

SUSTAINABILITY



SkiStar is Scandinavia's leading operator in alpine mountain tourism. Protecting the unique mountain environment in which the company operates is a fundamental condition for the sustainable development of SkiStar's business. SkiStar's sustainability efforts are an integral aspect of the daily work and a natural approach for all employees.

This report has been prepared in accordance with the GRI Standards: Core Option. The GRI index on pages 74–75 includes references to where the information can be found in the report on operations. The sustainability report includes the Parent Company and wholly owned subsidiaries. It has been determined that co-owned associates do not constitute a significant portion of operations, which is why they are not included in the report.

SkiStar's sustainability work is initiated by Group management and endorsed by the Board of Directors as a priority area for SkiStar. The work is managed by the sustainability manager together with working groups that handle sustainability issues identified within the organisation for their respective areas. This report relates to the 1 September 2018–31 August 2019 period and is SkiStar's second sustainability report in accordance with the GRI Standard's guidelines.

Please direct any questions regarding SkiStar's sustainability report to: Viktoria Wöhl, +46 (0)280-880 80, viktoria.wohl@skistar.com.

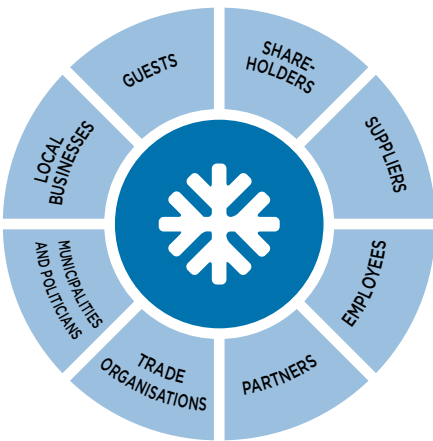
STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

Writing SkiStar's sustainability report in accordance with GRI guidelines was facilitated by identifying, prioritising and validating sustainability areas that are relevant for SkiStar. An assessment was subsequently made of the materiality of these areas. As an initial step, an internal analysis was carried out to highlight material sustainability areas. The sustainability topics have emerged in dialogues with the business

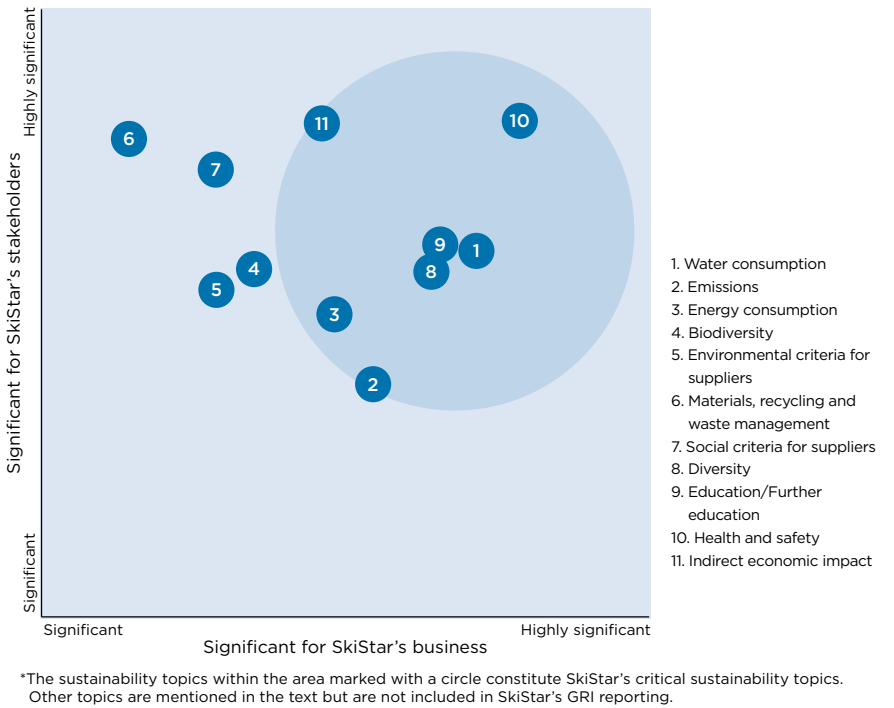
area managers to ensure that the entire business is covered by the selection. This internal analysis has identified a selection of sustainability topics. An online materiality analysis was then conducted, aimed at identifying and prioritising the material areas. SkiStar involved its stakeholders when carrying out the materiality analysis. These stakeholders were identified via the respective business area.

