



Creating a Difference with Every Holiday

OUR ENVIRONMENTAL, SOCIAL
AND GOVERNANCE (ESG) REPORT 2021



Nordic Leisure
Travel Group

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A Word from the CEO

There is no doubt that the year has been challenging due to the ongoing Pandemic and its implication for us as the leading holiday company in the Nordics. But our ongoing pledge to continue to minimize the negative impacts of tourism, such as our climate footprint, stands firm. We have a responsibility to act sustainably and to continue increasing the positive impacts of tourism in the local communities and economies where we operate.

We are confident that the long legacy of our integrated business model, with an extremely high utilization of our aircrafts, hotels, and transfers, gives us a strong foundation to take the next step and operate in an even more sustainable way in the future.

Tourism is one of the driving forces of global economic growth, providing 10 % of world GDP and 1 in 10 jobs on a worldwide basis. We are now operating a substantially bigger program than in the previous year, and have reintroduced travel to countries like Cape Verde, Egypt, Maldives, Thailand and UAE from the Nordics, and by doing so we are contributing to the local economies.

We never stop challenging ourselves and with the support from our owners we have continued to improve our way of operating more sustainably.

Some of the highlights from this year:

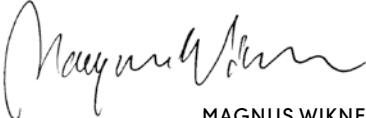
- Our own airline already ranks as one of the most CO2 efficient airlines in the airline industry. But in our constant effort of continuous improvements, we have started the renewal of our existing fleet of aircrafts by placing firm orders for the latest generation of Airbus A330-900neo and Airbus A321neo family of aircrafts. The first aircraft will join our fleet already by November 2022, with more aircrafts to follow in the coming years. The new Airbus A330-900neo will reduce the CO2 emissions by 23 % compared to existing Airbus A330-200 aircrafts in our fleet today. Also, the noise emissions will be reduced by 33 % compared to existing aircrafts.

- During the year we have formulated and set a new and more offensive sustainability framework. The most important goals from this strategy are:
 - That we by 2030 shall reduce the CO2 emissions in our airline by 25 % per passenger kilometer.
 - All branded hotels will operate with zero emission from energy consumption by 2030.
 - 100 % customer carbon free footprint at all our hotel operations by 2040
 - 50 % reduction of carbon emission per passenger kilometer from own airline by 2040
 - Zero-carbon emission from own airline by 2050
- We currently offer one of the most extensive offset programs in the industry: All flights regardless of airline, all stays at our own hotels and all bus-transfers are fully CO2 compensated, through Natural Capital Partners and STX Commodities.
- All our own hotels operate under some of the most stringent sustainability requirements in the market and most comply with the internationally recognized Travelife sustainability program

Nordic Leisure Travel Group is here to create new memories together with our guests and to make sure our guests will have the best weeks of the year when travelling with us

I would like to take the opportunity to thank our more than 2000 employees and our long-standing business partners throughout the world, all whom are making it possible to progress and create change towards a more sustainable holiday experience each year.




MAGNUS WIKNER
CEO, NORDIC LEISURE TRAVEL GROUP



About our Report

Nordic Leisure Travel Group has been working with sustainability for many years. It was one of the first tour operators in the industry to take up sustainability and environmental topics and establish a serious and structured approach to reduce the impacts arising from travel. We continue to see it as our responsibility to promote sustainable tourism, where we contribute to positive economic and social development while minimizing environmental impact at home and abroad. We are embedding sustainable practices in all parts of our business and engaging our colleagues, customers, suppliers, owners, and other stakeholders in our endeavors.

This report constitutes our statutory statement of social responsibility in accordance with the relevant local legislation in the countries where the company is represented, as mentioned below. The overall responsibility for this report and its content rests with the Board of Directors. The board consists of representatives from the circle of owners and the senior management of the company. This report also provides a comprehensive assessment of our strategy and approach as well as an overview of our performance during the period of the reported fiscal year.

The reporting period is 1st October 2020 to 30th September 2021, unless otherwise stated.

Our sustainability impacts and work are global, and this is reflected in our policies, measures, and key data. If you have any questions related to this report, please address them to:

Nordic Leisure Travel Group AB
S-105 20 Stockholm
SWEDEN

Attention:

Claes Pellvik

Head of Communication

Phone: +46 709 - 513032

**The report covers
NLTG Holdco AB
including the mentioned
affiliated companies
(registered at the end
of the financial year):**

Country

Sweden
Sweden
Sweden
Sweden
Denmark
Denmark
Denmark
Denmark
Denmark
Finland
Norway
Greece
Spain
Cyprus

Company Name

Nordic Leisure Travel Group Holdings AB
Nordic Leisure Travel Group AB
Ving SVE AB
Sunwing Hellas AB
Nordic Leisure Travel Group Holdings DK A/S
Nordic Leisure Travel Group Denmark A/S
Spies A/S
Sunclass Airlines Aps
Airshoppen Travel Retail A/S
Oy Tjareborg Ab
Ving Norge AS
NLTG Hotels Hellas Greece: Astral Hellas S.A.
V.R. España SA
Sunwing Hotels Ltd

Our Business

NLTG Holdco AB is the parent company for Nordic Leisure Travel Group (hereafter referred to as NLTG) and of our Nordic travel companies, Ving, Spies and Tjäreborg. Overall, the group is the Nordic region's largest tour operator.

NLTG operates its own airline and hotel operations as well as with partners. Sunclass Airlines is among the largest charter airline operators in the Nordic region. Well-known hotel products such as Sunwing, Sunprime and Ocean Beach Club by Sunwing serves as a residence for thousands of happy and satisfied guests during their best weeks of the year.

In a normal year the Nordic Leisure Travel Group sells more than 1.6 million holidays across our Nordic source markets. However, the circumstances surrounding the covid-19 pandemic have had a significant impact on the business' organization and overall activities during the 2020/21 financial year. As a result, the company will deliver a reduced turnover; approximately 1.8 billion SEK. The basic information below reflects the conditions at the end of the financial year (SEP21).

Number of:

- Customers: 194.762
- Owned brand Resorts & Hotels: 25
- Aircraft: 10
- Source markets: 4

More information about our financial performance for the fiscal year 2020/21 is available online.

*During the covid pandemic our operation in Thailand, Turkey, Vietnam and The Gambia has been closed. This also includes many of our own branded hotels;

Sunwing Bangtao Beach, Sunwing Kamala Beach, Sunprime Kamala Beach, Sunwing Side Beach, Sunprime Dogan Side Beach, Sunprime Alanya Beach, Sunprime C-Lounge, Sunprime Tamala Beach, Sunwing Arguineguín Seafront, Sunwing Fañabe Beach and Sunprime Ocean View.

