



Sustainability Report Relacom 2011

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Corporate Sustainability

Relacom performs installation and service on networks and equipment in five countries, and our employees make over one million assignments for our customers every year. We often constitute the link between operators, power companies, end users and suppliers. With this role, we also have an opportunity to influence processes so that they are sustainable for customers, employees, suppliers and society at large.

It is a role which is closely linked to responsibility. How we design our processes, manage our production and create tools to meet customer demands affects our imprint. In order to take charge of this responsibility we launched a long-term sustainability effort in 2011. We set clear and precise goals for our commitment through our Sustainability Programme and decided, at the same time, to update our Code of Conduct, sign the United Nations Global Compact and document our sustainability work through this Sustainability Report.

By demonstration how we work with sustainability we send an important signal to the market, our customers, suppliers and not least, to our employees. We want everybody that has a relationship with Relacom to be able to trust that we are performing our services with the highest competence and safety, and that we are constantly working to reduce our impact on the environment and climate. By having a long-term attitude and respect for our world we want to create an attractive workplace, reduce our environmental load and help our customers to achieve their goals, relating to sustainability.

Thomas Körmendi
President & CEO

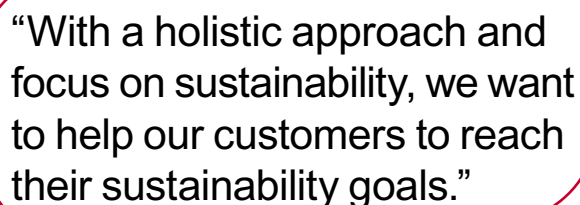


“By demonstration how we work with sustainability we send an important signal to the market, our customers, suppliers and not least, to our employees.”

Thomas Körmendi, President & CEO Relacom

Sustainable business

Relacom builds, installs and maintains telecom, electricity and data networks and equipment. Our employees make over one million assignments for our customers every year. We are the link between this technology that sustains our societal functions and the people who use the technology. Safety, data security and environmental consideration are always in focus when we design our processes, manage our production and create tools to meet customer demands.



“With a holistic approach and focus on sustainability, we want to help our customers to reach their sustainability goals.”

Lotta Lindgren, Head of Communications

SAFE SERVICES

Relacom's trustworthiness is built on our prioritization of the safety of our customers and end consumers. Our services are always performed with extensive safety requirements and in accordance with applicable safety regulations. The technicians that perform installations and service assignments are licensed and trained to execute the work. Risk elements include working at heights and with electricity.

DATA SECURITY

Relacom manages large quantities of end consumer information, such as residential addresses, telephone numbers and what time the customer is at home. To safeguard the integrity of our end consumers Relacom takes a number of precautions e.g. we have a clear IT policy with rules for passwords and approval for computers.

EFFICIENT TRANSPORTATION – FOR OUR CUSTOMERS AS WELL AS EMPLOYEES

Our customers shall be able to have faith that we are minimizing our environmental impact from transportation. We prioritize efficient logistics systems in order to reduce the number of journeys. We also offer our customers effective planning of journeys through services for integrated data and telecom solutions, which reduces the environmental impact of our customers.

CONSIDERATION OF THE ENVIRONMENT: A STRATEGIC CUSTOMER COMMITMENT

In order to contribute to reduced global environmental and climate impact we ensure that our customers shall receive high class service from Relacom when we install energy- and environmentally smart solutions such as solar power and heat pumps. This is in addition to our constant work for improvement on environmental issues. For example, Relacom has a great opportunity to exert influence when we plan our work, so that construction and maintenance shall have as small an environmental impact as possible. Relacom is participating in driving the development towards the greatest possible environmental consideration. Here are a few examples of investments made in 2011:

Installation service for solar energy

In 2011, Relacom invested in installation services for solar cell energy in Denmark and Relacom's solution has a life expectancy of over 30 years, with minimal maintenance. After approximately two years in operation, the solar power plants in Denmark has produced the same amount of energy that was used to construct the facilities. We are evaluating this service in order to introduce it to other markets.