Stakeholder involvement facilitates the company's work on long-term sustainable solutions going forward. Beyond this, additional stakeholder dialogues were carried out via employee and guest surveys, and through meetings and discussions with suppliers. The analyses carried out identified the priority sustainability topics for SkiStar set out below.

SKISTARS STAKEHOLDERS



SKISTARS SUSTAINABILITY AREAS



SUSTAINABILITY GOVERNANCE

SkiStar's sustainability governance is based on the critical sustainability areas that have been identified as part of a materiality analysis. The materiality analysis enables SkiStar to satisfy expectations that are imposed on the company by its stakeholders. It is also a way of raising awareness among all stakeholders and employees and allows SkiStar to respond to the opportunities and challenges associated with the sustainability aspects.

Internal controls

Based on the information set out above, the company is guided by several policies and regulatory documents that clarify the company's risks, risk management strategy and approach to

achieving its objectives. All policies are reviewed annually and constitute a basic tool to ensure each employee at SkiStar can easily access information regarding how they are expected to act, when and for what reason.

Risk management

Like all companies and business operations, SkiStar is exposed to various risks related to the business. In order to manage and work with the risks faced by the company, SkiStar engages systematically with risk assessment and risk management, covering all its business areas. SkiStar's Board of Directors has overall responsibility for ensuring risk management, and in turn the Board's set of procedures

clarifies the allocation of responsibilities, so that risk management is conducted efficiently and purposefully. SkiStar's risk management relates to all risks associated with the company's sustainability work and the company's materiality analysis. SkiStar's risk management is described in the administration report on pages 41–43.



Code of Conduct

SkiStar's Code of Conduct has been determined by the company's Board of Directors. The Code of Conduct clarifies SkiStar's guidelines and values, creates transparency and functions as a blueprint for how SkiStar's employees should behave towards one another and the people they meet. It also explains that SkiStar supports the ten principles of the UN Global Compact regarding human rights, working conditions, the environment and anti-corruption, as well as the ILO's eight fundamental conventions concerning minimum standards for working conditions. SkiStar's Code of Conduct is reviewed annually and is available to all employees via the intranet.

Policies

In addition to the overall Code of Conduct, SkiStar also operates according to several policies. The purpose of these policies is to create transparency and clarify how SkiStar intends to pursue operations with a long-term, sustainable approach to generate growth and develop the company. Annual online training is provided to increase awareness and understanding of how SkiStar is expected to interact with the outside world. The training is also aimed at increasing understanding of how sustainability aspects should be observed in all areas of the business, and how they should be a natural consideration for every employee at all levels and in all decisions. All the company's

policies are available to SkiStar's employees via the intranet. A review of all policies is carried out each year and they are covered in the annual training, alongside the Code of Conduct. Find out more about SkiStar's policies on page 82.

Compliance and reporting

SkiStar aims to achieve full compliance with the company's policies. For everyone to feel confident that the company is working towards shared goals, and to pick up on any possible policy breaches, SkiStar has established a whistleblower service. The service is designed to give all employees the opportunity to anonymously report any suspicions of serious irregularities. The whistleblower service is a warning system aimed at reducing risks, preferably at an early stage in the chain of events. A whistleblower service is an important aspect of effective corporate governance and maintains public confidence in us as a company. Directives and procedures for reporting are available to all employees.

Suppliers – Supplier Code of Conduct

Effective partnerships and responsible procurement of suppliers are an important factor in the ongoing sustainable development of operational activities. SkiStar works with many different suppliers within the company's various business areas. Both price and the length of the business relationship with each supplier

consequently vary. SkiStar applies a Supplier Code of Conduct, which sets out the expectations SkiStar has of its suppliers. All SkiStar's suppliers and business partners are expected to accept this Code of Conduct. SkiStar will act on any breaches. SkiStar's Supplier Code of Conduct is available on SkiStar's website, skistar.com/en/company-information, under Sustainability.

To ensure responsible procurement, SkiStar works based on established directives for purchasing, which take account of various perspectives during procurement and purchasing processes, including accessibility, price and quality, along with sustainability aspects.

Sustainable development objectives

Building on SkiStar's sustainability work and facilitating sustainable development of the company demands dedication and a long-term approach. Over the past year, the company has drawn up long-term objectives for its operations. These objectives cover all sustainability aspects that are relevant to the business. Each goal has an associated plan of action, including activities and measures. The objectives have been linked to the UN Sustainable Development Goals (SDGs) and the 2030 Agenda, to ensure SkiStar's goals generate long-term value both in the regions in which SkiStar operates and from a broader perspective.

