principle 6                               | Target 8       |
| 102-9                                     | Supply chain   | The company had a total of 934 suppliers in 2018.  | 59  | Target 12      |
| 102-10                                    | Significant changes to the organisation and its supply chain | 10, 12, 56   |   |                |
| 102-11                                    | Precautionary Principle or approach                          | Göteborg & Co actively strives to reduce the environmental impact of its own operations as well as the operations of collaborative partners. In 2019 the business will undergo environmental recertification.  | Principle 7<br>Principle 8<br>Principle 9 | Target 13 & 15 |

| GRI Standards (Core)          | Disclosure   | Page number  | Global Compact | Global targets |
|-------------------------------|--|--|----------------|----------------|
| 102-12                        | External initiatives                                       | 4, 44, 53  |                | Target 17      |
| 102-13                        | Membership of associations                                 | Visits, ECM – European Cities Marketing, IAEH – International Association of Event Hosts, ICCA – International Congress and Convention Association, SNCVB – Swedish Network of Convention Bureaus, SES – Sponsoring & Eventsverige, GMIC Sweden. |                | Target 17      |
| <b>STRATEGY</b>               |  |  |                |                |
| 102-14                        | Statement from CEO   | 4  |                |                |
| <b>ETHICS AND INTEGRITY</b>   |  |  |                |                |
| 102-16                        | Values, principles, standards, and norms of behaviour      | 13, 44, 58   |                |                |
| <b>MANAGEMENT APPROACH</b>    |  |  |                |                |
| 102-18                        | Governance structure                                       | 12, 45   |                |                |
| <b>STAKEHOLDER ENGAGEMENT</b> |  |  |                |                |
| 102-40                        | List of stakeholder groups                                 | 42-43  |                | Target 17      |
| 102-41                        | Collective bargaining agreements                           | All except the CEO are covered by collective bargaining agreements.  | Principle 3    | Target 8       |
| 102-42                        | Identifying and selecting stakeholders                     | 42   |                | Target 17      |
| 102-43                        | Approach to stakeholder engagement                         | 42-43  |                | Target 17      |
| 102-44                        | Key topics and concerns raised                             | 43-44, 56  |                | Target 17      |
| <b>REPORTING PRACTICE</b>     |  |  |                |                |
| 102-45                        | Entities included in the consolidated financial statements | Göteborg & Co AB. Subsidiaries prepare their own annual accounts. The consolidated financial statements are prepared by Göteborg Stadshus AB.  |                |                |
| 102-46                        | Defining report content and topic boundaries               | 43-44  |                |                |
| 102-47                        | List of material topics                                    | 44   |                |                |

**SUSTAINABILITY REPORT**

| GRI Standards (Core)                                | Disclosure  | Page number   | Global Compact | Global targets          |
|---|---|---|----------------|-------------------------|
| 102-48  | Restatements of information   | 44  |                |                         |
| 102-49  | Changes in reporting  | 44  |                |                         |
| 102-50  | Reporting period  | 01/01/2018 – 31/12/2018   |                |                         |
| 102-51  | Date of most recent report  | March 2018  |                |                         |
| 102-52  | Reporting cycle   | Calendar year, coinciding with financial year                                       |                |                         |
| 102-53  | Contact point for questions regarding the report                      | Katarina Thorstensson, Sustainability Officer<br>katarina.thorstensson@goteborg.com |                |                         |
| 102-54  | Claims of reporting in accordance with the GRI Standards              | 60  |                |                         |
| 102-55  | GRI index   | 60–63   |                |                         |
| 102-56  | External assurance  | The sustainability report has not been externally assured.                          |                |                         |
| <b>Topic-specific standards</b>                     |   |   |                |                         |
| <b>200 ECONOMIC TOPICS</b>                          |   |   |                |                         |
| 203 (2016)  | Indirect economic impacts   |   |                |                         |
| 103-1, 2, 3   | Management approach   | 8–9, 43–45, 50–51   |                |                         |
| <b>203-2</b>  | <b>Significant indirect economic impacts</b>                          | 50–51   |                | Target 4, 5, 8, 12 & 16 |
| <b>205 (2016) ANTI-CORRUPTION</b>                   |   |   |                |                         |
| 103-1, 2, 3   | Management approach   | 42–45, 58   |                |                         |
| 205-2   | Communication and training on anti-corruption policies and procedures | 58  | Principle 10   | Target 16               |
| <b>300 Environmental topics</b>                     |   |   |                |                         |
| <b>308 (2016) SUPPLIER ENVIRONMENTAL ASSESSMENT</b> |   |   |                |                         |
| 103-1, 2, 3   | Management approach   | 4–45, 59  |                |                         |

**SUSTAINABILITY REPORT**

| GRI Standards (Core)                              | Disclosure  | Page number   | Global Compact   | Global targets                     |
|---|---|---|--|------------------------------------|
| 308-1   | New suppliers that were screened using environmental criteria   | 254 new suppliers in 2018, of which 115 engaged under the City of Gothenburg’s blanket agreements, 15 under local blanket agreements, and the rest through direct procurement. All assessed in accordance with the City of Gothenburg’s policy. | Principle 7<br>Principle 8<br>Principle 9                | Target 12                          |
| <b>400 SOCIAL TOPICS</b>                          |   |   |  |                                    |
| <b>403 (2016) OCCUPATIONAL HEALTH AND SAFETY</b>  |   |   |  |                                    |
| 103-1, 2, 3                                       | Management approach   | 42–45, 56   |  |                                    |
| 403-2   | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | 56, 58  |  | Target 8                           |
| <b>405 (2016) DIVERSITY AND EQUAL OPPORTUNITY</b> |   |   |  |                                    |
| 103-1, 2, 3                                       | Management approach   | 42–45, 58   |  |                                    |
| 405-1   | Gender and age diversity on Board, in management and among other employee groups  | 58  | Principle 6  |                                    |
| <b>406 (2016) NON-DISCRIMINATION</b>              |   |   |  |                                    |
| 103-1, 2, 3                                       | Management approach   | 42–45   |  |                                    |
| 406-1   | Incidents of discrimination and actions taken   | 58  | Principle 6  | Target 10                          |
| <b>413 (2016) LOCAL COMMUNITY</b>                 |   |   |  |                                    |
| 103-1, 2, 3                                       | Management approach   | 8–9, 42–45, 50–51   |  |                                    |
| 413-1   | Operations with local community engagement, impact assessments, and development programmes                                    | 50–51   | Principle 1  | Target 3, 4, 5, 8, 10, 11, 12 & 16 |
| <b>414 (2016) SUPPLIER SOCIAL ASSESSMENT</b>      |   |   |  |                                    |
| 103-1, 2, 3                                       | Management approach   | 42–45, 59   |  |                                    |
| 414-1   | New suppliers that were screened using social criteria  | 254 new suppliers in 2018, of which 115 engaged under the City of Gothenburg’s blanket agreements, 15 under local blanket agreements, and the rest through direct procurement. All assessed in accordance with the City of Gothenburg’s policy. | Principle 2<br>Principle 3<br>Principle 4<br>Principle 5 | Target 8 & 12                      |



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