

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 our daily work and a natural part for all employees.

SkiStar's sustainability report for the 2019/20 financial year has been prepared in accordance with Global Reporting Initiative (GRI) Standards guidelines, Core option. SkiStar's GRI index on pages 72–73 contains references to where the information can be found in the annual report. Notes to the sustainability report can be found on pages 74–75.

Sustainability governance

SkiStar's sustainability work is based on the critical sustainability areas that have been identified as part of a materiality analysis (see page 74). The materiality analysis gives SkiStar the opportunity to live up to the expectations placed on the company by its stakeholders and enables it to meet the opportunities and challenges linked to aspects of sustainability.

Internal controls

SkiStar 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

SkiStar is exposed to various risks related to the business and the business model. 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 is conducted, as well as managed efficiently and purposefully. In addition, sustainability risks are evaluated separately, including the following areas: environment, human rights, labour law and anti-corruption. 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 37–39.

Code of Conduct

SkiStar's Code of Conduct has been determined by the company's Board of Directors. The Code 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 we intend 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 act and respond to its operating environment. 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. No cases of SkiStar's policies being violated were reported during the year.

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. SkiStar's Supplier Code of Conduct includes respect for human rights, among other areas. It states that suppliers are to be familiar with basic human rights and labour conditions, and to respect them and comply with them. 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. Long-term business objectives were established in 2018/19. 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's 17 Sustainable Development Goals (SDGs) to ensure SkiStar's goals generate long-term value both in the regions in which SkiStar operates and from a global perspective.

SkiStar's business was affected by the shut-

down of activities, first in Norway and Austria and then Sweden, when the Public Health Agency advised SkiStar to shut down given the heightened pressure locally on the healthcare system at that time. This affected the outcome of SkiStar's sustainability goals, and several of the projects were postponed to a later date.

OBJECTIVES

Area	Goal	Outcome 19/20	UN	
			Global Goals	Status
Education/Further education	SkiStar will train all employees in relevant sustainability areas.	During the financial year, all new employees, seasonal employees and permanent employees took part of SkiStar's online sustainability training.	4.7	●
	SkiStar will offer employees opportunities for training and professional development.	To ensure that employees maintain and develop their skills and to guarantee future needs, the Group places great emphasis on training and education. On average, a permanent employee has 10 hours of training per financial year, while a seasonal employee has 25 hours of training per year.	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.	During the financial year, SkiStar Vemdalen completed a number of improvements to Varggransstjärnen lake together with the local fishery management association. As a result, summer fishing on Varggransstjärnen was improved and there is more water for making snow for the slopes in Vemdalskalet in the winter.	6.4, 6.6	●
Emissions	SkiStar will not have any emissions of greenhouse gases from its own vehicles or from energy consumption by 2030.	During the financial year, SkiStar's carbon footprint amounted to 3,419 tonnes, which is an 18% reduction from 2018/19.	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.	It was decided during the financial year that all new housing construction managed by SkiStar is to be certified to the silver standard of the Sweden Green Building Council.	12.3	●
Biodiversity	SkiStar will participate in projects to promote biodiversity at all its destinations.	Due to the coronavirus pandemic, planned projects are being postponed to a future date.	15.4, 15.5	○
Circular resource management	SkiStar will offer guests opportunities to sort waste for recycling at all destinations by 2025.	During the financial year, there were ongoing dialogues with relevant partners to ensure the availability of waste recycling at all SkiStar destinations. Due to the coronavirus pandemic, planned projects are being postponed to a future date.	12.5	●
	SkiStar will work towards increasing the rental of beds already available at SkiStar's destinations.	Due to the coronavirus pandemic, SkiStar closed its ski resorts early during the winter season, which resulted in fewer beds being rented out compared to 2018/19. In contrast, the number of ski rental outlets increased, which SkiStar views as a positive trend of circular resource management.	12.5	●
Health and safety	SkiStar's workplaces will be free from alcohol and drugs.	SkiStar aims to guarantee a healthy and safe work environment, so one of our basic requirements is a drug and alcohol-free workplace. During the financial year, over 1,000 alcohol tests and 270 drugs tests were carried out.*	3.5	●
	SkiStar's workplaces will be accident free.	SkiStar has a structured work process that includes work environment teams and a crisis management organisation for each destination that work to prevent accidents and near-accidents. There were 105 near-accidents among SkiStar's employees during the financial year. None of these near-accidents was classified as serious.	8.6	●
Diversity	SkiStar will increase diversity in senior management.	Diversity among senior executives at SkiStar increased during the financial year by 6% compared with 2018/19.	5.5	●
	80% of SkiStar's employees should be willing to recommend SkiStar as an employer.	The consolidated employee survey for 2019/20 shows that 79.6% of SkiStar's employees would recommend SkiStar as an employer.	8.6	●
	SkiStar will keep the proportion of returning young employees among SkiStar's seasonal employees to two thirds.	During the financial year, 69% of seasonal employees returned to SkiStar.	8.6	●
Indirect economic impacts	SkiStar will be a leading advocate of sustainable tourism at the company's destinations, with growth in visitor numbers.	Expected growth within tourism and hospitality during the winter season came to a halt due to the coronavirus pandemic. A positive trend in the number of overnight stays was seen during the summer season, with the county of Jämtland seeing the strongest growth**; an area that includes SkiStar's destinations of Åre and Vemdalen.	8.1, 8.9	●
	SkiStar will work to encourage more children and young people to get active, whatever their circumstances.	SkiStar strives to constantly inspire people's enthusiasm for keeping active. Some examples of SkiStar's contribution to increasing activity among children and young people during the 2019/20 winter season include: * Giving out 2,826 free Skipasses to children and young people under the age of 15 staying at SkiStar's destinations. * Over 35,000 children attended Valle's Ski School. * SkiStar launched a collaboration with Save the Children and Generation Pep as part of the Digifritids initiative to get children and young people exercising more and eating healthy food.	3.D	●