SUSTAINABLE DEVELOPMENT OBJECTIVES

OBJECTIVES

Area	Goal	UN Global Goals
Education/Further education	SkiStar will train all employees in sustainability areas that are relevant to each employee.	
	SkiStar will offer employees opportunities for training and professional development.	8-6
Water consumption	SkiStar will endeavour to improve biodiversity in lakes and watercourses, partly via responsible water usage and partly by participating in projects that boost biodiversity.	6-4, 6-6
Emissions	SkiStar will not have any emissions of greenhouse gases from its own vehicles or from energy consumption by 2030.	13-1, 13-2
Energy	During the 2019/20 financial year, SkiStar will select certification models for its own construction of new housing, which will be implemented in the 2020/21 financial year.	
Biodiversity	SkiStar will participate in projects to promote biodiversity at all its destinations.	15-4, 15-5
Circular resource management	SkiStar will offer guests opportunities to sort waste for recycling at all destinations by 2025.*	12-5
	SkiStar will work towards increasing the rental of beds already available at SkiStar's destinations.	12-5
Health and safety	SkiStar's workplaces will be free from alcohol and drugs.	3-5
	SkiStar's workplaces will be accident free.	8-6
Diversity	SkiStar will increase diversity in senior management.	
	80% of SkiStar's employees should be willing to recommend SkiStar as an employer.	8-6
	SkiStar will keep the proportion of returning young employees among SkiStar's seasonal employees to two thirds.	8-6
Indirect economic impact	SkiStar will be a leading advocate of sustainable tourism at the company's destinations, with growth in visitor numbers.	8-1, 8-9
	SkiStar will work to encourage more children and young people to get active, whatever their circumstances.	

*SkiStar would like to achieve this goal sooner but implementation depends on third parties.



ECONOMIC RESPONSIBILITY



SkiStar's mission is to create long-term, stable value for shareholders via stable and solid finances. Solid finances are also important to satisfying expectations from guests and other stakeholders in the long term. The alpine ski industry requires large capital investments to maintain and increase competitiveness. This means that the financial targets are established to create a strong cash flow. SkiStar's CEO and management team have overall responsibility for ensuring operations are directed towards achieving these financial targets. For details regarding goals, outcomes and financial risks, please refer to page 11.

Several financial targets are established each year, which are continually followed up during the year in connection with internal reports and quarterly reporting to the Board of Directors.

Taxes affect return but are also a responsibility

issue for SkiStar as a corporate citizen. SkiStar complies with the tax legislation in each country in which operations are conducted.

SkiStar operates in sparsely populated areas of both Sweden and Norway. SkiStar's presence boosts the tourism industry and gives other operators that are complementary to a certain extent an opportunity to offer services within and near the destinations, including restaurants, hotels and other alpine activities. These activities provide jobs in the local area and thus increased tax revenues, which in turn allow opportunities for a positive impact on the region in the form of improvements to infrastructure.

Visitors to the region, permanent residents and local businesses benefit from an operator that adopts a long-term and sustainable approach to alpine tourism.

Anti-corruption

SkiStar's risk management and regulatory documents cover anti-corruption. SkiStar's anti-corruption efforts primarily aim to counteract corruption within the company. This is achieved by analysing risks associated with corruption and establishing purchasing procedures and guidelines to counteract incidents, and monitoring and acting on confirmed cases of corruption. All SkiStar's employees are trained in how to combat corruption, in order to improve knowledge and raise awareness. SkiStar has a zero-tolerance policy when it comes to bribery and corruption. A whistleblower service has been set up to reduce the risks associated with corruption.

EMPLOYEES



SkiStar relies heavily on employee engagement. Motivated and satisfied employees will also provide good service for guests, and the guests are always at the centre of SkiStar's operations. If guests experience good service, they will come back. This is an extremely important factor in generating long-term profitability. To have motivated employees, there are several elements that are vital to the company's success. SkiStar is a big employer. At all its destinations, SkiStar has collective agreements that regulate minimum wages and employee rights in relation to the employer. All SkiStar employees, except for the CEO, are covered by collective agreements.

Work environment, health and safety

Health and safety include both safe and secure workplaces for Group employees, good working conditions and a healthy work/life balance. Living and working at one of SkiStar's destinations allows good opportunities for an active lifestyle in a natural alpine environment. Each SkiStar destination has a work environment team that ensures the organisation works systematically with health and safety, which includes, for example, regular safety inspections and risk assessment of operations. SkiStar also has a robust crisis management organisation at each destination, with procedures for escalating to crisis mode in the event of serious incidents. Crisis management exercises are carried out every year to improve the ability to handle serious situations.

