

# First Camp Sustainability Report 2022



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### **Company at a glance**

- First Camp is Scandinavia's leading camping chain because our guests have chosen to spend their valuable time with us. As the leading camping chain in Scandinavia, we have both the knowledge and financial resources required to develop and maintain the finest facilities in the most beautiful spots.
- We have headquarters in Stockholm and Gothenburg, Sweden. As part of an active M&A strategy, we have established a geographical presence in more than 60 destinations across Sweden, Denmark and Norway.
- Thousands of camping plots, cabins, and cottages are available in diverse locations, ranging from exciting adventure parks to tranquil natural regions.
- Mini-golf, swimming pools, kids' clubs, saunas, boat and bike rentals are just a few of the many family-friendly activities that we offer at First Camp.
- We are honoured to be accredited under the Green Key programme, which helps to maintain and protect the environment, ensuring that our destinations are preserved for future generations.
- This is the statutory annual sustainability report for First Camp Group AB, corporate registration 559082-2515 for the financial year ending 2022-12-31. The scope of the report is First Camp Group AB and all its subsidiaries, as listed in First Camp Group's annual report



2) Of destinations owned for more than 24 months. 58% of all destinations, including recently acquired destinations, 3 are Green Key certified



### How we look at sustainability



## Investigate the industry exposure

First, the relevance of ESG is assessed for the industry that we operate in, and a longterm vision for a sustainable industry is defined.



## Determine key impact areas

Key material themes are highlighted, taking a perspective on the full value chain and potential impacts of climate. They are reviewed on an annual basis.

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# Assessing our performance

The company's performance on the identified key material themes is assessed, reflecting on relevant initiatives and performance metrics.



## Creating an action plan

Finally, opportunities are identified where ESG and value creation coincide, formulated in actionable priority projects to drive progress.



### **Sustainability in our industry**

- Market demand Many travellers looking for nature-based experiences value sustainability and are both willing and in many cases demand to be part of the environmental management of the site and waste management at the locations, balanced alongside the convenience and price point of sustainable services provided
- **Regulations & certifications** Consideration taken when assessing potential new sites and applicable regulations, especially those with protections under local environmental codes. Certifications such as Green Key provide an operational framework for excellence above the scope of standard requirements. Evolving climate law within Sweden is being watched closely; their net zero 2045 target may require supplementary regulation applicable to the use and management of forested land, soils and natural areas. GDPR compliance has been in the spotlight recently, with the management of data on guests now a regular responsibility for campsite/resort operators. It is also more commonly expected for businesses across all sectors to meet standards such as ISO 27001 (on information security management) and ISAE3000 (on data security).
- Industry initiatives Sustainability credentials are to an increasing degree showcased by, primarily larger industry players in Scandinavia, in their reporting and marketing. Beyond expected sustainability initiatives (e.g. energy efficiency, biodegradable products, waste sorting), focus is placed on the industry's contribution to youth employment and providing enjoyable seasonal work experience. Smaller peers tend to be less vocal on sustainability efforts, however many are certified to schemes such as Svensk Camping standard

Long-term vision for a sustainable industry

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- Companies in our industry are heavily reliant on a social license to grow. The campsite and cottage industry is dominated by domestic guests (c. 75-80%), particularly within Nordic countries, where climate action is regularly on the national agenda, any missteps in relation to environmental stewardship can provide a heavy blow to a company's reputation.
- The industry has the potential to be future-proof, with conditions for growth, particularly in the longer term. In the short term, best in class environmental, energy and waste management systems put a company into a future-proof position. Initiatives including water recycling (closed-loop recycling systems), best practices in health and safety for employees and attendees, and programs to support youth employment may support a future proof company position.
- Camping is an environmentally friendly form of vacation, compared to many alternatives such as flight trips abroad.