GREENLAND

OUR OWN BRANDED HOTELS,
SUNCLASS AIRLINES DESTINATIONS
AND HQ:S*

ICELAND

PORTUGAL

FUNCHAL (FNC)

SUNWING FAÑABÉ BEACH
SUNPRIME CORAL SUITES
SUNPRIME OCEAN VIEW

TENERIFFA (TFS)

LANZAROTE (ACE)
FUERTEVENTURA (PUE)
LAS PALMAS (LPA)
GRAN CANARIA (LPA)

SUNWING ARGUINEGUIN
O.B.C. - GRAN CANARIA
SUNPRIME ATLANTIC VIEW

WESTERN SAHARA

MAURITANIA

KAP VERDE/SAL (SID)

BANJUL (BJL)

SUNPRIME TAMALA BEACH

GAMBIA

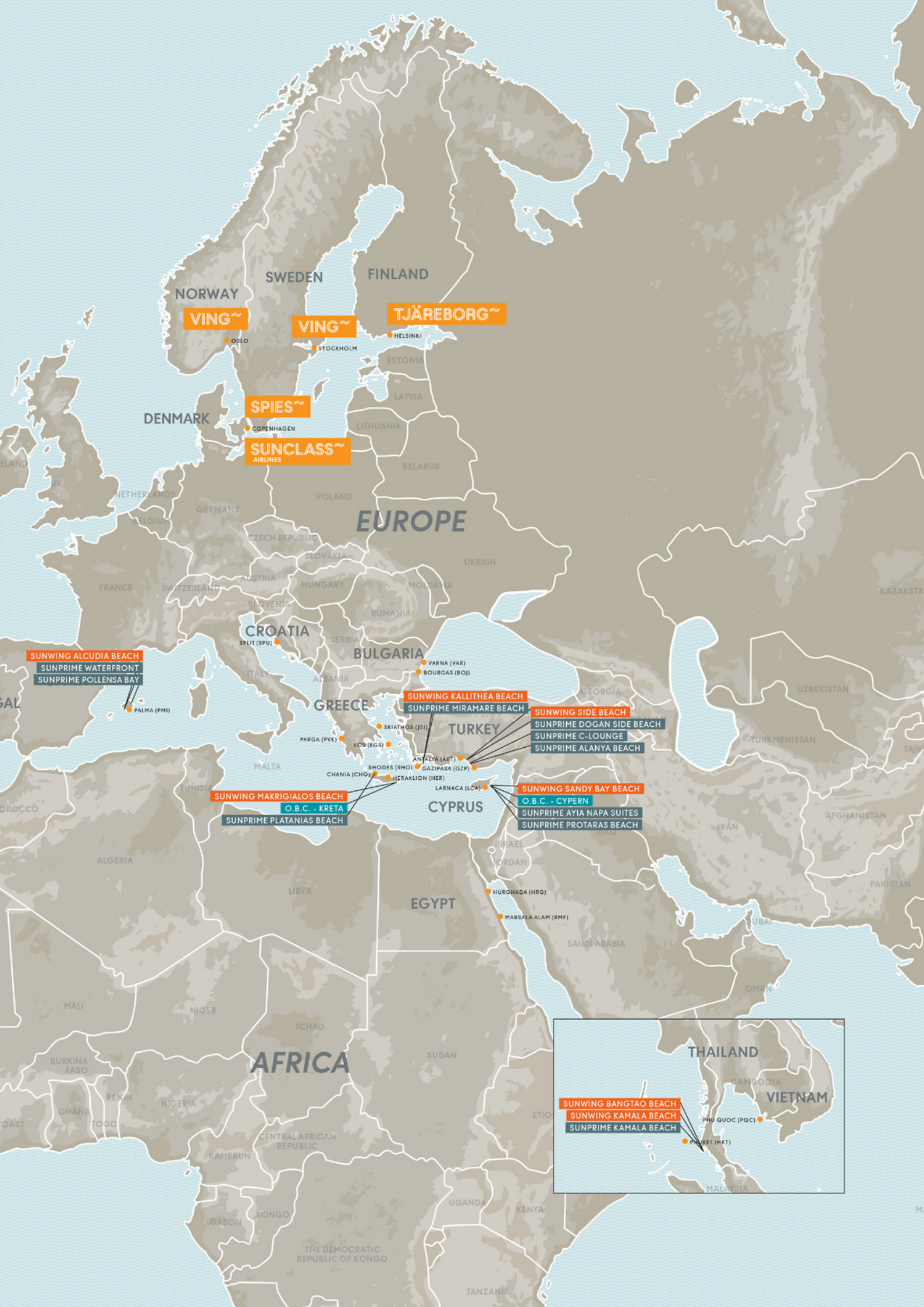
GUINEA-BISSAU

GUINEA

SIERRA LEONE

IVORY COAST

LIBERIA



NORWAY

SWEDEN

FINLAND

VING~

VING~

TJÄREBORG~

SPIES~

SUNCLASS~
AIRLINES

DENMARK

EUROPE

SUNWING ALCUDIA BEACH
SUNPRIME WATERFRONT
SUNPRIME POLLENSA BAY

CROATIA

BULGARIA

GREECE

TURKEY

SUNWING KALLITHEA BEACH
SUNPRIME MIRAMARE BEACH

SUNWING SIDE BEACH
SUNPRIME DOGAN SIDE BEACH
SUNPRIME C-LOUNGE
SUNPRIME ALANYA BEACH

SUNWING MAKRIGIALOS BEACH
O.B.C. - KRETA
SUNPRIME PLATANIAS BEACH

CYPRUS

SUNWING SANDY BAY BEACH
O.B.C. - CYPERN
SUNPRIME AYIA NAPA SUITES
SUNPRIME PROTARAS BEACH

AFRICA

EGYPT

THAILAND

VIETNAM

SUNWING BANGTAO BEACH
SUNWING KAMALA BEACH
SUNPRIME KAMALA BEACH

PHU QUOC (PQC)

PHUKET (HKT)

Vision & Philosophy

Our vision is to be the leading Nordic holiday company dedicated to wellbeing, this means that our key focus is to ensure the wellbeing of our customers but also for our employees and partners as well as the communities we touch. We wish to give our customers the best weeks of the year, and we do this by not just selling trips, but by creating expectations, experiences, and memories. Our employees are the key to this and we believe it should be fun, developing and rewarding to do a good job in NLTG.

The package travel business is complex and wide reaching. With a vision of being the leading holiday company in the Nordics, we are engaged in decisions, both large and small, from creating and delivering world class experiences, to increasing our fuel efficiency and reducing plastic and other waste at home, on the journey and in destinations. Within the Nordic Leisure Travel Group, we are continuously working toward greater efficiency and higher quality in our products and day-to-day operations. Our roots are Nordic, but we have a presence at many international destinations. However, we organize ourselves and operate as One Company and take advantage of the benefits it brings. In all parts of the business, we always strive to aim in the same direction, and we base our business foundation in a common culture to ensure the necessary framework and space for diversity and human differences. Our sustainability approach is a fundamental part of this vision and it is an important part of the efforts we make every single day to achieve our business goals. The specific efforts are described in this report.

CLASSIC PACKAGE HOLIDAYS

The heart of our business is classic package holidays, consisting of charter flights taking our guests to our own hotels as well as contracted hotels around the world, where we strive to deliver the best weeks of their year. To deliver this product we use a wide range of suppliers and partners such as airlines, hoteliers, tax free product suppliers, clothing suppliers, excursion providers, cleaning and laundry services, food and beverage services, and IT services.

DYNAMIC PACKAGING

Our complimentary offering consists of travel where the customers decide where they want to go, for how long, and where they want to stay. We provide bookings with regular airlines and many hotels worldwide that live up to our health and safety standards, but where we ourselves do not deliver the services. For this type of travel our main suppliers are airlines and bed bank services.

CRUISE

We have a high-quality cruise offering in addition to our other package travel. Cruise holidays are provided by cruise lines and booked by our customers through us. We provide additional services, such as connecting flights and hotel nights, as requested by the customer.

STAKEHOLDERS AND PARTNERSHIPS

We work with a variety of sustainability and industry organizations as we understand that collaboration is essential to bring about large-scale change. We are particularly committed to working with our supply chain, and selected stakeholders within the travel industry to create positive change.