SkiStar carries out regular employee surveys to ensure a good and pleasant work environment. These employee surveys also serve to identify areas where there is potential for improvement. Following the surveys, three focus areas are selected that SkiStar then works on to bring about further improvement, and to respond

to employees' preferences and expectations. Health checks are also carried out regularly to prevent occupational risks and contribute to the physical wellbeing of the company's employees. Performance and salary reviews are conducted annually with all employees.

Diversity and equality

Equal treatment and rights apply regardless of gender, sexual orientation, ethnicity, beliefs, disability or age. SkiStar does not accept any form of discrimination and takes strong action in response to incidents and conduct that contravenes SkiStar's policies and directives. The company's corporate culture is characterised by values and attitudes that are consistent with SkiStar's diversity policy. As with other policies, the diversity policy is reviewed annually.

Responsibility for active gender equality work lies with each department/business area manager. SkiStar has a zero-tolerance approach to all forms of discrimination and discriminatory treatment. SkiStar places great emphasis on the importance of valuing differences and diversity. SkiStar works to create an inclusive working environment, an important aspect of which is for all employees to feel a sense of belonging.

Recruitment

Another key issue for both the company and the industry is recruitment and ensuring that the right skills are available in the future. SkiStar's mountain locations mean that it needs to devote considerable time to developing partnerships with companies that run similar seasonal operations during the summer months, and the company works closely with local firms in the tourism industry. SkiStar uses an online recruitment tool that promotes a qualitative selection process. SkiStar's values are matched with those of potential candidates. A well-structured recruitment process lays the ground for successful appointments, which then contribute to the prevailing positive corporate culture.

Employer for young people

SkiStar has provided work for more than 11,000 young people aged 18 to 24 over the past ten years, and the company receives thousands of new applications every year. Being a big employer for young people and offering a way into the job market is an important recruitment strategy for SkiStar.

Launching school partnerships and offering work experience placements are just some examples of how SkiStar is working to attract young people even before they enter the labour market and start looking for their first job.

SKISTAR HAS
70%
SATISFIED EMPLOYEES AND
77%
SATISFIED GUESTS

Employee surveys are carried out four times a year via an online questionnaire. Guest surveys are done weekly from weeks 52-16 via an online questionnaire.



SkiStar makes a concerted effort to recruit and attract employees from the local areas around SkiStar's ski resorts. A job with SkiStar provides a great deal of significant experience and opportunities to develop in areas like service, teamwork and interaction with guests. Combining stimulating tasks with the opportunity to lead an active lifestyle and a strong sense of belonging among colleagues boosts SkiStar's appeal as an employer.

Training and education

To ensure that employees maintain and develop their skills and to guarantee future needs, the Group places great emphasis on training and education. All employees complete an online course every year, which focuses on important areas such as sustainability, GDPR and working environment. In addition, SkiStar implements an annual internal leadership programme, and a trainee programme that aims to provide continuity for key functions. Since SkiStar's operations are seasonal, there is a substantial need for seasonal employees. Every winter season, the workforce is made up of roughly two-thirds returning employees and one-third new. This puts pressure on the company to ensure that recruitment, training and staff inductions are systematic and simple, so that a large volume of seasonal employees is well prepared in a short period of time. As an employer, SkiStar is extremely proud of its ability to offer many young people the chance to gain professional experience and the opportunity to develop their skills in their working lives.

Many of SkiStar's employees choose to stay on within the organisation, but with new duties or at a different destination. All employees are encouraged to further develop their skills internally, and combined positions are common.

EMPLOYEES*

Number of employees	Permanent employees		Employees on fixed-term contracts	
	Men	Women	Men	Women
Sweden	224	126	842	805
Norway	73	50	356	203

*Employees refers to the number of employees in February 2019. The data has been compiled from the Group's HR and salary systems. Reported forms of employment include permanent and fixed-term contracts.

DIVERSITY

2018/19	Women	Men	<29 years	30–50 years	>50 years
Board of Directors	3	3	0	3	3
Group management	1	9	0	5	5
Destination management teams	7	25	0	20	12
Other*	8	14	2	15	5

Other relates to individuals who report to a member of Group management. All figures as at 31 August 2019.