#### **Climate risk assessment**

We assess the physical climate risk and transition risk to be low, with medium transition opportunities for providing a low-carbon, sustainable travel offering across all sites



**Risk score** 

**Sweden**: The country overall has a 'low' physical risk score and a high institutional and socioeconomic coping capacity. However, there is exposure to flood risk and interannual variability risk to southern sites, particularly those adjacent to Vättern lake: Hökensås, Gränna, Glyttinge and Kolmården.

**Denmark**: First Camp has eight locations in Denmark. The physical risk is identified as overall 'low' for the country, in part due to its institutional and socio-economic coping capacity, however the risk of coastal flooding in Denmark geographically remains high.

Source: Aqueduct Water Risk Atlas, MJ Hudson analysis, TCFD



#### Transition risks and opportunities

Transition risks and opportunities capture how aligned a company and its respective industry is to a global shift to a low-carbon economy. The below risk and opportunity categories are defined by TCFD guidance. An example of a transition risk element would be high costs associated with the transition to lower emission technology.



- **Policy & Legal:** Regulatory changes in resort/campsite management (particularly in relation to water and carbon), may pose financial risk in future.
- **Reputation:** Maintaining sustainable credentials (e.g. low footprint, water efficiency) is key to meeting customer demand and avoiding financial risk.

#### Resource efficiency: Efficiency is already being addressed in operations, reducing costs for water, energy and waste management.

 Products/services: There is the opportunity to lean-in to providing a low-carbon, sustainable travel offering across all sites.

### Materiality assessment and identification of our key material themes

We use SASB's materiality map to identify the ESG themes that are the most relevant to us and our key stakeholders, across the industry's value chain

	UPSTREAM	OPERA	DOWNSTREAM	
ENVIRONMENTAL	Suppliers	Logistics Services & maintenance		Lodging & activities
Climate & energy		Energy & carbon		
Material circularity				
Biodiversity & ecosystems impact		Environmental management		Water & wastewater

SOCIAL

Employee well-being	Employee health, safety and non-discrimination		
Customer impact			
Corporate citizenship			Customer satisfaction

GOVERNANCE

Business resilience & ESG	Sustainability principles			
Supply chain management				
Corporate governance				



### **Description of our key material themes**



First Camp

### Managing our key material themes



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# Sustainability development and M&A

- First Camp pursues an active M&A agenda. Since 2019, almost 40 campsites have been acquired corresponding to a rate of approx 10 campsites per annum
- First Camp is a leading player within sustainability in the camping industry. The acquired campsites typically do not have Green Key certifications, and have limited recycling facilities, higher CO2e intensity, etc
- By acquiring campsites and implementing First Camp's ESG programme, we are contributing to raising the ESG level of the industry as a whole
- Implementing ESG measures takes time however. It can therefore be missleading to compare year-on-year development of KPIs for First Camp as a whole – newly acquired sites which have not yet been fully integrated can have a negative impact on the KPIs
- Also, as the mix of destinations change (for example by an increasing number of resort destinations with water parks) affect KPIs such as CO2e intensity and water intensity
- Therefore, we consider KPI:s measuring the *year-on-year change for comparable destinations* to be the most relevant measure of how we are progressing: looking on the campsites we owned in year 1, how much have we been able to improve in year 2, e.g. by reducing CO2e intensity, reducing waste intensity etc