We define stakeholders as any group with potential or actual influence on our business, including customers, employees, investors, suppliers, governments & regulators, NGOs & charities, academia, and industry associations. To ensure that we focus on the most material issues and those most relevant to our key audiences, we undertake a wide variety of stakeholder engagement including meetings, questionnaires, newsletters with feedback channels and participation in projects and conferences.

Our stakeholders include:

- Customers
- Employees
- Investors
- Suppliers
- NGOs and charities
- Governments and Regulators
- Academia and industry associations





Our Vision for Responsible Tourism

We know that the thousands of people who choose NLTG as their tour operator have high expectations on the way we do business, as well as on the product we deliver. We take this responsibility very seriously and set high standards for every aspect of our business. This is particularly true with regard to our role as a responsible tour operator, where we focus on the impact of our business – how to increase our positive impact creating jobs and prosperity for the people we employ around the world and how to reduce our climate footprint as rapidly as possible.

We are convinced that a sustainable travel industry is the only way forward, our customers will continue to travel, and it is our responsibility to ensure that they can do this without jeopardizing our planet at the same time. Therefore, we are building a strong and ambitious strategy and plan to make sure that our business contributes to this.

E – OUR ENVIRONMENTAL COMMITMENT

Our vision is to make a difference with every holiday by continuously optimizing all aspects of environmental impact during the entire customer Journey. By understanding the impact of each step, we can seek new ways of reducing or replacing elements that add to our total footprint.

Over the past decades, we have delivered great results and we plan to continue doing so in the future. Our efforts today are built on a rigorous and target oriented program, reflecting several key stages of the customer journey.

As the world around us is changing and with a solid and ambitious environmental vision as ours, we have decided to push ourselves even harder to meet our own high expectations for delivery in the future.

Our new strategy enables us to focus our efforts on where we can make the highest impact and make big leaps towards creating a zero-impact travel industry.

Our 2021 – 2030 targets are ambitious and with a plan to secure fulfillment. In the long run we aim for zero-impact from all our activities, no matter where and how we operate.

On the road to zero-impact, we will invest in more fuel-efficient aircrafts and use more biofuel, we want to free ourselves from the use of disposable plastic and other harmful materials, we want to convert to renewable energy sources at our own Sunwing, Sunprime and O.B.C. by Sunwing resorts and finally we want to invest in innovation and new technology that will enable us to deliver a zero-impact product to our customers.

S – OUR SOCIAL COMMITMENT

Every holiday makes a difference – to our customers, to our employees and to the communities that we interact with. We know that our business has had a positive impact on the prosperity of small communities and that we ensure a higher living standard for many families across the globe. This is a positive impact of tourism – and we will continue to increase this by hiring local people and supporting local businesses.

Our employees are our most important assets – without them we would have no business, this is why the wellbeing of our employees will always be at the top of our agenda. We ensure we have a positive and inclusive working environment that enables everybody to strive and fulfill their potential.

G – OUR GOVERNANCE COMMITMENT

A solid governance structure is in place across the company. It helps us to be aware of factors that may affect the business and the interests of our stakeholders in short, medium, and long term, and to act accordingly. The process is anchored from the board to the top management layers and down to the operational levels.

NLTG operates in four different source markets. The Nordic countries are similar in many ways, but there are visible and important variations in the structure of society and within legislation and thus different challenges that must be addressed. This means that sustainability risks must be managed in different ways across the business depending on requirements and priorities. Identified impacts and risks appear from our sustainability materiality analysis.

Our new and ambitious ESG strategy is launched in December 2021 and contains clear targets and milestones for what we are planning to do in order to reach our targets and make our contribution to a Responsible Tourism industry.



Our mission is to take a position as the leading holiday company in sustainable travel.

The Ten Principles of the UN Global Compact

We believe that corporate sustainability starts with a company's value system and a principle-based approach to doing business. This means that we operate in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption. Our responsible business approach applies with the same values and principles wherever they have a presence in any part of our business operation, in places we and our customers use and when we interact with people across the world. We support the **10 principles of the United**

relevant policies and operation is placed in the central sustainability organization. The sustainability team is organizationally placed under the group's Strategy department with a direct line to the senior management of NLTG and with cross-reference to the strategic unit of the group. In this way we ensure that compliance is continuously aligned with stakeholder requirements, management directions and group strategies.

MATERIALITY ASSESSMENTS

On an on-going basis we conduct internal materiality assessments of our environmental impacts and social and corporate commitments to help us better understand the changing landscape around us, and to evolve our sustainability strategies and tailor our efforts so that it aligns with our strategy and the obligations our operations are subject to. The responsibility of the assessment process lies with the group sustainability management team. The outcome of the process is subsequently anchored with the Senior Management and the Group Risk Management team.

The mapping process has revealed several important matters that we consider essential to either our stakeholders, the business, or the corporate social responsibilities to which we are committed. Lack of focus and ability to adapt to the identified factors can lead to damage to the company's reputation, ability to compete, increase operating costs, impact in the supply chain, contribute to loss of employee talent and skills and apply negative impacts in destinations we and our many customers visit every year.

The climate impact is the most important sustainability factor right now, which has the strength to harm the company in a longer perspective. However, NLTG has for many years had a strong focus on reducing emissions and in 2019 a new step was taken to address airline emissions, by introducing a wide-covering climate compensation program as a first step.



United Nations
Global Compact

Nation Global Compact and align the principles with our business Code of Conduct guidelines.

Our strategies and target plan are connected to, and support,

relevant UN's global development goals that works for a more sustainable future for all. Our social and environmental engagement will have a particularly positive effect on selected GDG goals. Within the fiscal year 20/21, we have used a third party certified environmental programs in our brand hotel operations, in support of our ambitions and effort.



MANAGEMENT OF SUSTAINABILITY

The Board of Directors retains responsibility for the overall success of the Nordic Leisure Travel Group, and that sustainability is an integral part of the company's business vision and strategic plans.

They oversee, provide direction, and take the overall responsibility for the Groups ESG management and reporting obligations. The day-to-day responsibility for development and oversight of

ESG is an integrated part
of all touchpoints across
the NLTG customer journey





We have not identified any external or internal environmental or CSR factors in the past financial year which could harm the business now or in a near future perspective.

RISK MANAGEMENT

NLTG Group maintains a robust risk management framework to enable the identification and mitigation of risks faced by the business in achieving its strategic objectives. The objective of the framework is to embed proactive risk management into day-to-day operations that promotes risk awareness in decision making. All our Group businesses maintain a structured risk management process, which proactively identifies, assesses, evaluates, enables decision making regarding mitigations and reports on risk arising from the Group's activities.