“With our installation service for solar energy, we are demonstrating that we are at the forefront by offering our customers solutions for climate-smart energy. That is something of which I am proud.”

Morten Bønnelykke, CEO Relacom Denmark

Microtrenching

Relacom has invested in microtrenching in Sweden and Norway. Microtrenching means that in the process of installing fibre we only need to plough a trench of a few centimetres' width in the asphalt, instead of having to dig up the street. This method reduces energy usage and decreases the effect on the local environment.

Assessing wind power stations

Relacom is assessing services for building wind power stations as a backup to base stations. The wind power station goes into operation if the power supply is disrupted because of e.g. a storm.

Installation service for heat pumps

Relacom has invested in the installation and supply of heat pumps in Norway. A heat pump can reduce energy consumption for heating and hot water with up to 50-60 per cent.



Our services

Telecom networks – Fibre expansion, installation and maintenance services of fixed and mobile networks

Electricity networks – Installation and maintenance services for electricity networks

M2M (Machine to Machine) systems – Service, installation and product sales of equipment

Technical consultation services – Competence enhancement, project assignments and functional commitments

CUSTOMER DIALOGUE

How our customers perceive us is an important part of our development and that of our services. We are in regular dialogue and close cooperation with our customers. In order to systematize our work, we decided to perform regular customer surveys from 2012 onwards.

Relacom's Customer Service-unit has received the Best Customer Service and Switchboard award six years in a row, in the Swedish Championship of Telephony and Customer Service. The competition is based on professional interviewers calling companies in order to get an idea of how the customer perceives the company. Relacom has achieved top placings in all the years it has taken part in the competition.

In 2011, Relacom received the award of Supplier of the Year from Fortum.



“Relacom has demonstrated great commitment and the will to develop at pace with Fortum. Key individuals at Relacom have displayed qualities like openness, clarity and honesty – always striving for a solution-orientated approach – which has generated a positive professional atmosphere for us all. In addition, our partnership with Relacom has helped to promote Fortum Customer Relations' function as a buyer.”

Fortum's motivation for the award "Supplier of the year" 2011

Our values and Code of Conduct

During 2011, Relacom's sustainability work was systemized into a sustainability programme, where our fundamental values form the foundation.

The sustainability work was established in Sweden, to then be implemented throughout the group. The programme describes Relacom's key issues and quantifiable goals within the area of sustainability, with focus on consideration to customers, employees and the environment.

Relacom's Code of Conduct which is based on the company's fundamental values was updated during 2011 and work was initiated to implement it throughout the organization. The Code of Conduct provides responses for how Relacom acts towards customers, employees and suppliers. It also provides clear guidelines with regard to our environmental and social responsibilities. We want every employee to set a good ethical example.

During 2011, we commenced work to give all employees training about human rights issues and corruption and we also introduced a whistle-blowing function, through which employees anonymously can report violations of the Code of Conduct.

Relacom also signed the United Nations Global Compact. The commitment entails working in accordance with the UN's ten fundamental principles for responsible business. The Global Compact includes principles for human rights, labour conditions, environment and anti-corruption. A report, Communication on Progress, will be submitted to the UN on a yearly basis.



Dedicated employees

Relacom wants to be the standard bearer in the industry with regard to safety, satisfaction and dedication of employees. In a safe and congenial working environment, our employees are given the preconditions to develop and deliver quality service to our customers.

“Issues related to motivation and competence are among our highest priorities.”

Thord Hansson Rivedal, Head of Human Resources

LA10	Total
Hours of training	58,020
Men	49,220
Women	5,226

The average number of hours of training is 11 for men and 10 for women

COMPETENCE DEVELOPMENT

Our operations require employees with high competence and quality awareness. Competence development is therefore highly prioritized. As part of ensuring continual

competence development, Relacom gathered all training under one roof, Relacom Academy. The range of Relacom Academy's training is based on customer demands, our overall strategies in our business plan and the input of managers from conducted appraisals. With Relacom Academy, we want to make it simple for our employees to receive the training that they need for their work.