#### **Energy & carbon**

Year-on-year change in carbon intensity, comparable destinations



#### Carbon INTENSITY tCO<sub>2</sub>e / SEKm



**ELECTRICITY INTENSITY** 

Year-on-year change in electricity intensity, comparable destinations

-12%

2021 => 2022



- Un-specified electricity, heating (natural gas, oil and district heating) and car travel at the campsites are the main contributors to carbon emission
- All Swedish campsites that procure their own electricity are procuring renewable electricity from hydroelectric sources. The company is in process of implementing non fossile electricity contracts also in Denmark and Norway
- A number of projects are ongoing in Sweden and Denmark for replacing fossile heating with non-fossile heating / district heating
- The increase in carbon footprint can also be attributed to change in geographical mix and also type of destination (increasing number of resorts with water parks). Change in geographical mix affects carbon intensity due to geographical differences in heating systems and electricity grid CO2 emissions
- Additionally, due to the significant impact of the Covid-19 pandemic, the 2020 numbers are difficult to compare to previous and later years. Domestic travel restriction limited also necessary corporate travel, and parts of the operations (e.g. pools) where closed or limited during parts of the year
- To eliminate the effects of the changes in geographical mix and types of destinations, First Camp regards KPI:s measuring the year-on-year change for comparable destinations to be the most relevant measure of how we are progressing: looking on the campsites we owned in year 1, how much have we been able to improve in year 2, e.g. by reducing CO2e intensity



Note: As defined by The Greenhouse Gas Protocol; The carbon footprint includes the GHG emissions CO2, and is expressed in equivalent tonnes of carbon dioxide (tCO2e). All campsites part of First Camp Group per December 31 each year included on full year basis Note: Carbon intensity for 2021 restated due to refined data and emission factors

Source: Greenhouse Gas Protocol, Company data

#### **Environmental management**



2021

2022

- Green Key certification is revisited annually, and we are proud to maintain our standards of environmental management at 35 of our locations
- So far, Green Key concept is implemented in Sweden only and work is ongoing to roll out in Denmark as well. It is a continuous process to implement Green Key at our newly acquired destinations.
- In 2021, our waste intensity increased compared to both 2019 and 2020. As for energy and carbon, 2020 numbers are difficult to compare due to Covid 19 impact on the business mix (with lower restaurant and shop sales). As for 2021 numbers, many of the new sites have a greater proportion of non-lodging activities (e.g. restaurants, theme parks, aquatic facilities) that by their nature generate more waste. Additionally, most newly acquired sites are in the process of being brought up to First Camp's expected operating standards.
- As part of Green Key recycling facilities are in place on all Green Key certified destinations. However, due to limited data from local waste management / recycling companies, statistics on recycling volumes is limited. First Camp is aiming to improve the data quality from waste management suppliers



2020

Note: As defined by The Greenhouse Gas Protocol; The carbon footprint includes the GHG emissions CO2, and is expressed in equivalent tonnes of carbon dioxide (tCO2e). All campsites part of First Camp 2021-12-31 included on full year basis Source: Greenhouse Gas Protocol, Company data

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### **Environmental management – Green Key**

Several of First Camp's destinations are, or are in the process of being, awarded the Green Key certification. Currently, 83% of First Camp locations being owned for more than 24 months are are Green Key certified

#### **Green Key certification**

- Green Key is a leading international environmental certification body designed for the tourism industry with more than 2,600 certified facilities in 56 countries across the world.
- Through certification, we ensure the increased use of environmentally friendly and sustainable methods of operation and technology in the establishments, thereby reducing the overall use of resources.
- Green Key certification is awarded to sites that can demonstrate the management of 13 criteria.
- Examples of requirements that a site must maintain include; max water flow from showers <9L/min, use of eco-friendly detergents, waste separation, efficient lighting, minimizing use of chemical pesticides and fertilizers, efficient lighting systems.

We use eco-labelled cleaning products that are gentle to both you and the environment. We minimize water consumption, for example with restricted flow taps and showers.

We buy green electricity from renewable sources. We also work to reduce energy consumption, for example with efficient heating systems and LED lamps.

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#### We are actively working to minimize the amount of waste while we sort and recycle in a variety of fractions.





### Employee health, safety and non-discrimination



ABSENTEEISM RATE



ACCIDENT RATE<sup>1</sup>

# Accidents / 1,000 FTE



#### EMPLOYEE SURVEY RESULTS



- At First Camp, we take the safety of our employees seriously, with several policies in place to ensure best practice.
- Our Work Environment Policy acknowledges First Camp's responsibilities when it comes to creating a safe and secure work environment.
- Regular safety inspections are conducted in the workplaces, we educate the staff on safety issues and fire safety. Health insurance is provided to permanent members of staff.
- All managers receive training on safety in the Work Environment. Employees are provided with the protective gear necessary to perform their tasks, for example, when routine checks and adjustments to swimming pool chlorine levels are performed.
- We have an annual employee survey and weekly pulse-checks within the team to understand wellbeing and focus our internal priorities.
- Routines are in place on how to handle accidents, incidents and different work-related issues. Follow-up action is taken.
- We have built our recruitment process on a competence-based model where we focus on an individual's potential to avoid any bias.
- We monitor gender pay gap, percentage of men / women in leading positions and other KPI:s to detect signs of discrimination. This complemented with annual salary survey which showed that the differences in pay is not related to gender



