

Sappee Resort

Sustainability Report

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Summary

1 Sappee Resort

Sappee Resort is located in Salmentaka (Sappeenvuori) in Pälkäne, on the outskirts of the largest cohesive forest area in Southern Finland, Laipanmaa. The local people have used Sappeenvuori for skiing long before there were any commercial services provided.

The resort was opened in 1989 and the current owners have been entrepreneurs in the area since 1992. The resort offers a wide variety of services including accommodation and restaurant services, slope services (skiing and snowboarding in the winter and downhill cycling in the summer) as well as adventure park services. A company providing programme and adventure services also operates in the area throughout the year, as does a company that owns various types of machinery. These companies all have the same main owners.

The area receives some 250 000 visits yearly, of which 150 000 are during the ski season and the remaining 100 000 outside of the ski season. The area hosts some 65 000 overnight stays in a year. During the peak season, the resort employs around 100 people.

Sappee Resort (Deltarec Oy) has paid extra attention to energy consumption ever since 2009 when it signed up for Motiva's Energy Efficiency Agreement. Sappee has improved its energy usage by, for instance, using energy efficient LED lights, updating ski lift operating equipment with more energy efficient frequency converter systems, renewing snow groomers regularly, and by streamlining the snow making system.

Sappee Resort (Deltarec Oy) has been accepted into the STF programme (Sustainable Travel Finland) in 2021. We hope to receive the STF label within 2022.

Sappee Resort (Deltarec Oy) strives to be carbon neutral by the year 2026. Ever since 2009, after signing up for Motiva's Energy Efficiency Agreement, we have worked toward this goal. Wider-scale and more concrete steps towards becoming carbon neutral have begun in 2021 as the resort set out to calculate their actual carbon dioxide emissions as well as working out how to reduce them and how to correctly compensate for them.

2 Environmental Responsibilities

Environmental Responsibility underlines the organization's responsibility for the direct and indirect environmental impacts caused by the company's operations. Its objective is to operate responsibly, considering the carrying capacity of the environment and the sustainable use of natural resources.

2.1 Energy use

A lot of electrical energy is required to build, produce and maintain the services and infrastructure of a ski resort. Sappee has used Ekoenergy, certified by The Finnish Association for Nature Conservation, since 2016. Ekoenergy is zero-emission bio energy. When it comes to electricity consumption, the resort is already at zero emissions.

The resort uses combustion engine machines and devices (snow groomers, snowmobiles, ATVs and other machines). All the resort's two-stroke snowmobiles have been replaced by four-stroke snowmobiles that produce lower emissions. Equipment is renewed regularly. The resort has also investigated the suitability of electric powered snowmobiles and considers making the switch to electric as soon as the machines are suitable for the needs of the resort.

Regarding fuel use, the resort is looking into switching over to bio fuels and measuring true carbon dioxide emissions. After the emissions have been calculated, the resort can make compensations. The goal is to direct the compensations domestically and make full compensations for the emissions produced.

In terms of lighting, the resort has changed the area's general lighting to more energy-efficient LED lights and is in the process of doing the same for slope lights, according to their renewal schedule.

All the slopes in the resort have artificial snow. In the past 10 years, the resort has invested around one million Euros in making its snowmaking system more efficient. The aim of the investment has been to make the system more efficient when it comes to production but also energy efficiency.

Along with these investments, the resort's need for electrical energy has decreased in comparison to the amount of snow made in cubic metres.

The resort encourages its guests to pay attention to energy consumption when staying in resort accommodations. Once the recycling services expand, the guests will be instructed to recycle correctly.

2.2. The Environment

The resort is located on the outskirts of the Laipanmaa wilderness area. The surrounding nature and the environment play important roles in the services the resort provides, and the resort emphasizes the diversity of nature and the condition of the environment in all their operations.

The resort's ski slopes have been built on land owned by the company. As customer numbers have increased, the need for building more slopes has become a reality. New slope areas have been planned. Landowners, the environment and minimizing the impact on nature have all been considered in the planning process.

If new slopes were to be built, they would be built in wooded areas. The trees in these areas would be cut down and compensated through ecological compensation, which means that Sappee plants the same number of trees in another location that was cut down during this operation.