HEALTH AND SAFETY

Relacom has strict safety procedures and complies with the legislation of each country. In addition, the work elements associated with risks have detailed work and process descriptions for technicians to follow.

The accidents which occurred during 2011 consisted almost entirely of tripping and falling. The injuries were often limited and temporary. We are working for constant improvements in order to prevent injury and health risks. All injuries are reported, even smaller incidents. This enables us to quickly make corrections if we see that it is necessary.

Number of accidents	SE (Sweden)	FI (Finland)	DK (Denmark)	NO (Norway)	PL (Poland)
Accidents	32	35	2	26	87
Incidents	10	7	2	8	19

Accidents are related to a person. Incidents refers to a situation which could generate an accident

EMPLOYEE SATISFACTION

Men and women, youth and seniors shall flourish and have the same conditions for development with us. Our industry is male-dominated, and Relacom has a dominating share of men in the total workforce as well as in leading positions. We are working actively to recruit female technicians and to increase the proportion of women in leading positions.

An important tool for improving the employee dialogue and individual development is the annual appraisal. In 2011, employee appraisals were conducted with 27 per cent of personnel for evaluation and development. From 2012 onwards, employee appraisals will be conducted with all employees in all countries.

Workforce	SE (Sweden)	FI (Finland)	DK (Denmark)	NO (Norway)	PL (Poland)	Total
Number of employees	1,581	669	96	1,886	735	4,967
Men	1,351	616	86	1,739	665	4,457
Women	230	53	10	147	70	510

Proportion that has collective agreements: 73 %

Proportion of men and women at board and management level	Board	Group management	Management SE	Management FI	Management DK	Management NO	Management PL
Number of men	3	8	9	6	6	13	11
Number of women	0	1	1	3	0	1	1
Age distribution							
-29			0	0	0	0	0
30-49		5	7	7	5	3	10
50-	3	4	3	2	1	11	2

Employee turnover*	SE (Sweden)	FI (Finland)	DK (Denmark)	NO (Norway)	PL (Poland)
Total number who have started	232	135	27	132	108
Number of women who have started	28	11	1	7	12
Total number who have left	236	259	49**	160	81
Number of women who have left	24	24	1	10	9

* Includes structural changes

** Close down of a customer contract



Our environmental responsibility

Environmental consideration is part of our commitment to employees and customers.

“As leading supplier of network services, we feel great responsibility for the environment. We work daily to minimize our environmental impact.”

Anders Bylund, Environmental Coordinator, Sweden

ENERGY AND CLIMATE

Our service vehicles

Reducing the environmental impact from our own vehicles is a top priority since this is the area where we can create the greatest environmental benefits. Planning assignments with efficient logistics is the single most important way of minimizing car emissions. Relacom has invested in a market-leading production system in order to shorten driving distances.

Climatic impact from service vehicles

Direct energy consumption	M ³	MWh
Petrol	300	2,800
Diesel	10,900	106,700
Vehicle gas	600	6,600

Climate impact: approximately 31,000 tonne CO₂.

Premises

Relacom initiated a comprehensive effort to reduce energy consumption on our premises. The energy efficiency measures which were implemented during 2011 encompassed, among other things:

- Negotiations concerning green electricity to premises
- New energy-smart printers for larger offices
- Progressive change to energy-smart lighting

WORK ON LAND AND WATER

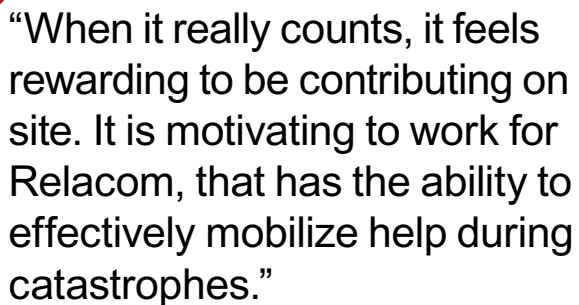
We affect the immediate environment when we perform our installations. We are therefore collaborating with customers, suppliers and authorities by choosing environmentally adapted chemicals, machines and working materials. Our work routines include environmental requirements during the planning and work in sensitive areas.