1Accidents rates are the number of accidents (fatal & non-fatal) / 1,000 (permanent & temporary) FTE; Accidents are also reported for seasonal staff Campsites included for the period when owned by First Camp Source: Statistics Sweden (SCB). MJ Hudson analysis.

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### **Sustainability principles**

#### **Engagement & responsibility** Sustainability policies, **Risk inventory and evaluation** of the Board of Directors certificates and targets • We measure and identify risks at our locations • Relevant policies are in place, including ABC • ESG is part of business operation updates. Policy, Discrimination Policy, Whistleblowing through regular safety inspections. • All Green Key certified locations have an on Policy, Data Privacy Policy, Health & Safety the ground designated responsible person. Policy, and an Environmental Policy • Compliance with sustainability policies are • We are gradually implementing Green Key at monitored by HR department, IT department, all locations. Green Key criteria require internal audits conducted by line management campsites to have an Environmental Policy as and external auditing partners. Executive well as an annual action plan for constant management and board of directors have an improvement. overall governance responsibility of Quality of monitoring systems & Anti corruption **Ensuring supplier compliance to Transparency and reporting** Sustainability standards • Green Key certified locations need to ensure • Our zero tolerance to corruption, either as • ESG data is increasingly being monitored and giver or receiver, is described in our anti that suppliers are eco-certified and have an measured the same way at all locations ESG policy/guideline in place. corruption policy through our IT & Operating Model Platform, • Four eyes principle is applied to all material which monitors our performance and whether purchases, in order to ensure commercial we are on track of meeting our annual targets. sound decisions and supplier relations • The Green Key certified sites must ensure an • Authorisation schemes are in place, in order to annual review of the set Green Key criteria. ensure decisions on purchases, supplier and This review is carried out by the environmental customer contracts are taken at the right level manager at the relevant site. in the organisation • No cases of non-compliance to corruption policies have been reported

# **First Camp**

### **Priority projects 2022**

For 2022, we highlight the following two projects that can contribute to fulfilling our sustainability ambitions



Description

Progress

**First Camp** 

### **Priority projects 2023**

For 2023, we highlight the following two projects that can contribute to fulfilling our sustainability ambitions





# **Sustainability-linked finanacing KPI:s**

In 2022 the company issued sustainability-linked senior secured bonds, and entered a sustainability-linked revolving credit facility with Nordea. As part of the financing, the company comitted on meeting three sustainability KPI:s – if these KPI:s are not met the company's financing cost will increase.

CO<sub>2</sub>e emissions



Contributing to UN SDG 15 Life on land is a core element in our sustainability strategy and we aspire to be stewards for a healthy environment for future generations. Our overall aim is to contribute to ensure the conservation, restoration, and sustainable use of managed land. The Green Key Certification is a broader certification scheme in which 13 topics are measures and campsites must adhere to strict environmental and ecological requirements.



sustainability strategy as it considers the footprint of the corporate overhead. Reducing emissions is a key part of First Camps' strategy to be the leader in sustainable solutions in the industry

#### Non fossile share of car fleet



The current car fleet is almost entirely comprised on vehicles running on fossil fuels. First Camp intends to choose battery electric alternatives whenever leased or owned vehicles are replaced, wherever and whenever feasible. These measures will contribute to UN SDG 13 and will have positive effects on local air quality.

Note: Constant emission factors. For definitions and scope if KPI:s please see Sustainability-linked Bond Framework, published here: https://corporate.firstcamp.se/en/for-investors/bonds/



### **Targeted UN SDGs\* for First Camp**

Our sustainable activities are mapped to the UN Sustainable Development Goals and their sub-targets above. Each of the activities identified contributes to an IRIS+ defined KPI. Potential for national contribution has been assessed using the latest UN Annual 2021 report on targets, identifying countries in the value chain that can benefit from positive activities

Company activity	SDG	SDG target	SDG indicator	Company KPIs		
Impactful activities						
			<b>15.1.1:</b> Forest area as a proportion of total land area	Sustainably managed land, km <sup>2</sup> IRIS+ (Ol6912)		
Sustainable management of Green Key campsites			<b>15.1.2:</b> Proportion of important sites for terrestrial and freshwater biodiversity covered by protected areas, by ecosystem type	To be measured in 2022/23		
Sustainable activities						
	<b>13.2:</b> Integrate climate change measures into (national) policies,		<b>13.2.1:</b> countries that have communicated an integrated plan for	Carbon Intensity, tCO2e/SEKm		
Minimise carbon emissions of operations	R	strategies and planning.	adaptability and resilience to climate change;	4.1 3.1		
			-for companies: GHG contribution to			
			national emissions	2020 2021 2022		
D. J.	6 CLEAN WATER AND SANITATION	<b>6.4:</b> By 2030, substantially increase water-use efficiency across all	<b>6.4.1:</b> Change in water use efficiency over time	Water Intensity, Tonnes/SEKm		
Reduce water consumption and increase water efficiency of operations		sectors and ensure sustainable withdrawals and supply of freshwater.		0.3 0.5 0.4		
	•			2020 2021 2022		
	8 DECENT WORK AND ECONOMIC GROWTH	8.8: Protect labour rights and promote safe and secure working	<b>8.8.1:</b> frequency rates of fatal and non-fatal occupational injuries, by sex and	Occupational injuries, Accident rate IRIS+ (OI3757)		
Support employee rights and wellbeing		environments for all workers.	migrant status.	3,2 3,1 3,7		
				2020 2021 2022		

\* United Nations Sustainable Development Goals

First Camp

Note: 2021 data updated with refined emission factors for un-specified electricity and district heating



#### **Impactful SDG activities**

We have identified the below activities as impactful. Using the Impact Management Project's five dimensions of impact framework, the potential for impact is assessed.

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Company activity	SDG	What	How much	Who	Contribution	Risk
Sustainable management of Green Key campsites	15 LIFE ON LAND	The operation of campsites in accordance with Green Key requirements positively impacts life on land compared with regular campsite operations and alternative uses for the land.	First Camp currently has 35 certified locations under the Green Key program and is looking to expand the number of sites certified*.	Positive impact is experienced by guests, local communities, and local flora and fauna. Improperly managed campsites would be to the detriment of nearby communities, urban alternatives to campsites would have a negative impact on nature.	First Camp actively works to certify newly acquired campsites against the Green Key standard. This results in enhanced preservation of the biodiversity of the local environment with specific guidance on waste management, staff training on biodiversity, engagement with local stakeholders on biodiversity and engaging in local biodiversity initiatives (required criteria 10.3).	<ul> <li>Risks include:</li> <li>Impacts of camping on the land including risk of improper waste management, fires, pet control, among others.</li> </ul>

\*Impact would not apply to urban dwellings, theme parks, car parks or large paved areas – the focus is on natural land and environments e.g. fields, forests, parks, ponds, lakes, beaches.



### Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in First Camp Group AB, corporate identity number 559082–2515

#### **Engagement and responsibility**

It is the board of directors who is responsible for the statutory sustainability report för the year 2022 and that is 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 provide us with sufficient basis for our opinion.

#### Opinion

A statutory sustainability report has been prepared.

Stockholm the 27th of April 2023 Grant Thornton Sweden AB

Therese Utengen Authorised Public Accountant Kajsa Goding Authorised Public Accountant