* The drugs and alcohol tests are only carried out at SkiStar's Swedish destinations.

** Statistics from Swedish Agency for Economic and Regional Growth - compared year on year.

● Completed ● Started ○ Not started

ECONOMIC RESPONSIBILITY



SkiStar's mission is to create long-term, sustainable 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 pages 10–11.

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 responsi-

bility 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



Employees engagement is essential for SkiStar. Motivated and satisfied employees will provide good service for guests, and our guests are always at the core 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 our 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

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. SkiStar opted to use the money collected from recycled bottles this year to purchase protective visors and personal protective equipment that was then donated to the regions of Jämtland/Härjedalen and Dalarna.

- * 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.



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 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 continu-

ity 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.



Cold winters with temperatures below freezing are crucial for SkiStar, so any change in the climate with higher temperatures and a shift in weather conditions can change our situation. SkiStar's vision is to create memorable mountain experiences. Through systematic improvement initiatives, SkiStar will be the sustainable choice for guests. 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 our 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.

Water withdrawal by source

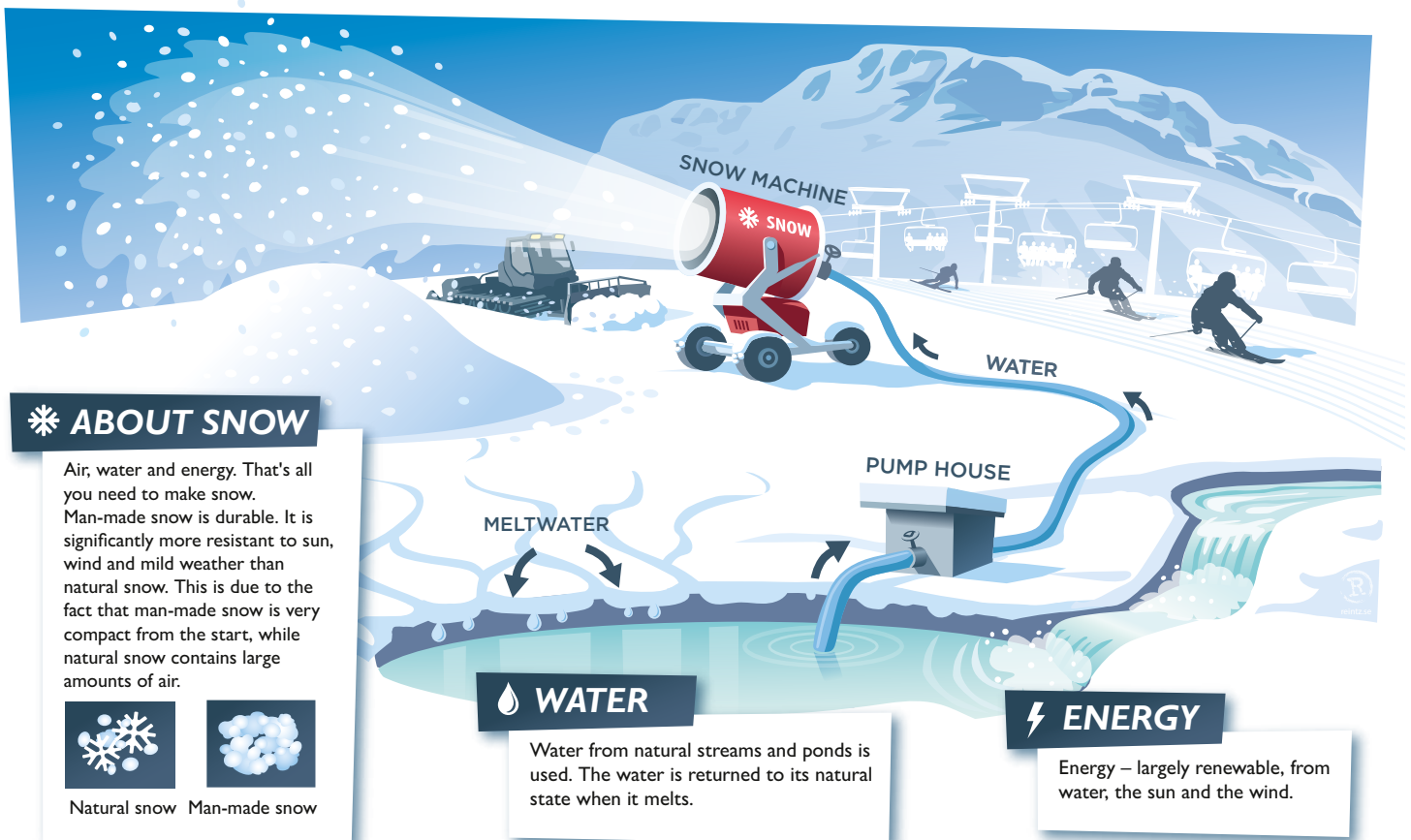
SkiStar's operations are water intensive. The water issue is of great importance from a sustainability perspective, and it is important for SkiStar to manage the assets and resources available responsibly. SkiStar's main water consumption in operations is in the form of snow production. For snow production, SkiStar uses water from nearby watercourses and lakes, known as surface water. In some cases, the water is kept in storage 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. SkiStar reduced its water consumption during the financial year by 8 percent compared with 2018/19. See note S4 on page 75.