SEASONAL EMPLOYEES, SWEDEN*

	2018/19	2017/18	2016/17
Men	262	252	248
Women	412	390	367
Total	674	642	615

*Relates to seasonal employees in Sweden aged 19–22 at 28 February.

TRAINING HOURS PER EMPLOYEE

	2018/19		2017/18		2016/17	
	Women	Men	Women	Men	Women	Men
Permanent employees	10	10	10	10	10	10
Employees on fixed-term contracts	25	25	25	25	25	25

FROM DAILY OPERATIONS

- * SkiStar is part of young people's first experience of the world of work. Over the past ten years, SkiStar has given over 11,000 young people aged between 18 and 24 the opportunity to gain professional experience.
- * SkiStar has teamed up with Panta Mera. At the destinations, cans and PET bottles are collected in clearly marked 'Panta Mera' containers and igloos. The return on the cans/bottles is donated by SkiStar to World Snow Day, which is a collaboration between the Swedish Ski Association and the Swedish Ski Council aimed at inspiring children to lead active and healthy lifestyles through opportunities to try out skiing. SkiStar donates to the project.
- * SkiStar donates to the Swedish foundation Min Stora Dag (My Special Day), which makes dreams come true for seriously ill children. Several My Special Day wishes have been granted at SkiStar destinations, with the help of volunteers and SkiStar personnel.
- * Stefans Stuga in Lindvallen is a specially designed set of accommodation close to the lifts, the purpose of which is to provide a haven where families affected by cancer can relax and spend precious time together. Stefans Stuga is an initiative of the Stefan Paulsson Cancer Fund.

ENVIRONMENTAL RESPONSIBILITY



SkiStar will consider all sustainability aspects in the business, with the aim of creating memorable mountain experiences. Through systematic improvement initiatives, SkiStar will be the right choice for guests in terms of sustainability. This is done by constantly reducing any negative environmental impact by designing and selecting products and services in such a manner as to limit their environmental impact during purchase, production, utilisation and disposal. SkiStar continually trains and informs its employees to improve environmental awareness and expertise, mainly about the alpine environment.

Energy and energy conservation

SkiStar's goal is to conduct operations adapted to the environment while consuming as little energy as possible. SkiStar endeavours to conserve energy and keep energy consumption to a minimum in its operations. Snowmaking, property management and ski lifts are all processes requiring a great deal of energy. All the electricity that SkiStar procures is green and has been for many years, and the focus is on maximum efficiency to reduce electricity consumption.

To conserve energy, SkiStar will:

- * systematically analyse energy use;
- * adopt processes that use as little energy as possible;
- * consider efficient energy consumption when making new investments and reinvestments, and
- * highlight energy consumption for individual employees and together devise ways of reducing energy consumption without impacting product quality.

Use of water

SkiStar's operations are water intensive. The water issue is of great importance from a sustainability perspective, and everyone has a duty to manage the assets and resources available responsibly. SkiStar's main water consumption in operations is in the form of snow production. For snow production, SkiStar uses so called surface water from nearby watercourses and lakes. In some cases, the water is kept in reservoir ponds directly adjacent to the ski resorts. When making snow, nothing is added to the water and particles are filtered out before it is used. Water is extracted from water sources mainly during the months prior to the start of the winter season and during the first part of the winter season. In the spring, when the snow melts, all the water returns to natural sources. Water extraction from each source is regulated via water rights court rulings.

The focus for SkiStar is on producing the right amount of snow in the right location in as short a time as possible. In addition to technological advances for snow cannons, other measuring tools have also had a positive effect on water usage in snow production. All SkiStar's destinations now have piste machinery equipped with GPS systems that measure snow depth to enable optimum snow production in the right locations.

Climate and emissions

There can be no doubt that the world is facing a rise in temperatures. Global warming is happening at a faster rate than anticipated, and a long-term temperature rise of two degrees will mean a drop in groundwater levels, extreme weather and a shortage of sustainable energy.

SkiStar's operations are dependent upon cold winters with sub-zero temperatures. As a leading operator in the industry for alpine mountain tourism, operations are pursued through responsible conduct with long-term sustainable solutions to minimise environmental impact. This means that SkiStar will work actively with solutions that develop the company sustainably going forward. SkiStar's operations require large amounts of fuel. This produces carbon dioxide emissions, which are one of the main causes of

climate change. SkiStar uses new technology and active measures to cut its carbon dioxide emissions. Climate change is considered within the framework of SkiStar's risk management, which evaluates challenges and measures.