All the slopes in the resort have snowmaking systems. These systems require water, energy, manpower and machinery. The water required for making snow is pumped from Iso Arajärvi lake located at the northern end of the slopes. The surface area of the lake is 44 hectares, it is 1,6 kilometres long and 700 metres wide. The lake has four bays protruding in different directions: Soukonlahti to the northwest, Hyyrätinlahti to the east, Pitkälahti to the southeast and the fourth bay bends to the southwest. The lake drains into Sappeenjärvi, which then drains into Pälkänevesi. The lake is part of the Kokemäenjoki waters.

Pumping water from Iso Arajärvi is subject to permission. The resort keeps track of the amount of water pumped as well as the water surface elevation of the lake regularly. The resort works in close cooperation with Kvyv Ry, the Water Protection Association of the River Kokemäenjoki. In accordance with the program agreed in the permit regulations, Kvyv Ry monitors the effects on the waters in Iso Arajärvi and Sappeenjärvi and produces an annual fishery monitoring report. These reports are then submitted to the authorities at ELY Centre, the environmental protection authority of Pälkäne municipality, the Sappee cooperative society, and to the representative of the Roine-Mallasvesi-Pälkänevesi fishing area. The current water abstraction permit is sufficient for the current slope area. The resort supports the operations of the Sappee cooperative society (635-432-876-1) and with the resort's help, the society plants fish in Iso Arajärvi and Sappeenjärvi.

Landowners, the environment and minimizing the impact on nature have all been considered in the planning process and building of Bike Park routes. The soil materials used are environmentally suitable. An environmental permit has been applied for, if required, for the soil materials used, or a MARA notification has been made to the ELY Centre.

Sappee is located on the outskirts of Laipanmaa, surrounded by nature, but close to large centres of population. No public transport options are available which presents a challenge for the resort when it comes to environmentally friendly access. Sappee has created its own carpool groups in Facebook with separate groups for different areas and separate groups for skiing and downhill cycling. This

enables a more environmentally friendly way of reaching Sappee from various areas. The groups are promoted on the Sappee web site and on Sappee's social media accounts. Sappee works closely with a local bus company to improve the transportation situation. Sappee recommends carpooling for its employees and enables cohabitation in the resort area.

Sappee has stopped using fireworks in the year 2000. Fireworks do not belong in the environment Sappee is in and they disturb the animals in the area. Sappee does not recommend using fireworks in the area.

2.3. Recycling

The resort strives to use all materials as long as their life cycles allow. In 2005, the resort dismantled the Urjanlinna log building that served as the main restaurant. The logs from the dismantled building were reused and made into two different buildings (the caravan service building and Vohvelikahvila restaurant). Out of the eight lifts in the resort, two have been given a complete overhaul and put into use again after being decommissioned by another ski resort. Increasing lift capacity is the plan for winter season 2022, and to do so Sappee is looking to find a decommissioned lift from another resort. Doing so, the resort continues the life spans of previously owned machines.

Pirkanmaan Jätehuolto Oy is responsible for the resort's waste management. When it comes to extensive recycling, the waste management arrangement in the area has been quite limited up to now. Household waste recycling has been implemented as far as possible. However, the situation has now changed and the resort offers the possibility to recycle bio, paper, metal and glass waste that comes with household waste. In 2022, household waste recycling will be initiated in the resort's own accommodations and facilities. Along with it, the resort will start advising the customers on the importance of recycling and how they can spend their time at Sappee leaving as little a carbon footprint as possible.

The resort recycles all scrap metal resulting from its operations. The scrap is collected by a third party regularly. Waste oil is collected into tanks and taken to be recycled by a licenced waste oil contractor. Electrical equipment is taken to a dedicated recycling point.

Pirkanmaan Jätehuolto Oy is responsible for the resort's household waste management. They transport waste to the Tammervoima Waste-to-Energy Plant where mixed waste is turned into thermal and electrical energy.

3 Social responsibilities

Social responsibilities include not only issues pertaining to the personnel of the organization, but also the effects the organization has on society. Social responsibilities also include other indirect effects on various groups of people in other countries. The safety of the organization's products is also a vital point of consideration.