Snow production

SkiStar's main activities are based on alpine skiing. The company uses snow cannons in order to ensure a good experience on the slopes. To produce snow from the cannons, 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 snaps. Snow from snow cannons 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 years. Snow production has gone from around 7 kWh to produce 1 m³ of snow, to roughly 1 kWh to produce the same amount.



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 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 60 percent. This corresponds to

an increase of 5 percent compared with 2018/19. In the 2019/20 season, 100-percent non-fossil fuel has been used in operations, lifts and on pistes at SkiStar's Swedish destinations. During the financial year, SkiStar's carbon footprint amounted to 3,419 tonnes, which is a reduction of 18 percent compared with 2018/19. See note S6 on page 75.

SkiStar is also focusing on 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.

Biodiversity

SkiStar's possibility to develop on untouched areas of land are heavily restricted. 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.

FROM DAILY OPERATIONS

- * 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.
- * 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.
- * 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.

PROJECTS PROMOTING BIODIVERSITY.

During the financial year, SkiStar Vemdalen completed a number of improvements to Varggransstjärnen lake together with the local fishery management association. Both necessary reinforcement and less raising of the dam walls represent measures that have been taken with a focus on maintaining the beautiful landscape and promoting biodiversity. As a result, summer fishing on Varggransstjärnen was enhanced and there is more water to create snow for the slopes in Vemdalskskalet in the winter, which has also led to greater energy efficiency.

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.

- * SkiStar offered a free SkiPass for the 2019/20 winter season to 2,826 children and young people under the age of 15 living in a municipality at one of SkiStar's destinations in Sälen, Åre, Vemdalen, Trysil and Hemsedal.
- * During Valle's Winter Weeks, skiing, ski school and ski rental are free for children up to the age of six. In the 2019/20 winter season, over 5,000 children took part in Valle's Winter Weeks.
- * MySkiStar grew by over 80,000 members compared with 2018/19. MySkiStar is a

customer club offering guests access to skiing statistics, discounts and partner offers. At the end of the 2019/20 financial year, MySkiStar had over 970,000 registered users.

- * SkiStar wants its ski school to inspire a lifelong interest in skiing, which is why enjoyment of skiing forms the basis of all lessons. Over 80,000 children and adults took part in one of SkiStar's ski schools in 2019/20.
- * 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. Over 35,000 children took part in Valle's Ski School in the 2019/20 winter season.



SKISTAR WANTS TO MAKE A DIFFERENCE WITH VALLE

The Valle concept has proved a huge success at all our 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. With Valle as a role model, SkiStar is helping to reinforce children's wellbeing and positive behaviour by boosting their self-esteem, protect-

ing 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 lifelong interest in alpine skiing.
- * Energy from exercise – 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 REPORT ON 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 2019/20 on pages 29– 35 and 72–75 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 statutory sustainability report has been prepared.

Stockholm 5 november 2020
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant

SUSTAINABILITY NOTES

SkiStar's sustainability initiatives are reported annually. This report is for the period 1 September 2019 – 31 August 2020.

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 officer together with working groups that handle sustainability issues identified within the organisation for their respective areas.

This sustainability report has been prepared in accordance with Global Reporting Initiative (GRI) Standards guidelines, Core application level. The GRI index on pages 72-73 contains references to where the information can be found in the annual report. By applying the international GRI guidelines, SkiStar strives to provide reporting of sustainability-related content relevant for our stakeholders in a transparent and balanced manner.

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.

For questions relating to SkiStar's sustainability reporting, contact the company at hall-barhet@skistar.com.

STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

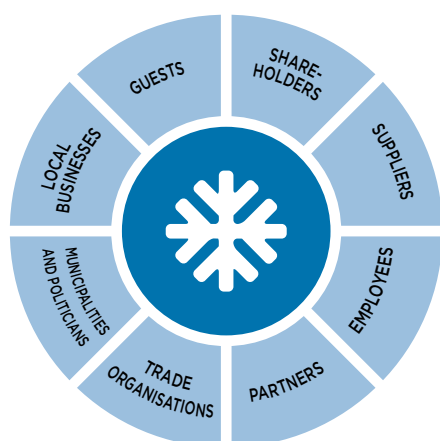
Writing SkiStar's sustainability report in accordance with GRI guidelines was facilitated by identifying, prioritising and validating sustainability areas that are relevant for SkiStar. An assessment was subsequently made of the materiality of these areas. An internal analysis has been carried out as a first step, with the aim of identifying material sustainability topics. The sustainability topics have been drawn up in

dialogue with business area managers to ensure that all operations are 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 critical areas.

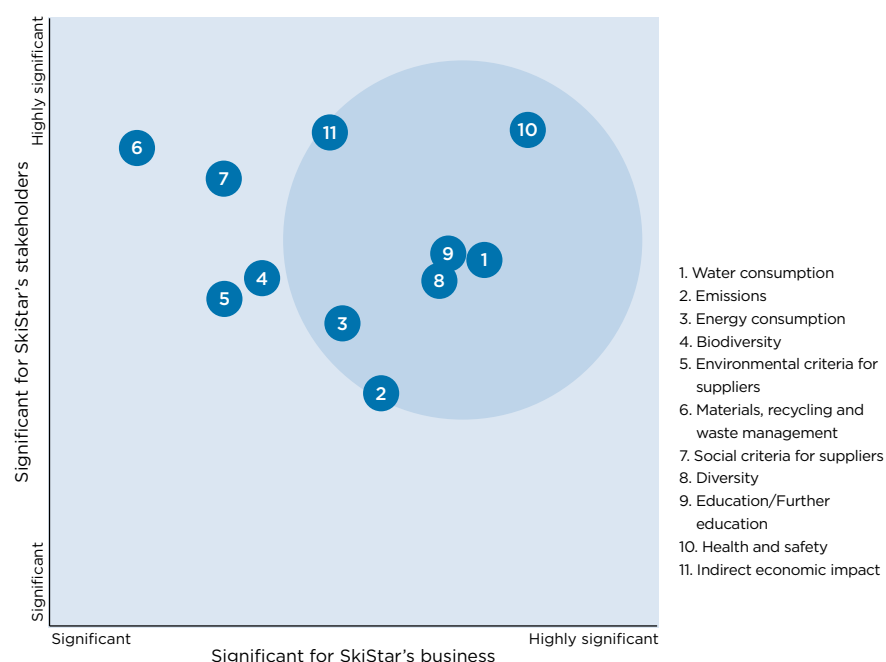
SkiStar involved its stakeholders when carrying out the materiality analysis. These stakeholders were identified via the respective business area. Stakeholder involvement facilitates the company's work on long-term sustainable solutions going forward. Beyond this, additional stakeholder dialogues were 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.

SKISTAR'S STAKEHOLDERS



SKISTAR'S SUSTAINABILITY TOPICS



*The sustainability topics within the area marked with a circle constitute SkiStar's critical sustainability topics. Other topics are mentioned in the text but are not included in SkiStar's GRI reporting.

NOTE S1 EMPLOYEES*

	2019/20				2018/19			
	Permanent employees*		Seasonal employees**		Permanent employees		Seasonal employees	
NUMBER OF EMPLOYEES	Men	Women	Men	Women	Men	Women	Men	Women
Sweden	219	133	848	822	224	125	842	805
Norway	75	41	361	208	73	50	356	203

*Permanent employees refers to those employed at 31 August 2020.

**Seasonal employees refers to the number of employees at 29 February 2020.

NOTE S2 DIVERSITY

2019/20	Women	Men	<29 years	30–50 years	>50 years
Board of Directors	4	3	0	2	5
Group management	1	9	0	5	5
Management teams	7	25	0	15	17
Senior executives*	11	15	2	18	6

*Senior executives relates to individuals who report to a member of Group management. All figures are from 31 August 2020.

NOTE S3 TRAINING HOURS PER EMPLOYEE

	2019/20		2018/19		2017/18		2016/17	
	Women	Men	Women	Men	Women	Men	Women	Men
Permanent employees	10	10	10	10	10	10	10	10
Seasonal employeesw	25	25	25	25	25	25	25	25

NOTE S4 WATER USE IN SNOW PRODUCTION

m ³	2019/20	2018/19	2017/18
Sälen	1,213,308	1,273,001	1,006,692
Åre	1,611,204	2,008,217	1,546,341
Vemdalen	850,782	817,609	649,523
Trysil	806,775	720,000	540,915
Hemsedal	404,908	484,000	473,191
Total water use	4,886,977	5,302,827	4,216,662

NOTE S5 FUEL AND ENERGY CONSUMPTION

ELECTRICITY CONSUMPTION WITHIN THE ORGANISATION

MWh	2019/20	2018/19	2017/18
Consumption of electricity	72,369	82,169	74,893
Electricity total	72,369	82,169	74,893

FUEL CONSUMPTION WITHIN THE ORGANISATION

Litres	2019/20	2018/19	2017/18
Consumption of HVO 100	1,417,129	1,518,380	1,500,244
Consumption of diesel	772,632	966,817	1,122,767
Consumption of petrol	166,497	98,718	121,936
Total fuel	2,356,258	2,583,914	2,744,947

*New table; figures from previous years recalculated from MWh to litres

DISTRICT HEATING WITHIN THE ORGANISATION*

MWh	2019/20	2018/19	2017/18
District heating	7,977	10,168	13,050
District heating total	7,977	10,168	13,050

NOTE S6 GHG EMISSIONS (CO₂e)

SUMMARY OF TOTAL GHG EMISSIONS, TONNES CO₂

Tonnes	2019/20	2018/19	2017/18
Electricity total (S2)	21.7	24.7	22.47
Renewable fuels (S1)	575	616	619
Fossil fuels (S1)	2,680	3,338	3,787
District heating (S2)	142	181	221
Total	3,419	4,160	4,649
Emissions intensity (tonnes CO ₂ e/SEK m revenue)	1.6	*	*

S1 = Scope 1 – Refers to direct emissions from SkiStar's operations.

S2 = Scope 2 – Refers to indirect emissions from electricity and heating.

* Not reported for this year.

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.