The piste machines' GPS-based snow depth measuring function also helps reduce emissions, as it optimises the snowmaking process and driving patterns. SkiStar has also initiated the transition to non-fossil fuel and at the present rate of transition has increased the proportion of non-fossil fuel to over 55 percent. In the 2018/19 season, 100-percent non-fossil fuel has been used in operations, lifts and on pistes at SkiStar's Swedish destinations. It is a change that has produced good results and will be further developed in the transition towards non-fossil operations. SkiStar is also working to ensure

ELECTRICITY CONSUMPTION WITHIN THE ORGANISATION

MWh	2018/19	2017/18	2016/17
Electricity from renewable sources	82,169	74,893	76,150
Electricity total	82,169	74,893*	76,150

*Variance in last year's reported figures due to reading error by a third party.

FUEL CONSUMPTION WITHIN THE ORGANISATION

MWh	2018/19	2017/18	2016/17
Renewable fuels	14,733	14,514	5,332
Fossil fuels	11,707	12,981	19,153
Total fuel	26,440	27,495*	24,485

*Variance in last year's reported figures, arising as a result of actual figures replacing previous standard in some of the reported fuels.

DISTRICT HEATING WITHIN THE ORGANISATION

MWh	2018/19	2017/18	2016/17
District heating	10,168	13,050	14,785
District heating total	10,168	13,050	14,785

SUMMARY TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION

MWh	2018/19	2017/18	2016/17
Electricity from renewable sources	82,169	74,893	76,150
Renewable fuels	14,733	14,514	5,332
Fossil fuels	11,707	12,981	9,153
District heating	10,168	13,050	14,785
Total	118,777	115,438	115,419

GREENHOUSE GAS EMISSIONS, TONNES OF CO₂

	2018/19	2017/18	2016/17
Scope 1*	4,029	4,385	5,804
Scope 2**	189	199	166
Greenhouse gas emissions, tonnes of CO ₂	4,218	4,584	5,970

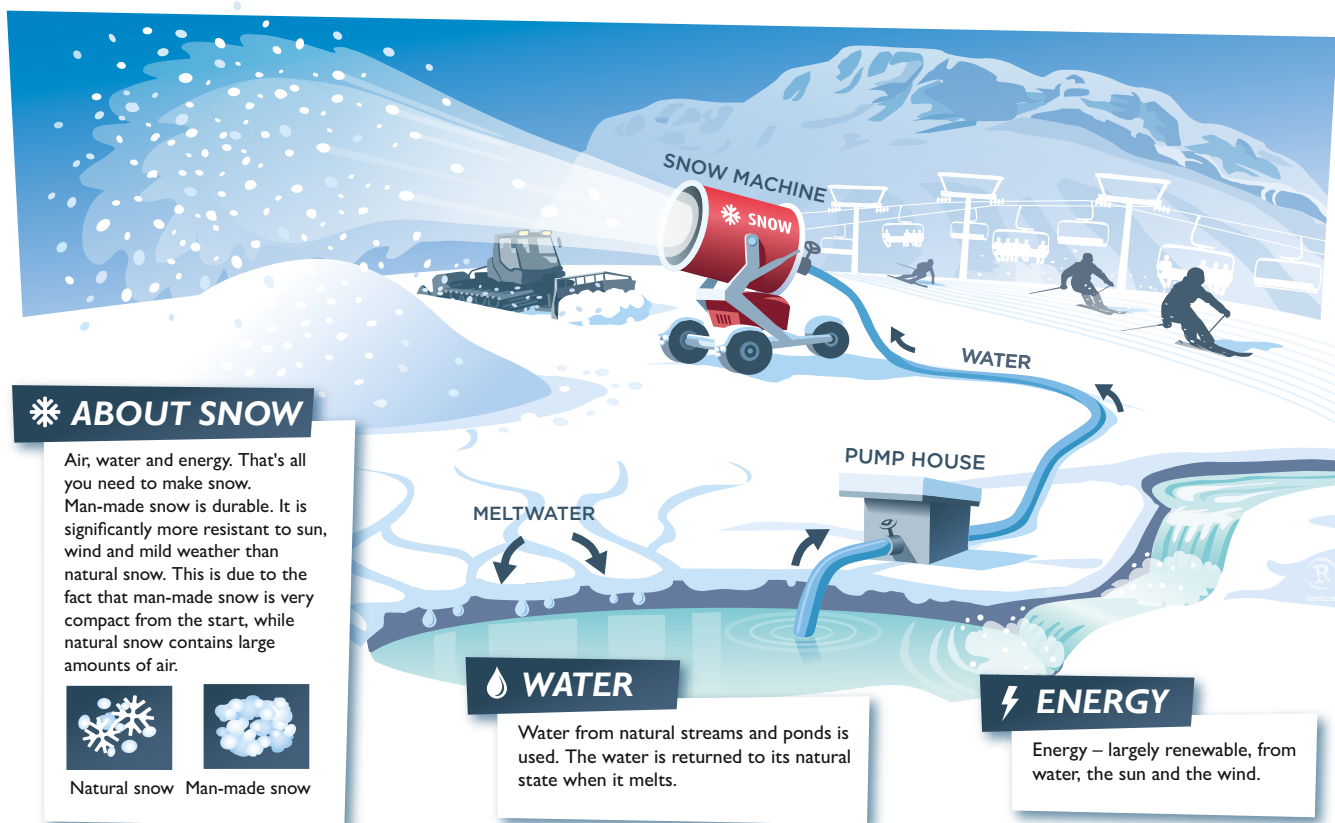
* Relates to direct emissions from SkiStar's operations.