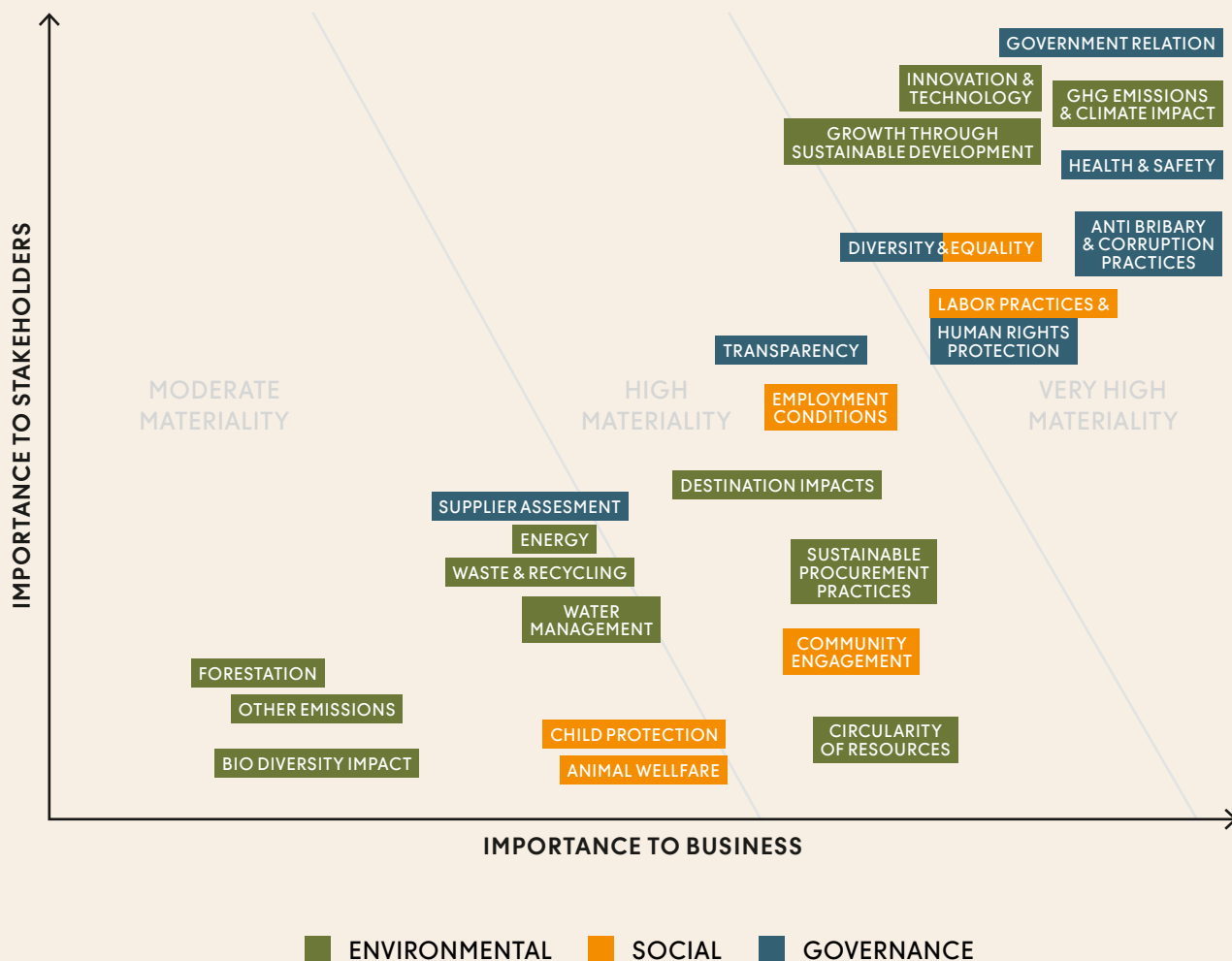
Risk Management in Sustainability

We operate in a dynamic and rapidly evolving industry. This requires a flexible and responsive risk management process. Risks are evaluated using a risk register approach which assesses the likelihood and impact of each risk.

Significant sustainability risks include:

- **Brand reputation**
We are aware that reputational challenges have an impact on our business revenue and brand value. Risks include third-party deliveries and ethics, competitive attacks, and hazards or other catastrophes. We also see subjects related to the handling of issues and concerns related to the COVID-19-pandemic, regulatory compliance, employees, and executive misconduct as potential risks. Risks are managed by ensuring that performance always match expectations. We are aware that proper handling determines whether value or loss is created.
- **Climate Change and greenhouse gas emissions**
Climate change is a global challenge and a threat to all holiday travel organizers. Warmer atmospheres, rising water levels and impacts on humans pose a risk that travel in the future may not be as we know it today. Some destinations will not be available and new locations will have to be found to maintain a business foundation. Furthermore, aviation, which is a central part of the current product, is exposed to a significant risk of impact, and will require extensive change over time.

Nordic Leisure Travel Group 2021/22 Sustainability Materiality Assessment



- **Energy cost and energy security**

As a travel company, we depend on efficient energy supplies. We use large amounts of raw materials as an energy product in our own airline and have electricity supplied from supply systems to our hotels around the world. It is crucial that the supplies are protected and that the prices are stable so that we can ensure the operation of the company.

- **Supply chain management**

Operators in the travel industry are exposed to risk of failure of deliveries in products or services. For our business there is a risk that there may be a lack of key supplies for our core operations, in particular our hotel and airline operations. In these cases, we will not be able to provide the services we offer our customers, and the business is thus affected financially.

- **Recruitment and retention of talent**

Our success is driven by our ability to attract talent and to provide a framework that enables them to deliver our strategy and bring the business forward. If the company does not maintain a firm grip, there is a risk that in the long run it will not be able to attract the right talent and to create a foundation for future presence.

- **Sustainability of destination**

As a holiday travel provider, we are exposed to a risk in the event of incidents or changes to the destinations we use. This can include natural disasters, outbreaks of diseases like the ongoing COVID-19-pandemic, or interruptions for political reasons. Should such an event occur in any of our destinations, there is a potential risk of significant operational disruption and costs to our businesses.

CRISES MANAGEMENT

Our company has a well-established and functional system for dealing with any crises related to our business. Key to our Crisis Management is our Duty Office setup in association with our cross functional operative management team (Silver Team). Our Duty Office is always open and triggers any event. Head of Duty Office is also Silver Team Leader. Thus, the middle-management team takes the operative responsibility for responding to a crisis. They find their mandate from the Gold Team, led by the Nordic Leisure Travel Group CEO, who is always informed. The Microsoft O365 collaboration platform together with our own developed CRM-system gives us the trusted IT-environment for working with this data. As an integrated part of the business, our own airline Sunclass Airlines has a default role in both Silver and Gold Teams.



Throughout recent years, we have had the luxury only to regularly exercise the scenarios of crisis with heavy impact, e.g. accidents. Even so, world-events like COVID, Ash clouds, Calima storms and military coups, really test our ability to swiftly adapt and respond to any scenario. We can honestly state that we are up to the task of always protecting and informing our customers and staff.



Nordic Leisure Travel Group Policies and Guidelines

Our sustainability and social responsibility work are governed by a number of policies and guidelines. All policies are continuously adapted to the reality in which we live and are anchored in our Legal unit.

CODE OF CONDUCT

The Code of Conduct is our main policy document, acting as an umbrella document for all other policies and guidelines. It applies to all employees and all areas of the business within the Nordic Leisure Travel Group. The policy covers a range of topics including our business values, behavior within the company, health and safety at work, child protection, bribery, gifts and entertainment and more. Within all areas the policy sets out the standard to which all employees and the business is expected to adhere, and what process to follow if any deviation from the code is discovered. Every employee within the Group is required by the Code of Conduct to be vigilant against breaches of the policy, and to report any deviations found.

SUPPLIER CODE OF ETHICS AND CONDUCT

The Supplier Code of Ethics and Conduct sets out the minimum standards of business behavior expected of Suppliers, who must have processes in place to monitor and maintain these standards, including their own supply chains. The policy applies to everyone across the Group, in whichever jurisdiction they are located: employees, managers and directors, temporary workers and all third parties associated, and doing business, with us. The code covers, among other things; Human Rights, Child Labor, Child Protection from sexual abuse, Forced Labor, Wage and Benefits, Fair Treatment and Equal Opportunity, Health and Safety, Anti-Bribery and Corruption, Gifts and Hospitality, and Conflict of Interest.



Transparency is important for us:
No cases have been reported this fiscal year.