3.1. Personnel

During the peak season, Sappee employs some 100 people, when factoring in all the functions of the resort. Staff members are treated with the principle of equality in mind. Workers for the resort's various jobs are chosen based upon their suitability for the particular job, not upon their age, sex, religious views, sexual orientation or nationality. Sappee employs many very young people, and for

some of them, Sappee might be their first job ever. Sappee also employs people who have retired from their previous jobs. Sappee sees this broad spectrum of ages as an asset.

Sappee complies with the agreements and labor laws of its industry. People working the same job have the same salary, regardless of their sex, age, or nationality. All workers have the same insurance coverage and access to occupational health services. An extensive process has been created for the orientation of new workers, and the process is constantly developed using the lean method. A good orientation is the foundation of a safe and customer friendly working environment.

The resort has zero tolerance when it comes to workplace bullying and harassment. The orientation covers how to proceed in a possible bullying or harassment situation.

Sappee cooperates with Aitoon Koulutuskeskus, a local vocational school offering e.g. property management training for special needs students. Sappee offers on-the-job learning possibilities for the students. Sappee also offers learning possibilities for primary school students, and on-the-job possibilities and apprenticeships for other students.

3.2. Customers

Sappee Resort accumulates some 250 000 visits per year. It is important that all the services provided are safe and enjoyable for the end user. All of Sappee's services and the machinery used in those services are checked regularly by the authorities to ensure the safety of operations.

Sappee also has a representative in the development groups aiming to, e.g. develop the safety of services in association with the supervising authorities. Sappee's operations are customer oriented and customer feedback is gathered regularly, with services then being improved according to the customers' wishes.

Sappee needs its customers' contact information for e.g. using the web shop, rental services and personalizing season passes. Sappee complies with all valid data protection laws (GDPR). All customer information is only available to those who need access to them in their work. Data collection is always informed at the point of collection with a separate privacy policy statement. All information is in electronic form and password protected.

All customers are treated as equal, with an intent to offer everyone a similar possibility of testing and enjoying the services. Adaptive skiing is offered to those with impaired mobility. An assistant ticket is provided free of charge for those who need an assistant to accompany them to the slopes. Everyone must be provided equal opportunity for using our services.

3.3 Public Responsibilities

Sappee purchases products and services with substantial sums of money each year. We comply with the Subscriber Liability Act and make sure that the companies we are buying from also adhere to it. Sappee prefers manufacturers and service providers who value sustainability in their operations and document it with e.g. sustainability reporting or certificates. Beginning in 2026, Sappee requires that all its partners have a sustainability report drawn up.

Sappee has succeeded in developing its services in a way that it is now able to employ people throughout the year. This generates tax revenue for the state and the municipalities of the employees. As an employer, Sappee (Deltarec Oy) makes occupational pension payments, unemployment insurance payments, health insurance payments as well as accident and life insurance payments amounting to some 200 000 euros per year.

Sappee produces sports and recreation services. These services maintain the physical and mental wellbeing of the people using them.

The travel industry generates jobs and profits to the area. The positive impact of Sappee does not only reflect on the resort's own operations, but also makes a positive impact on the entire area. The resort has supported the local Sappee-Ohveno village association that has, with the help of the resort's support, renovated a church boat and the former Sappee village school. The association's pride and joy is Ulla, a church boat built in 1902. The association maintains important Finnish cultural heritage.

Sappee wants to support recreation possibilities for school children. Sappee offers lift tickets and rental gear free of charge for second graders (along with ski school for a limited number of children), when they come to the slopes with their school.

Through sustainable operations and communicating about it, Sappee is setting an example that encourages other organizations and Sappee's customers to act responsibly. This promotes a sustainable lifestyle.

3.4 Membership and Association Activities

Sappee (Deltarec Oy) is a member of the following associations. As a member, Sappee commits to following the associations' rules and promoting the industry in accordance with the associations' values.