** Relates to indirect emissions from electricity and heating.

CO₂ emissions have been confirmed using guidance from emissions factors from the Swedish Petroleum and Biofuel Institute, the Swedish Energy Agency and the Swedish Environmental Protection Agency. Fuel quantities have been obtained from readouts and invoices. Measurements relating to electrical power have been obtained from the respective network operators. Measurements relating to heating have been obtained from the respective heating supplier. Emissions factors have been adjusted according to new reports from the Swedish Energy Agency, which has meant reported figures have been revised.

WATER USE IN SNOW PRODUCTION

m ³	2018/19	2017/18	2016/17
Sälen	1,273,001	1,006,692	897,098
Åre	2,008,217	1,546,341	1,813,107
Vemdalen	817,609	649,523	656,000
Trysil	720,000	540,915	577,480
Hemsedal	484,000	473,191	565,254
Total water use in operations	5,302,827	4,216,662	4,508,939



the entire company's fleet of vehicles runs on non-fossil fuel.

The company is also endeavouring to reduce indirect emissions from operations, for example by working towards a better developed infrastructure for charging stations. SkiStar offers guests with a valid SkiPass transportation by ski bus at SkiStar's destinations, which in turn reduces car use during their stay. The ski buses at SkiStar's Swedish destinations run on non-fossil fuel.

Snow production

SkiStar's main activities are based on alpine skiing. The company uses snow canons in order to ensure a good experience on the slopes. To produce snow from the canons, water is required in combination with air and colder temperatures. Snow production methods have been developed both technically and environmentally. This has in turn led to more efficient snow production. This is achieved using automated snow production systems in which temperature, optimum wind direction, humidity and water temperature are pre-set, meaning snow is made in perfect conditions using a technique that ensures sustainable snow production. Effective snowmaking systems produce a lot of snow during cold weather. Snow from snow canons lasts longer than natural snow and is more tolerant of both sun and milder weather. Energy efficiency in snow production has improved considerably over the past 10–15 years. Snow production has gone from around 7 kWh to produce 1 m³ of snow, to roughly 1 kWh to produce the same amount.

Biodiversity

SkiStar's opportunities to develop on what are now untouched areas of land are heavily restricted. Naturally there are stringent environmental requirements when it comes to developing land. To be able to continue offering guests a magnificent

alpine setting with untouched nature just around the corner, SkiStar needs to develop new areas while observing great consideration for the existing environment. In practice, this means that as a basic principle SkiStar will not develop new untouched land, but instead focus on densifying areas that are already in use. Concentrating beds centrally around the ski areas reduces the need for transporting guests and means that infrastructure can be built more efficiently. However, when development of untouched land does take place,

closeness to nature is an important factor, which means that parts of existing forest are kept aside. This applies both when constructing the skiing area and when expanding within the skiing area. From a forest conservation perspective, expansion of the ski resort can benefit the area as it provides a guarantee that it will not be completely felled, which would otherwise be a strong possibility. This of course means that the biological diversity is preserved in the area, provided it is developed sensitively.