SUSTAINABILITY POLICY

Tourism and travel affect not only the environment but also, the local inhabitants at the destinations we

travel to. We constantly strive to minimize the negative effects of tourism and increase the positive ones, whenever possible and anywhere we operate, while at the same time showing the highest regard for people and places. As part of our engagement in corporate responsibility and sustainable operations, we are fully committed to comply with Human Rights and protect Children, represent and support the important cause

to protect our world, and to care for customers, employees and partners and deliver transparency and communication in all we do.

ENVIRONMENTAL POLICY

NLTG has a dedicated environmental policy, which sets out goals for the business in reducing the consumption of fossil fuels within our own airline operations: measures to help us reduce resources, such as materials and products used in the supply chain; waste, energy consumption and heating reduction; reduced consumption of environmentally harmful chemicals; noise pollution; and conscious purchasing. The policy also describes our efforts on emissions offset approach.

CHILD PROTECTION POLICY

At Nordic Leisure Travel Group, we are fully committed to respecting children's rights as set out by the United Nations Convention on the Rights of the Child. The Child Protection policy outlines the company standards which are in place to safeguard children, both customers and local at destinations. The policy outlines our commitment to provide adequate training, information, and support to customers and employees, reporting processes and investigation procedures to protect children from harm.



We operate a zero-tolerance policy against any form of abuse, neglect, or exploitation of children

We condemn all forms of sexual exploitation of children and support all acts of law made to prevent and punish such crimes. NLTG demands that guests, partners, and all members of staff refuse to take part in sexual exploitation of children, and that they report all cases of sexual exploitation of children of which they become aware. Breaching this policy may result in dismissal, reporting to the police and the end of ongoing collaboration.



Transparency is important for us:
No cases have been reported this fiscal year

ANIMAL WELFARE POLICY

At Nordic Leisure Travel Group, we care about the welfare and protection of both captive and wild animals which form part of tourist attractions and which are also impacted by tourism. **No compromises can ever be made.** That is why we have devised a clear policy for animal welfare. The policy is underpinned by a fundamental message: We have zero-tolerance for exploitation of animals, and distance ourselves completely from everything that involves animals in captivity and from any other type of animal use or abuse for entertainment or commercial purposes. In practice this means that we commit ourselves to refrain from

participating in, organizing activities, or selling excursions to our customers, which includes activities where animals are either exhibited, used, or exploited for entertainment or commercial purposes. Consideration shall apply to animals in captivity of whatever form.



We operate a zero-tolerance policy against any form of exploitation of animals.



**Transparency is important for us:
No animal welfare cases have been reported during the financial year.**

CHARITY AND SOCIAL ENGAGEMENT POLICY

Our Charity & Social engagement approach follows our Group sustainability strategy which aims to deliver positive footprints both at home, on the journey and on holiday. We focus our contributions toward the areas of human working conditions: health support in local and destination communities, climate and environmental care, and child welfare and education.

ANTI-BRIBERY AND CORRUPTION

Our Anti-Bribery and Corruption Policy includes a list of actions and circumstances that constitute warnings for corruptions. It also clarifies our zero tolerance with all forms of bribery and corruption, both internally and externally. To ensure that our policies are complied with, there is a whistleblowing function for reporting wrongdoing (illegal or unethical conduct) or malpractice.



We act with zero-tolerance against bribery or corruption in any form by any stakeholder group related to the company.



**Transparency is important for us:
No cases have been reported this fiscal year.**

EXTERNAL AUDITING (HOTEL OPERATIONS)

Through our collaboration with Travelife, our work on the environment and social responsibility is followed up by the independent auditors of Travelife every two years. Travelife, is a sustainability accreditation scheme, providing guidelines and measurement systems aimed at contributing to improvements in environmental and social responsibility in the travel industry. Companies associated with Travelife must contribute to society by employing locally, using local suppliers and by marketing local business. They must also work against child labor and child sex tourism.

EU-EED COMPLIANCE (TOUR OPERATOR BUSINESSES)

The EU Energy Efficiency Directive requires all major companies in the EU to map energy consumption and set goals for optimizing

energy systems going forward. The responsibility for ensuring compliance lies with the individual national authorities. The relevant entities in the Nordic Leisure Travel Group all comply with the requirements of the EU EED directive.

EU-ETS COMPLIANCE (SUNCLASS AIRLINES)

The EU emissions trading system (EU ETS) is a cornerstone of the EU's policy to combat climate change and it is a key tool for reducing greenhouse gas emissions cost-effectively. The EU ETS works on the 'cap and trade' principle. The system also covers re-portable CO2 emissions from the aviation sector. Nordic Leisure Travel Group operates its own airline, Sunclass Airlines, which is compliant with the ETS requirements. Since the inception of the ETS, our airline has conducted independent assessments of the fuel and emissions for each year. The next process will be completed in the spring of 2022, and the responsibility is placed with the airline's flight operations department at the head office in Copenhagen Airport - DK.

Environmental performance

Our environmental work focuses primarily on the environmental impact of our airline and hotels. The two areas together represent more than 95 % of the total environmental impact deriving from our business operations. Our own airline, Sunclass Airlines, operates a fleet of eight fuel efficient Airbus Single-aisle A321 and two Airbus A330 Wide-body aircraft. Due to our successful business model, our modern and refurbished aircraft fleet manages to deliver a very high load factor resulting in low emissions per passenger kilometers. However, operating under the pandemic conditions the last two fiscal years has been challenging, with a negative impact on our fuel performance and emissions per passenger kilometer, compared to normal years.

In 2015, the airline received eight new Airbus A321s replacing older models, and with these new aircraft, which are much more fuel-efficient, they have contributed to important carbon reductions. Before the winter season 22/23, the company will receive a brand-new Airbus A330-900neo, which is one of the most fuel-efficient aircrafts on the market at present. The aircraft is part of a larger replacement plan that the group is looking into. Our fuel consumption is recorded and evaluated yearly by an external auditing body, in compliance with the EU-ETS obligations.

AIRLINE OPERATION

Sunclass Airlines was also the first airline in Europe to start with waste separation onboard in 2001. Today, the goal is to sort all

waste on all our flights and by this investment and initiative we have managed to reduce waste by more than 70 % since 2001.