WASTE

Relacom manages materials such as lead cables, batteries, oil, fluorescent lamps and electronics. Waste and hazardous waste is managed efficiently and with consideration of the environment. We can often offer our customers environmentally adapted waste management which ensures the best recycling available.

Our involvement in society

Relacom plays an important role in society. The networks we install and maintain are a precondition for electricity and communication. Our technicians ensure that the networks are installed and function, that fibre networks are connected to areas and that electricity, telephony and data is quickly restored after storms and bad weather.



“When it really counts, it feels rewarding to be contributing on site. It is motivating to work for Relacom, that has the ability to effectively mobilize help during catastrophes.”

Kjell Karlsson, Technician, Sweden

When functions we take for granted - electricity, telephony and data communication - are knocked out, it becomes obvious how fundamental these societal functions are. Relacom is well prepared to manage disruptions caused by bad weather, and other external forces. During periods of crisis, Relacom manages reserve power and local energy supplies, and we take responsibility for general information dissemination to local media. Relacom's experience with swift mobilization of our organization for fault clearance and communication is essential in order to restore important community functions.

About Relacom

Relacom's services are divided into four segments: Orbion Consulting, Telecom, Power Supply and M2M System Services.

Relacom is both a Northern European supplier of network services to world-leading operators and a local partner to companies, municipalities, electricity companies, network owners and consumers. With this range of our core competences Relacom can offer everything from the construction of nationwide mobile networks, servicing electricity and telecom networks to connecting fibres to housing areas and securing wireless communication in workplaces and homes. With Orbion Consulting in our company group, Relacom also offers project management, network planning and functional commitments.

OUR ORGANIZATION AND MANAGEMENT

Relacom has operations in Sweden, Norway, Finland, Denmark and Poland. The countries are independent results units with executive management and staff. In the group management team, besides the CEO there are also heads of Finance, Economy, HR, Communications and the countries' executive directors.

Relacom has a decentralized organization with local offices in order to be able to best meet customer needs. At the same time, an industry dimension within the organization ensures uniform working methods and quality regardless of country and segment. The local offices are responsible for the local production and supplies to customers. Relacom's total workforce is approximately 5,000 throughout the five countries.

Relacom is a limited company and is owned by a bank consortium consisting of Nordea Bank Norge, Svenska DNB Bank and the Copenhagen branch of HSH Nordbank.

Shareholders influence the board of directors and management via shareholder meetings. There are several channels for employees to exert influence, among them employee appraisals and surveys.

The Chairman of the Board is Mats Lönnqvist, and the President and CEO is Thomas Körmendi.

FINANCIAL EFFECT RELATED TO CLIMATE CHANGE

For Relacom, who build, install and maintain networks and equipment, climate change means financial risks and opportunities. In the event of extreme weather we play a big role both in restoring communication and in offering alternative communication solutions, so as to reduce travel and thus impact on climate. The big storms and bad weather that have hit northern Europe in recent years have also had a positive financial effect.

Other factors that positively affect Relacom's competitiveness include our ability to develop and offer communication solutions without any physical travel, e.g. video-conference equipment.

Financial risks related to climate change can derive from increased investments in vehicle fleets in order to meet environmental requirements.

About the Sustainability Report

This report encompasses Relacom Group's sustainability work during the 2011 calendar year.

The report is Relacom's first sustainability report in accordance with GRI guidelines, Level C. We have chosen to include indicators which are relevant to the operations, even though they are not complete for this year.

The process of determining report content is based on GRI 3.0 guidelines and important events in Relacom's operations.

This includes our responsibility for our most important interested parties: our customers, employees and owners. Our environmental responsibility is an essential part of our sustainability work. Our interested parties are identified on the basis that they are influenced by and have influence upon our sustainability work.

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This report has been produced in cooperation with TripleB.

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