- A supporting member of FSA, Finnish Snowboard Association. FSA is dedicated to promoting Finnish snowboarding with an objective in maintaining a healthy and vibrant snowboard culture that includes both strong hobbies and extensive competitive activities among young people and adults. FSA acts as the umbrella organization for Finnish snowboarders and associations and is responsible for the activities of the national snowboarding team.
- Member of the Finnish Ski Area Association. The association acts as a functional connection point between its members. Takes part in developing the business environment and possibilities of the member resorts and schools. Develops the operating conditions of skiing and other downhill hobbies within the area of operation.
- Member of the Finnish Hospitality Association MaRa Ry. As an organization of the accommodation, catering and tourism industry operators, the association supervises the general and joint financial and economical political interests, monitors the common interests of its members as an employer's union in employment matters, promotes the general profitability of the industry as well as its competitiveness and other operating conditions, and promotes the industry's culture and cooperation between its members.
- Member of the Tampere Chamber of Commerce. Tampere Chamber of Commerce is an advocacy and service organization based in the Pirkanmaa region. The Chamber of Commerce promotes opportunities such as entrepreneurship and internationalization for local businesses. It also oversees business interests by close cooperation with authorities and organizing e.g. networking events and trainings as well as other business related services.
- Founding member of Suomen Seikkailupuisto Ry [Finnish Adventure Park]. The aim of the association is to act as a functional connection point between its members. Developing the business environment and opportunities of member adventure parks. Developing the operating conditions of adventure parks within the association's area of operation. To meet

these goals the association will guide and support its members' activities; organize various training and publicity events and meetings; organize shared competition, party, lecture and fun events; draw the attention of the decision makers and the public towards the development of adventure park activities by making proposals and initiatives and by giving statements; and aim at making adventure parks even more safe.

- Member of Suomen Yrittäjät Ry [Finnish Entrepreneurs]. Suomen Yrittäjät Ry functions as an advocate for entrepreneurs and helps them in business related matters.

4 Financial Responsibilities

Financial responsibility covers both the sustainability of the business and its external financial impacts. The transparency of these impacts is important both on a local as well as a larger scale.

4.1. Sustainable Business

In Sappee, sustainable business translates to profitable business. We operate in an environment where we are not always able to influence the desirability of our services; the weather, and good winters, are significant for our business. Sappee has improved their operations in a way that allows for a significant part of sales to be made before the ski season even starts. This creates a good financial buffer for ensuring operations. Our business is profitable and on a sustainable level which in turn enables the development of operations and thus also better opportunities for employing people.

When it comes to investments, the company conducts a risk assessment which is then studied to calculate how the investment would fit the company's current financial situation. This maintains the correct proportion of investments and guarantees the continuation of a sustainable business endeavor.

4.2 External Impacts

The company's operating model is continuous development. This can be seen in the company's evolution from a ski centre into a year-round travel resort. This continuous development requires investments. While making investments, the company strives to use the knowledge of its in-house staff for the development work, but sometimes outside help is also required. This help is acquired, if possible, from local or Finnish companies. If the necessary know-how or products cannot be found in Finland, they will be acquired from within the EU. Active development creates sales and well-being outside of the company as well.

Summary

Through its sustainable business operations, Sappee has often naturally chosen a path of responsibility. The needs and perspectives of the surrounding environment and the business environment must, however, always be taken into consideration when discussing sustainability.

We acknowledge that when it comes to sustainable operations, we still have room for improvement. Sustainability has become a common practice in our company, and we strive to improve our actions constantly.

For more information

EKOenergy: <https://www.ekoenergy.org/fi/>

Finnish Hospitality Association MaRa Ry: <https://www.mara.fi/>

Motiva Energy Efficiency Agreement: <https://www.motiva.fi/yritykset/energiatehokkuussopimukset>

Sappee Resort: <https://www.sappee.fi>

Sappee-Ohveno Village Association : http://www.sappee-ohveno.fi/sappeen_ja_ohvenon_kylayhdistys_.htm

Finnish Ski Area Association: <https://www.ski.fi/>

Finnish Snowboard Association: <https://www.ski.fi/lumilautaliitto/>

Suomen Yrittäjät Ry [Finnish Entrepreneurs]: <https://www.yrittajat.fi/>

Sustainable Travel Finland Programme (STF): <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/matkailun-edistaminen/vastuullisuus/sustainable-travel-finland>

Tampere Chamber of Commerce: <https://tampere.chamber.fi>