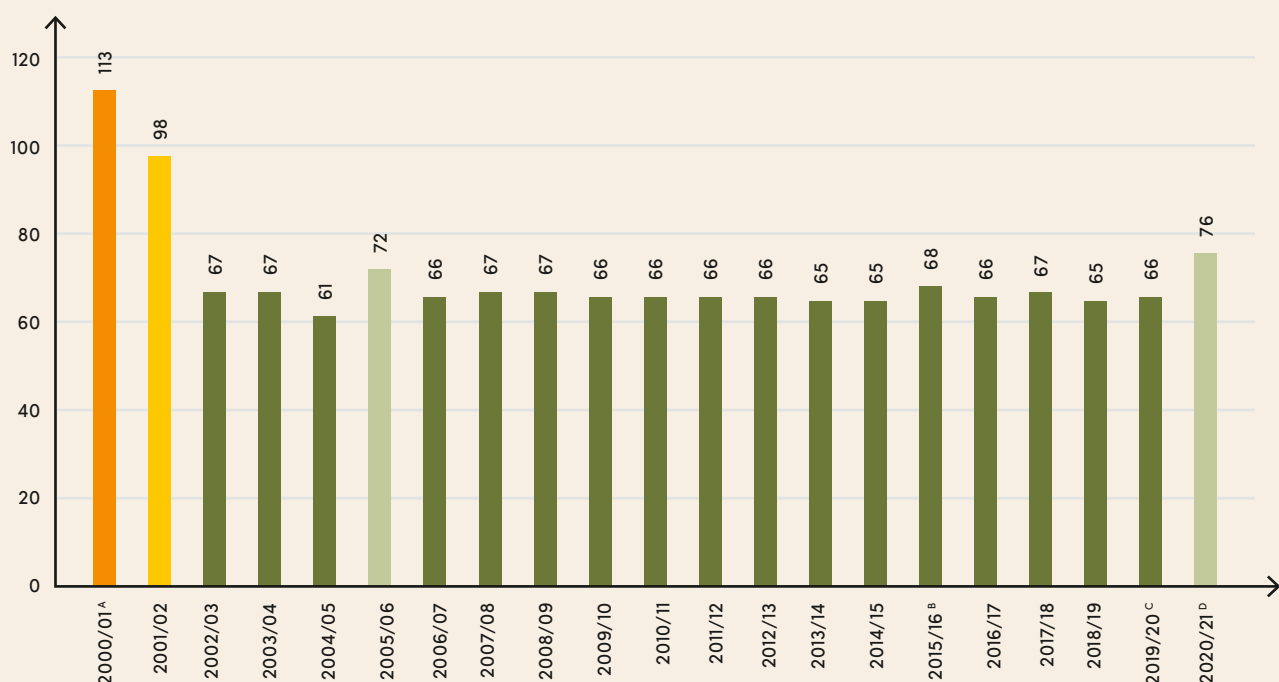


70 % reduction of on-board waste over the last 20 years.

During the last 16 years Sunclass Airlines has also been working with so-called “green flights” procedures. This means that every part of the flight is environmentally considered and optimized wherever possible. The process is divided into several stages from route planning before start, departure, journey, approach, and landing. The benefits of “green flights” is to reduce fuel consumption and cause less noise while ensuring continuous onboard comfort for our Nordic holiday makers.

There are currently no industry standards for how airline operators should disclose their fuel consumption and emissions, outside the regulated EU ETS scheme. In our calculations and performance figures, we consciously choose to include all empty flights we perform, and not only flights with passengers on board. In this way, we provide a legitimate picture of our imprints and achievements. This year, we have been further hit by lower cabin load factors and a number of unforeseen empty flights, due to pandemic shutdowns in some of the destinations we have operated during the year. The airline maintains a strong

Sunclass Airlines average CO2 emissions per pass-km/grams



focus on fuel efficiency measures, and the flight operation team continuously assess current and new measures that can support our target to reduce fuel consumption, and thus emissions.



Carbon Emissions Per Passenger has decreased more than 50 % since 1990 – source: IATA.



Sunclass Airlines: The Covid-19 pandemic has had a considerable impact on our overall fuel consumption, and total CO2 emissions as of this year is approximately 80 % lower than in a normal operating year. The total consumption of aviation fuel was about 25 thousand tons, which corresponds to about 78 thousand tons of CO2 emissions.



It is estimated that aviation currently accounts for 2-3 % of global CO2 emissions. Aviation contributes to climate change – that’s a fact. However, it is often less than people think. It is currently a relatively small chunk of global emissions compared to other industry sectors.

RESORT & HOTELS OPERATIONS | TRAVELIFE

We work extensively with our hotel brands to enable our customers to experience local products and services, giving them an authentic taste of the local culture and helping the local economies thrive.

Hotels are key to sustainable destinations. They play an important role in protecting the local environment and improving the lives of local communities. Hotels must demonstrate they are managing these impacts.

By 2022 we aim to have all our own-brand hotels accredited by Travelife, the internationally recognized scheme which helps hotels and accommodations to manage and improve their social and environmental performance. This is a significant challenge. With different types of hotels in many regions of the world, influencing our partners and supply chains is not always easy and not all hotels fall under our direct control.

During the financial year and due to the Covid pandemic, we operated 14 resorts out of 25 under the following brands: Sunwing, Sunprime and Ocean Beach Club by Sunwing. All hotels are operated with strict sustainability requirements under the Travelife scheme. We currently also offer our NLTG customers to choose between 72 hotel accommodations with an environmental program accreditation, all complying with [GSTC Industry Criteria for Hotels](#).

FACILITY AND INHOUSE OPERATIONS

Our environmental work impacts all parts of our company. In our home organization and in offices across our source markets, we work towards reducing energy consumption and waste wherever we can.

Our ambition is to buy green electricity for all our branded hotels where this is possible. We have reduced the emission from energy consumption at our branded hotels in Spain with more than 50% compared to 2018 by changing to 100% green electricity.

By 2025

At least 30% of our own brand hotels will operate with zero-carbon emission from electricity consumption

By 2030

All our own brand hotels will operate with zero emissions from energy consumption



CLIMATE IMPACT AND CARBON EMISSIONS

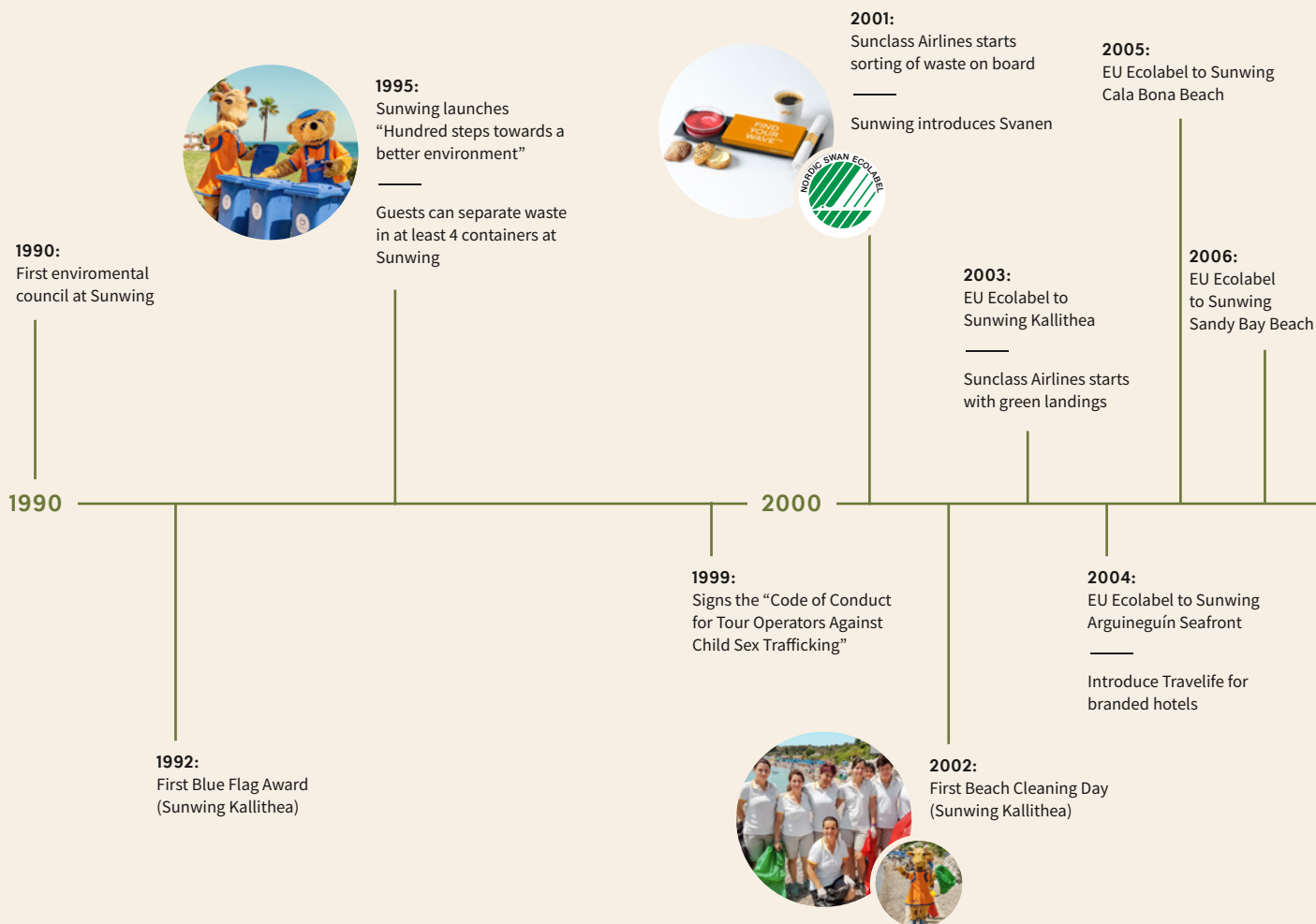
Climate change is a real and significant risk facing the people and the planet. The World Economic Forum lists climate change and extreme weather events among the top five global risks, both in terms of likelihood and severity. Travel and tourism not only contribute to climate change but will be increasingly affected by climate change, with the Intergovernmental Panel on Climate Change (IPCC) special report on the impacts of a global warming of 1.5 °C also highlighting the increased risk to coastal tourism.

Airlines will also suffer negative consequences because of climate change, such as increased disruption to routes, increased turbulence, reduced aircraft performance and loss of critical infrastructure. Air transport accounts for approximately 2-3 % of global man-made carbon emissions, according to the Air Transport Action Group (itag.org). With passenger numbers and emis-

sions predicted to rise in the future, International Civil Aviation Organization (ICAO) has acted across the industry in the form of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This scheme aims to aid the air transport industry in achieving carbon neutral growth from 2020.

The risks presented by climate change directly impact our business, both now and in the future. This being the case, we take our climate change impacts seriously and are acting to improve our environmental performance and limit our impact across all areas of our business. We recognize that the emissions, especially from flying, have a negative effect on the climate and the environment. As part of our ambition to work towards a zero impact from our activities, we have chosen, during this financial year to get involved in CO2e* offset in parallel with our work to reduce consumption. We see it as an important contribution here and now but fully understand,

The company has more than 30 years of experience with environmental and CSR issues, and has delivered many results over time.



that offsetting is not a long-term solution, but the best option while we wait for new aviation technologies and biofuels. In continuation of the new ESG strategy we have presented at the end of 2021, it is our ambition to find alternatives to offset already from the summer operations 2022.

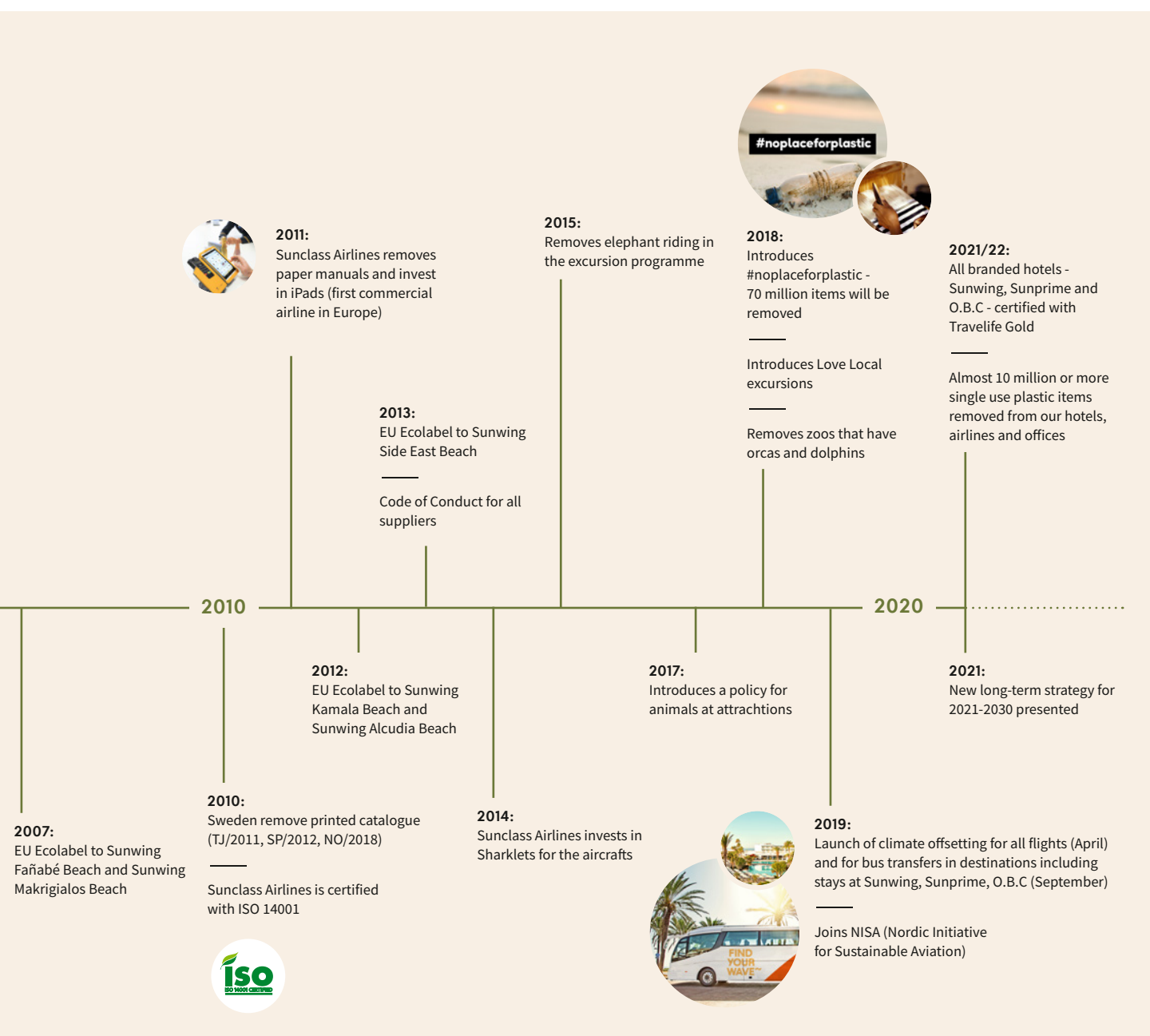


“Carbon dioxide equivalent” or “CO₂e” is a term for describing different greenhouse gases in a common unit (Carbon dioxide, Methane, Nitrous Oxide, Hydrofluorocarbon gases, Perfluorocarbon gases and Sulphur Hexafluoride). For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂e which would have the equivalent global warming impact. We leave calculation methodologies to our partners to ensure validity of our emissions offsets.

In 2019, the Nordic Leisure Travel Group launched the most extensive travel and airline carbon offsetting program in the industry in partnership with Natural Capital Partners (NCP). The program offset all emissions for all customers and staff on duty, regardless of airline, all hotel stays at our own hotel brands; Sunwing, O.B.C and Sunprime, as well all bus transfers to and from the airports in the destinations.



Since 2019, we have successfully managed to compensate the climate impact from our activities by 908,000 tons of CO₂e. The volume corresponds to the emissions from our operations commencing from the starting point in April 2019 and until October 2021, this reporting period included.



The initial expectations for emissions have been greatly reduced this year due to the Covid-19 pandemic situation. As a result, we have had surplus credits from existing projects that we have been able to transfer to this financial year. Thus, the need to purchase of additional offset credits has been limited. The CO₂e emissions from our operations are compensated through investments in different types of projects that all provide a benefit for the climate, that meet the strict requirements of the United Nations Clean Development Mechanism (CDM), are verified Carbon Standard (CES and CER) or Gold Standard projects developed by WWF and supported by more than 80 environmental organizations.

The total NLTG offsetting accounts to 1.8 million travelers' flights and 700.000 stays at our own branded hotels, Sunwing, O.B.C and Sunprime. In addition, 1.3 million customer bus-transfers between airport and hotels are included in the offset scheme.

Our initial investments have had a positive impact in many local communities and is estimated by our partner to have supported more than 125 000 individuals directly, in the period from the start in April 2019 and until the end of this financial year. Our 908,000 tons of CO₂e emissions are compensated through investments in the following project profiles:

- Wind power
- Solar energy
- Hydropower
- Water infrastructure

Project investment areas



Windpower



Hydropower



Solar energy



Water infrastructure

In addition to the climate offsetting program we aim the internal environmental work at our own airline operations and at the activities in our own resort and hotel division. Carbon emissions from our own airline is the single biggest environmental impact and as such we have a specific focus on the airline's emission performance.

As support to our aim to reduce the impact across the business our internal flight operation teams continuously analyze data and always assess the possibilities for implementing energy and emission-improving measures in all parts of the flight process from pre-flight planning, in the air, on ground and to the completion of the flights we operate. In our hotel operations, we work tirelessly to reduce the use of energy consumption and thus the carbon and other emissions. All our hotels use environmental programs as a guideline and control.

Environmental objectives have been introduced for existing hotels and for future ones to be built. The overall goal is to free ourselves from climate impacts in both the construction process and operation.

Our own airline has one of the lowest CO₂ footprints in the European aviation industry. Under the harsh conditions that the crisis has contributed to during this financial year, we have managed to keep our average emissions per passenger kilometer at only 76 grams.



Sunclass Airlines has delivered more than 20 % reduction in direct carbon emissions over the last two decades.

We follow and keep ourselves updated on relevant technological developments within the aviation industry and the work of developing sustainable fuel types that can be used as an alternative to the kerosene that we use today.



As part of our aim and efforts, we support and are an active member of the organization NISA (Nordic Initiative for Sustainable Aviation) which works for sustainable aviation in the Nordic region.

NISA
Nordic Initiative for Sustainable Aviation

Our plastic commitment

We have set a target to free ourselves completely from the use of single-use plastic in our own operations by 2025. The transformation has been underway since 2017 and has led to significant reductions in the consumption of disposable plastic across our business. We estimate that around 10 million units of single-use plastic products have been removed from our operations so far. Some of the products have been entirely removed from our supply chain. Others have been replaced with sustainable alternatives. The replacement process will continue with undiminished strength over the coming years, and with a special focus aimed at our own hotel and airline operations.



We aim at being free from use of single use plastic by 2025.

During the fiscal year 2020/21, NLTG has taken an important step towards reducing plastic consumption and converting to sustainable materials in the food concept program on board our own airline. Our new meal concept combines great quality food, with a sustainable and futureproof packaging. The relief on the environment is considerable and visible but will only have its full impact when the operations are back to normal after the Corona situation is over. This is a great improvement of our product and the entire customer journey. Sunclass Airlines is among the first airlines to introduce this innovative and environmentally friendly meal concept.



Human Rights & Social Responsibility

NLTG recognizes the UN Guiding Principles on Business and Human Rights and supports the UN Convention on Rights of the Child. We are also aligned with the UN Global Compact. These globally agreed principles and programs enable us to operate a structured approach to these issues across our global business.

We are determined to further reduce the risk of human rights issues in our supply chain, and reviews of our Supplier Code of Ethics and conduct and risk assessments are being done continuously.

COMMUNITY AND CHARITY ENGAGEMENT

We are an important part of the communities in which we live and work. We will provide support to these communities and strive to improve the lives of those who live there through employment, supply of goods and services, and charitable support. By supporting and engaging in social projects at home and at our destinations, we want to support the local communities, people, and surroundings we meet in our destinations.

Nordic Leisure Travel Group has a long-standing social engagement in The Gambia and Thailand with contributions to hospitals, schools, and people in need in those communities.

Ving Sweden has for many years contributed to My Special Day (Min Stora Day), a nongovernmental organization, granting wishes for Swedish children and teenagers 4-18 years old, with serious illnesses and diagnoses.

Our ambition is still high, and we continuously try to contribute to well-meaning projects and other good causes, within the financial framework we have available. This year has been different in many ways due to the impact on our business, and our support efforts are obviously affected by this.

Our Staff

Our People Promise says that it should be fun, developing and rewarding to do a good job in NLTG, and this can only be achieved by ensuring we have a truly engaged and diverse workforce. Taking care of our employees and creating the best possible conditions are a key part of our business vision, as described earlier in the report.

2020 and 2021 have been difficult years for the Group. Due to the pandemic we have had to pause our operation for much of the period. Furthermore, we have had to reduce our workforce, and most of our staff have been on the different furlough schemes offered in the countries where we operate. We have made it possible for everyone that can work from home to do so and provided safe working environment for those who cannot work remotely.

During 2020 and 2021 we have paused external investments, focusing instead on internal knowledge sharing and developing our processes. We carry out employee pulse surveys to provide our people with the opportunity to provide feedback about how they feel about working at Nordic Leisure Travel Group. Results from the survey are shared with each team so they can build detailed action plans to ensure continuous improvement. Our employee pulse surveys in 2021 show that 71 % of the staff feel well supported by the company, despite the difficult year for the Group. We can also see that 89 % of employees have full confidence in NLTG and in the future.

We have engaged the whole company in surveys and focus groups to establish our new company values; Curious, Dedicated and Genuine. The values were launched in spring 2021, followed by workshops with all employees.



INCLUSION AND DIVERSITY

We believe in a working environment where everyone is accepted and included and can be themselves. To support this work, we have introduced a new Inclusion and Diversity Policy during 2021. Our commitment is to strive to be an attractive workplace for everyone. We believe that this can only be achieved if our workforce is diverse, and our workplace is inclusive and there is no place for unfair or unlawful discrimination or harassments in any of our decisions or behaviors. We are committed to making sure all our internal policies and procedures contribute to our commitment.

We take great care to make sure our recruitment and selection process, learning and development activities and career progression opportunities do not allow for discrimination. We have an active process of goal setting and development plans for each employee, to ensure that our business objectives and strategy are carried out at every level of the business and that employees are engaged, focused and receive training and career development.

Women and Men in our workforce

The ratio between women and men in the Nordic labor force was approx. 56 % women and 44 % men. When it comes to managers the ratio is women 47 % and men 53 %. There are differences between departments and countries. In the coming years we will focus on the areas where we have gaps and we will initiate activities to increase the representation of the underrepresented gender.

MORE INFORMATION ABOUT OUR ESG WORK AND ANNUAL REPORT

If you are interested in reading more about our business and work in environment, social and governance topics, we recommend that you visit our brand websites for further updated information.

www.ving.se
www.ving.no
www.spies.dk
www.tjareborg.fi
www.sunclassairlines.dk/fi/no/se



Auditors Statement

To the general meeting of the shareholders in NLTG Holdco AB,
corporate identity number 559222-2789.

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report that it has been prepared in accordance with the Annual Accounts Act.

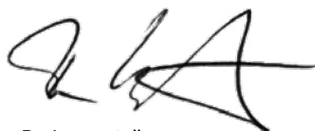
THE SCOPE OF THE AUDIT

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 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 17 December 2021
Öhrlings PricewaterhouseCoopers AB



Bo Lagerström
Authorised Public Accountant



Nordic Leisure
Travel Group