FROM DAILY OPERATIONS

- * At all destinations, SkiStar's piste machines have snow depth measuring functions to make them efficient and optimise driving, which leads to reduced emissions and lower energy consumption.
- * Non-fossil fuel is being used in operations at SkiStar's Swedish destinations, cutting carbon dioxide emissions by 90 percent.
- * The ski buses at SkiStar's Swedish destinations run on non-fossil fuel.
- * Three of SkiStar's lifts in Åre are solar powered as part of a collaboration between SkiStar and Fortum.
- * SkiStar aims to construct new accommodation close to the lift systems (ski-in ski-out), reducing car travel at the destinations.
- * Charging points for electric vehicles are standard for new builds, to meet heightened demand for eco-friendly means of transport.
- * When SkiStar develops land, existing vegetation around the buildings is preserved and restored. Trees in the vicinity of the buildings are protected during the construction period.
- * SkiStar works continuously to prevent erosion of the slopes by building dams and planting vegetation.
- * In areas with a district heating network, SkiStar's own properties are being converted from direct electric heating to hydronic heating.
- * SkiStar is participating in renewable energy and carbon-neutral electricity production through co-ownership of Dala Vindkraft Ekonomisk Förening, as well as Dala Vind AB.
- * Together with other investors, SkiStar operates three biomass heating plants.
- * SkiStar's operations are spread over a wide geographical area, which is why physical meetings are being replaced by telephone, web and video conferences wherever possible.
- * Electric snowmobiles have been purchased for test driving ahead of the 2019/20 season, which will hopefully have a positive outcome and result in the company electrifying its entire fleet of snowmobiles.

HEALTH AND ACTIVE LEISURE TIME



In addition to economic, social and environmental areas of responsibility, SkiStar works with health and active leisure time as a priority sustainability area, where SkiStar has an opportunity to make a considerable difference. As SkiStar is convinced that an active lifestyle with friends and family contributes significantly to a healthy life, the company is constantly looking for new opportunities to create the conditions for such a lifestyle. This is about stimulating growth in activities linked to a mountain setting, while also providing opportunities and inspiration for 52 weeks of exercise. Interest in health and wellbeing has increased and the trend to stay active while away on holiday is continuing to grow. SkiStar

tries to promote health and active leisure time via various initiatives, which are detailed below.

- * 2,841 children and young people under 15 living in a municipality at one of SkiStar's destinations Sälen, Åre, Vemdalen, Trysil and Hemsedal were offered a free SkiPass for the 2018/19 winter season.
- * Children and young people from years 1–9 in the municipalities of Nacka and Stockholm are offered free leisure days at Hammarbybacken ski slope.
- * Valle's Winter Weeks. During Valle's Winter Weeks, skiing, ski school and ski rental are free for children up to the age of six. In the 2018/19 winter season, 5,677 children took part in Valle's Winter Weeks.

- * Personal skiing statistics are provided via MySkiStar, which is a service that SkiStar has introduced to seize upon and reinforce guests' interest in alpine skiing as a means of exercising and socialising. MySkiStar has approximately 889,000 members.
- * At Valle's Ski School, children learn how to be safe and confident skiers, with the support of highly qualified ski instructors and Valle the Snowman. Almost 50,000 children took part in Valle's Ski School in the 2018/19 winter season.
- * Valle encourages activity through music, dance and skiing. Some 100,000 children skied with Valle at SkiStar's destinations in the 2018/19 winter season.



SKISTAR MAKES A DIFFERENCE WITH VALLE

The Valle concept has proved a huge success at all the destinations. Valle is also an important communication platform, as he is an ambassador for SkiStar and the values that characterise the entire operation. Valle is a role model for SkiStar's younger guests, which is a big responsibility that SkiStar will continue to safeguard, not only for guests but also for the public good. In this context, Valle will also be working to benefit the communities going forward. With Valle as a role model, SkiStar will help reinforce children's

wellbeing and positive behaviour by boosting their self-esteem, protecting the unique mountain environment in which Valle lives and creating a lasting enthusiasm for keeping active. SkiStar wants to use Valle's positive image to make a real difference in health, the environment and social responsibility.



Health with Valle

- * Inspiring a life-long interest in alpine skiing.
- * Energy from movement – the importance of staying active to improve health.
- * Good diet – eating well and healthily.



Environment with Valle

- * Looking after the natural environment and Valle's unique mountain home.
- * Inspiring children to be environmentally friendly for a sustainable society.



Social responsibility with Valle

- * Being a good skiing buddy all year round.
- * Boosting children's self-esteem and self-confidence.

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

TO THE GENERAL MEETING OF THE SHAREHOLDERS IN SKISTAR AB (PUBL.),
CORPORATE IDENTITY NUMBER 556093-6949

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2018/19 on pages 29–37 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's

opinion regarding the statutory sustainability report.

This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A sustainability report has been prepared.

Stockholm, 7 November 2019
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant