



# SUSTAINABILITY REPORT

## 2014





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## **Sustainability Report 2014**

### **1 Introduction by the CEO**

The Swedish Space Corporation (SSC) describes its mission as a company with the words “We help Earth benefit from space” by helping our customers to gain access to space, which is to the advantage of the Earth and benefits mankind.

SSC is a global company which delivers advanced space services. We contribute to communications, climate studies, weather forecasts, disaster relief, navigation, environmental monitoring, civil public security and research in and about space.

The limits for human activity are no longer drawn at what we do on, and close to the surface of the Earth. An increasing proportion of space and what can be found there interests us. The boundaries of our imagination have been dramatically extended, such as when the Philae space lander module landed on the 67p/Churyomov-Gerasimenko comet, transported there by the Rosetta space probe. SSC has been one of a large number of actors working to make this exciting and intriguing event become a reality.

SSC runs global operations and thus also represents a mirror that reflects the international space industry and space activities. Unlike most other activities, space operations and space research are the objects of international cooperation. This also applies to periods in which there is greater international tension.

The company is working in accordance with a five-year business plan, the latest extends until 2019 and the strategy is to grow in the field of advanced space services, which means that the company must be thoroughly familiar with the challenges that new customers and new business bring with them.

Space activities in many countries have a major political profile which is considered to generate national added value and international political influence. An increasing number of countries are acquiring space programs for these reasons. Extending the circle of customers and customer countries is, of course, a business interest for SSC, but equally, work with new customer countries also means that the company is active within new geo-political fields that may entail both political and business risks. Such risks must be evaluated and assessed. Our internal tools in terms of procedures for such assessments have been strengthened considerably in 2014.

As a state-owned company, SSC naturally acts in accordance with the Swedish state's owner policy and its staff must know and understand the rules existing for its activities and how these are to be applied in an international perspective. They must also understand the interests and motives that constitute the basis of different countries' space efforts and how to proceed in these force fields as an independent supplier.



Many of the services supplied by SSC contribute positively to building up knowledge on the environment, climate and the development of society as well as expertise about space. This is part of the positive added value created by the company.

Since 2013, SSC has been a member of the United Nations Global Compact, the UN program for sustainable enterprise and during 2014, it issued a Communication of Progress (COP) in the form of the Sustainability Report for 2013. We also comply with the OECD Guidelines for Multinational Enterprises.

Our Sustainability Report for 2014 has been compiled in accordance with the most recent model, GRI-G4, of the Global Reporting Initiative (GRI), which is based on the company having made an analysis of the most relevant areas and how they should be reported. SSC's sustainability efforts must, of course, involve all aspects of the sustainability issue, but a focus is given to creating awareness among SSC staff globally on how the company creates the positive added value required from the perspective of society.

SSC's vision of how the company is to become a sustainable actor has remained unchanged for several years and the message is that:

*SSC is to strive for long-term sustainable development for the benefit and use of the environment, society, our customers and staff.*

The objective approved by the Board of Directors focusing on activities via the company executive is:

*For all employees at SSC to be trained, to have understood and work in accordance with the ethical and environmental norms that have been established by the company.*

During 2014, the Division for State-Owned Enterprises at the Ministry of Finance, now at the Ministry of Enterprise and Innovation, has undertaken a study of SSC's sustainability efforts. SSC has been one of the first of the state-owned companies to be examined. The result of this process has shown that SSC has taken important steps in its work and at the same time it points at some areas to develop. Among the strengths can be mentioned that SSC has increased its sustainability focus both in the Board of Directors and in the Executive Committee. The Executive Committee has established a Security Committee as well as a Sustainability Committee to coordinate the sustainability work. SSC has, during the year implemented a global code of conduct which provides comprehensive guidelines for staff in their work. SSC has also conducted a thorough internal risk assessment and carried out a number of activities for improving the security within the company. Other activities worth mentioning are that SSC has increased the quality of our export control work as well as conducting internal investigations, with assistance from external consultants, to further improve the environmental work at the Swedish space center Esrange.

Within the areas of development identified by the owner, the management system currently under development can be found and where policies and instructions should be adapted according to the results of the risk assessment. The implementation has already commenced will improve our sustainability work even further. SSC should also further develop its long term sustainability goals to continue the support of the development of sustainable business. SSC's code of conduct includes human rights, a risk assessment has been initiated to secure that SSC is compliant with the UN Guiding Principles on Business and Human Rights.

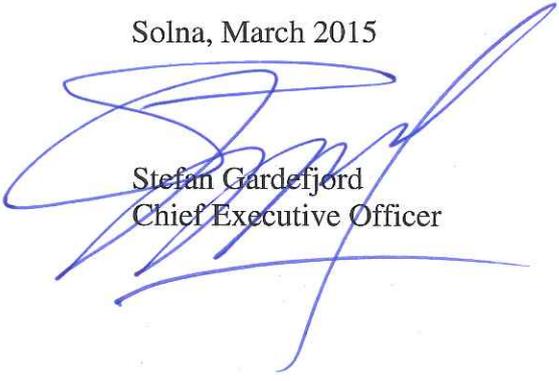
During the autumn, SSC took part in sustainability negotiations with the European space organization, the European Space Agency (ESA), with US NASA and with a number of



other international and Swedish space actors. SSC also organized a supplementary seminar in Kiruna with the company's most important local stakeholders and guests from NASA in the USA.

SSC will continue to be a member of the UN Global Compact and in 2015 will be submitting a Communication on Progress in the form of the Sustainability Report for 2014.

Solna, March 2015



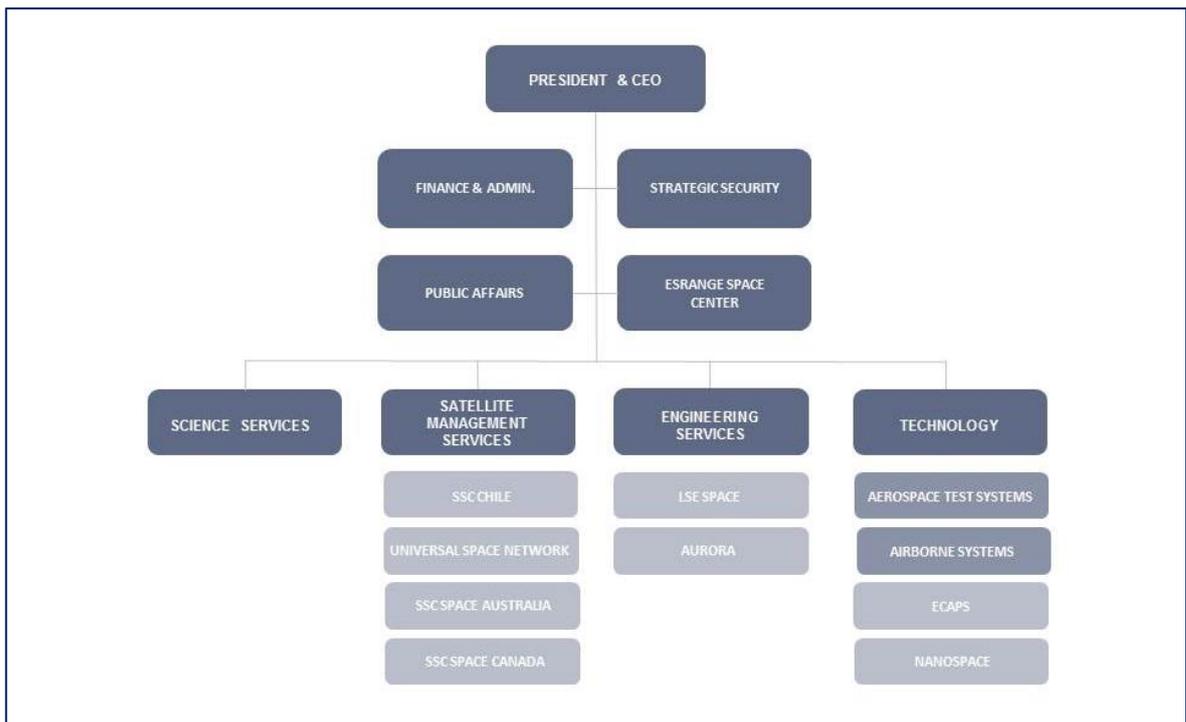
Stefan Gardefjord  
Chief Executive Officer

## 2 About SSC

The Swedish Space Corporation (SSC) is a globally active Group which is responsible for the operation and development of the space range, the Esrange Space Center, providing advanced space services in the global space market, carrying out technological development in the field of space and managing the operations and development of test systems at the Vidsel test range on behalf of the Swedish Defence Materiel Administration (FMV). The company was established in 1972.

The Esrange Space Center is one of SSC’s core operations. Other parts of its activities consist of advanced space services and technological development in the field of space. Development and a certain amount of production take place at the offices in Solna and in Uppsala.

At the end of 2014, SSC had 553 employees, 293 of whom are based in Sweden. Operations are conducted in ten countries (Sweden, Germany, the Netherlands, Spain, USA, Chile, Australia, Canada, China and Thailand) and within four divisions: Science Services, Satellite Management Services, Engineering Services, and Technology.



*\*Airborne systems that develops airborne maritime surveillance systems, were divested in June 2014 to Sjölund & Thyselius*

### 2.1 Science Services

The greater part of Science Services’ operations take place at the Esrange Space Center, 45 km north of Kiruna. Internationally speaking, the range has a unique position as a civilian space range, through its extensive infrastructure and access to a large landing range for rockets and a major air restriction area when launching rockets and flying balloons. The development of experimental payloads is being undertaken by the Division’s department in Solna.



## 2.2 Satellite Management Services

The Division provides ground station services for communication with satellites and apart from its Swedish operations, also includes our wholly-owned subsidiaries in the USA (Universal Space Network Inc.), Chile (SSC Chile SA) and Australia (SSC Space Australia Pty Ltd). Since 2014, PrioraNet Canada, which is now called SSC Space Canada is wholly-owned by SSC.

## 2.3 Engineering Services

Engineering Services works with engineering services for satellite control and ground station services, with operations in Sweden, Germany, the Netherlands and Spain. Operations include the wholly-owned subsidiary LSE Space GmbH, and Aurora Technology, B.V.

## 2.4 Technology

Technology includes Aerospace Test Systems, which manages the operation and development of test systems at the Vidsel test range, the subsidiary ECAPS AB which develops and manufactures green propulsion systems for space applications and NanoSpace AB which undertakes development in the field of micro-mechanical systems for space applications. Airborne Systems which develops airborne maritime surveillance systems was sold in June 2014 to Sjölund & Thyselius.

## 3 The value to society of our services and products

SSC's mission is to help Earth benefit from space.

The majority of SSC's services and products contribute to sustainable development by helping to increase society's knowledge of the environment and climate and its access to communications.

### 3.1 Satellite management services – contributes to the benefit of society

SSC contributes to the operation of satellites through satellite control, communication of control signals and the reception of satellite data. Satellites supply the research community with important data within a number of fields. Satellites now play a vital role in our infrastructure and daily lives. The SSC satellite ground station network and its services are key components in many satellite systems within several applications:

- **Earth observation**  
Satellites are used in forestry and agricultural planning (monitoring cultivation and growth, pest infestation, irrigation needs), provide information on natural resources (oil, gas, etc.) and are very important instruments in connection with disasters such as earthquakes and oil spills.
- **Social planning**  
Using satellites, we can map people's mobility into and outside cities. This information is important when planning housing areas, roads, bridges and other basic infrastructure.
- **Telecommunications and media broadcasts**  
As everyone knows, satellites are used for broadcasting radio and television, and for telephony and data transmission between ground stations.

- **Navigation**  
Space-based systems show people the way on Earth, regardless of whether they are walking, or going by car, boat or aeroplane.
- **Weather, climate and environmental research**  
Surveillance and prognoses of weather and climate are important, both in the short- and long-term. Satellites help us to predict life-threatening weather phenomena such as hurricanes and tropical storms and they provide us with important data in research about climate change.
- **Space research**  
Space research provides mankind with an understanding of the creation of the universe and its development. It provides information on the natural resources that we may find in space and investigates whether it is possible to create new civilisations outside our own planet.
- **Strategic security**  
Satellite surveillance is routinely used to support countries' defence and maintain national security.

### 3.2 Engineering services – supports science and communication

SSC provides engineering services for space organisations such as the European Space Agency (ESA) and the German Aerospace Center (DLR). SSC's engineers support customers' space projects from specification requirements and procurement to operations of satellites and spacecraft in orbit. These space projects may consist of:

- **Earth observation**  
Using satellites, carrying out environmental and climate research by mapping the thickness and extent of the polar ice caps, measuring temperature and humidity in the atmosphere and ozone and other greenhouse gases, measuring marine and land temperatures. Using high-resolution satellite photos, monitoring vegetation, earth and water distribution, inland seas and other water course, and coastal areas, photos that can also be used as aids in disasters.
- **Telecommunications**  
Via satellites, providing Europe, the Middle East and Africa with communications services such as television, broadband and telephony, which provide access to communication even in inaccessible places, for example schools in rural parts.
- **Navigation**  
SSC contributes towards the European satellite-based navigation system Galileo by providing engineering services and ground station services.
- **Space research**  
Exploration of other planets such as Mars and Venus, the Sun and other space objects like comets, via satellites.

### 3.3 Rocket and balloon launches – tools for valuable science

SSC offers launching services for sounding rockets and high-altitude balloons with scientific or technical instruments. These launches are often undertaken for environmental scientific purposes and in international cooperation, which thus provides a global perspective.

- **Sounding rockets**  
The uses of sounding rockets include atmosphere studies, space research (Northern Lights research), technical tests and microgravity research. Sounding rockets are also an excellent tool for students to learn more about space technology and space research. SSC has been assigned by the Swedish National Space Board and its German counterpart, DLR, the task of undertaking two launches of student rockets per year
- **Balloons**  
High-altitude balloons are used for climate and environmental research, astronomy and technical tests, and often what are termed drop tests of air- and spacecraft. Balloons too are also suitable for student projects and SSC implements two projects per year here as well, commissioned by the Swedish National Space Board and its German counterpart, DLR.
- **Rocket systems**  
SSC develops technical systems for sounding rockets tasked with undertaking studies of the atmosphere on noctilucent clouds, nacreous clouds and water vapour or microgravity research.

### 3.4 Payloads for sounding rockets – for the benefit on Earth

SSC develops microgravity experiment equipment for basic research within different scientific disciplines, such as materials studies, biology, fluid physics and chemistry. Development takes place in close cooperation with the researchers. Since gravity affects everything on the Earth, an important question in many fields of research is how different processes behave in the absence of gravity. Without the impact of gravity, behaviour and parameters in, for example, fluids and metals can be seen in a much clearer manner. Some examples of the results of this research are:

- Knowledge about producing materials for automobile motors that are self-lubricating so as to be able to remove the extremely poisonous lead that was previously added to petrol.
- Better knowledge about the structure of important protein crystals in order to manufacture new medicines.
- Better knowledge about the casting and solidification of metals in order to manufacture lighter, stronger materials for use in aircraft and automobile motors.
- Better knowledge about how our immune system works and through this, being able to better prevent and heal infection-related symptoms and diseases.
- Better knowledge about the properties of fluids which has produced such results as better cooling systems, used, for example, in today's laptops.

### 3.5 New Esrange – to the service of the scientific community

For one or two years, SSC has been running a project aimed at modernising and developing the space range Esrange – “New Esrange”. This project includes both maintenance and improvement, and future development and expansion of the existing infrastructure and services, where the launch of small satellites is one component. This is in order to meet a greater demand for access to space, for space-related research, technical development, innovation and competitiveness. Sustainability is an important aspect of this project in which endeavours are made to take the environment into account at all stages. SSC's vision with New Esrange is for Esrange to become Europe's most advanced space

center, which offers a broad range of infrastructure services to the international research community, including a green launching site for small satellites.

### **3.6 Green propulsion systems**

SSC's Swedish subsidiary ECAPS is today one of the world's leading companies in the development of green propulsion systems. The need to find a replacement for hydrazine to protect our environment on Earth and in space is becoming increasingly urgent. Since July 2012, the ESA has been operating the CleanSpace initiative, which aims at making Europe's space activities more environmentally friendly and here, the ECAPS system has been particularly highlighted as the alternative to hydrazine that is at the forefront.

NASA is also looking for an alternative to hydrazine to reduce the environmental and handling risks, to cut the costs of manufacturing processes for spacecraft and to increase the performance of spacecraft once in orbit.

The ECAPS system may be able to replace the very toxic, carcinogenic and reactive substance hydrazine, which is the satellite fuel most in use today. Since June 2012, the European Chemicals Agency through the EU chemical regulation, Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) has sharpened requirements for companies supplying hydrazine. Hydrazine is found on the REACH list of extremely dangerous substances. Hydrazine is very toxic, both for humans and for aquatic organisms; it is extremely inflammable and explosive, which requires rigorous safety routines while handling it when refuelling satellites and when transporting the substance to launch sites. During combustion, hydrazine turns into ammonia, hydrogen and nitrogen.

ECAPS' propellant, which is based on storable Ammonium Dinitramide (ADN), is simple to handle and transport through its low level of toxicity and sensitivity. The fuel can be transported on board an ordinary passenger aircraft, and when refuelling satellites, only the equipment that is normally used in a chemistry clean room, i.e., a laboratory coat, rubber gloves and protective goggles, is needed. The fuel becomes water vapour on combustion.

### **3.7 Miniaturised systems for satellites**

Micro-Electro-Mechanical-Systems (MEMS) technology has hitherto been used in areas such as biotechnology, life science and the vehicle industry. Making components and systems as small and light as possible is desirable within many areas, but the area in which there is a major need is within space technology. Sending spacecraft out into space and getting them to fly there is expensive, and the bigger and heavier these spacecraft and systems are, the more expensive they become.

SSC's subsidiary NanoSpace's work includes propulsion systems for the small satellites of the future -- what are termed CubeSats, and fuel management systems such as an instrument for measuring the amount of fuel in satellite tanks and a system for the flow control of gas to electrical rocket motors.

The number of CubeSats has increased dramatically in recent years; the first five satellites were launched in 2003, but by 2013, their number had increased to 83 and they are now expected to increase by some 50 per year. The demand for NanoSpace rocket motor systems is also increasing with the requirement for being able, on the one hand, to steer the satellites and on the other, to remove them from their orbits in order to avoid space debris.



### **3.8 Maritime surveillance systems**

The SSC maritime surveillance system is used by coast guard organisations throughout the world for tracking oil spills, monitoring fishing grounds and ice conditions and for maritime rescue services. The system has also been used by the Malaysian and Vietnamese coast guard organisations when searching for the Malaysian aircraft MH370 that disappeared. Canadian coast guards have found a further area of use for its system --- mapping whales. The maritime surveillance business was divested in June 2014.

## **4 About this report and SSC's sustainability efforts**

SSC has undertaken a materiality analysis for its sustainability efforts. Through a dialogue with various stakeholders and internal work, the most important sustainability issues have been identified. In 2014, the owner undertook a sustainability analysis which, in all essential respects, is consistent with SSC's own materiality analysis which was made in 2013.

Since 2013, SSC has been reporting in accordance with the Global Reporting Initiative GRI-G4 and this report is the seventh submitted by SSC.

Since SSC is a knowledge-based company, our staff are an important strategic asset and therefore a major sustainability area for SSC. Consequently, the staff perspective has a prominent role in this report.

## **5 Our sustainability vision**

*SSC is to strive for long-term sustainable development for the benefit and use of the environment, society, our customers and staff.*

## **6 This is how we govern our sustainability efforts**

The department for Public Affairs has been formally responsible for SSC's sustainability efforts, in close collaboration with staff from within the Strategic Security function. In 2014, the Vice-President, Public Affairs, has had this area of responsibility within the company's Executive Committee. In 2015, responsibility for sustainability issues will be transferred to the Head of the newly-created department, Strategy and Sustainable Business.

The Executive Committee receives regular reports on the progress of sustainability work and also approves an ongoing annual plan for activities.

In 2014, a sustainability committee was formed, consisting of people from the Executive Committee in which the CEO is Chair and the Vice-President, Public Affairs, the person convening meetings. Two meetings were held in 2014.

The Board of Directors receives regular reports on the development of sustainability efforts and the programmes initiated by the company executive in order to give the sustainability issue a high profile internally and in a way that can contribute to SSC's good name. The annual Sustainability Report is always the object of the Board of Directors' scrutiny and approval.

In 2013, the Board of Directors took a decision on a strategically measurable objective for sustainability efforts, which is:

***For all employees at SSC to be trained, to have understood and work in accordance with the ethical and environmental norms that have been established by the company.***

In 2013, a materiality analysis was undertaken to identify the most relevant areas for SSC in the field of sustainability, based on the actual economic, social and environmental impacts that SSC has and these areas' importance for internal and external stakeholders' deliberations and decisions in relation to SSC. In 2014, the owner undertook a sustainability analysis which is consistent with the SSC materiality analysis.

In 2014, the SSC leaders globally have been made aware of SSC's sustainability efforts and the impact that these have on the company's business activities. The global training project including all staff that was planned for 2014 has been postponed, pending the results of the owner's sustainability analysis. SSC wished to study the owner's analysis and to broaden its own understanding of its sustainability challenges in order to avoid the focus of this training not being sufficiently supported in our global business operations. The aim is for this tool to be implemented during 2015 and to be measured by the number of employees who have undertaken the training.

Work on SSC's global management systems has continued throughout the year and a person responsible has been appointed to lead this and the work of building up and implementing the system, which will be launched in 2015. In connection with this, sustainability issues will be made more clearly visible in the processes governing the company. All these processes will be brought together in a common portal on the intranet as will policies, instructions and regulations, which will thus be easier to find in their contexts.

SSC's global policies and policies relating to Swedish operations are published on the SSC intranet. Since 2014, this intranet has been accessible for all staff in the Group.

SSC implemented a code of conduct in the Group in the autumn of 2014 that also is published on SSC's external web site.

A decision was taken in 2014 on the introduction of a whistle-blower function for internal use, intended for reports on offences against the laws, the code of conduct and other important policies and instructions. The recipient of these reports is a third party. This function will be implemented in 2015.

## 7 Policies

Swedish operations within SSC have policies for:

Policy	Ownership	Responsibility
Alcohol and drugs	HR	Management
Work environment	HR	Management
Visits to Estrange	Site Manager Estrange	Visitor host, Estrange
Ethics	CEO	Member of staff
Financial risks	Legal	Chief Financial Officer
Salaries	HR	Management
Environment	CEO	Member of staff
Company cars	HR	HR
Recruitment	HR	Management
Customs, logistics, export control	Strategic Security	Management

The following policies apply to the entire Group:

Policy	Ownership	Responsibility
Certification and authority regulations	Finance	Management
Media	Public Affairs	Member of staff
Diversity	CEO	Member of staff
Official entertainment	Finance	Management
Travel	HR	Member of staff
Safety	Strategic Security	Management, member of staff
Code of conduct	CEO	Member of staff

All these policies can be seen on the SSC intranet.

In all SSC activities, the introduction of newly-appointed staff includes a review of overall company policies and policies that are specific for each company, together with guidelines that are adapted to the type of activity and the laws and regulations that apply in the country in which they are active. The LSE subsidiary, for example, has ethical clauses that are included in the employment contract. The Aurora company (subsidiary of LSE) has a special code of ethics which is available for its staff and the Swedish organisation attach the code of conduct to the employment contract for newly-employed staff.

## 8 Our stakeholders

SSC is a global Group, working in ten countries. The company is an actor in a socio-politically core area with a high political profile.

In order to maintain good relations, SSC continually provides information to politicians and other decision-makers on the company and its activities. SSC is a joint owner of Kiruna Municipality's development company, Progressum, and takes part in the local Rymdråd (Space Council), situated in Kiruna. SSC has continuous contact with different sections of the Government's ministries, the Division for State-owned Enterprises at the Ministry of Enterprise and Innovation and the cooperation group for space issues that is led from the Ministry of Education and Research. SSC also have continual dialogues with the Sami villages close to Esrange Space Center on the use of land and to keep each other regularly informed on their respective activities.

SSC is also a member organisation of the Swedish space cooperation body, Rymdforum, and Swedish Aerospace Industries, a cooperation group for the civilian air and space industries.

At its facilities in Sweden, SSC receives about 3000 visitors per year. These are primarily representatives of customers and government agencies, politicians, representatives of foreign embassies and students. Swedish space activities in general and SSC's operational areas specifically are presented at these visits. It is in SSC's special interests to spread knowledge about how space operations are applied in everyday life, and why they are important for the individual and society.

SSC applies a generous policy towards the mass media that show an interest in the company and in space issues.

### Dialogue with stakeholders

SSC is in a constant dialogue with customers, partners and with the nearby community. For SSC, it is extremely important to have continual communication with its stakeholders, which constantly takes place via various channels and forums. Some examples from 2014 are:

- Participation in three seminars organised for the space investigation, one of which was arranged by SSC on benefits to society.
- Organisation of a seminar for US decision-makers within the field of space at the Swedish Embassy in Washington.
- Participation in a seminar on sustainability with the heads of sustainability from NASA and ESA in Stockholm.
- Organisation of a seminar with NASA's head of sustainability in Kiruna, discussions on sustainability issues, attended by local industry and representatives of the Swedish Institute of Space Physics, the municipality and the Sami.
- Participation in two major international space trade fairs and a number of smaller expert conferences on different subjects.

The seminars, trade fairs and other meetings that SSC has participated in, clearly shows how related space business is with social policy. What is taking place in space today is of

fundamental importance for the functioning of society, environmental and climate monitoring as well as national security.

SSC’s key stakeholders are: business contacts, staff, trade unions, government agencies/cooperation organisations, research institutes, the Government Offices via the Ministry of Education and Research, the owner via the Ministry of Enterprise and Innovation, regional agencies and groups, municipalities, Norrbotten County Administrative Board, the Sami villages and the general public, via the media.

## 9 Our prioritised sustainability areas

Some of the areas prioritised as important for SSC and/or for our stakeholders are not included as important areas in the GRI guidelines. However, we have chosen to include descriptions of how we work in these areas in the Report because they are regarded as strategically important. The areas that are not linked with a G4 category or G4 material Aspect can be seen in a separate table.

### Material sustainability areas reported in accordance with GRI:

Area	G4 category	G4 material Aspect	Materiality within the organisation	Materiality outside the organisation	Relevance outside the organisation
Customer satisfaction	Product responsibility	Products and services	√	√	Strategic importance for SSC’s owner, customers, suppliers
Business ethics and anti-corruption	Society	Anti-corruption	√	√	Strategic importance for SSC’s owner
Recruitment	Social	Employment Gender Equality and Diversity	√		
Policy, standards, code of conduct	Profile indicator Ethics and integrity	-	√		
Stakeholder engagement and social commitment	Profile indicator Stakeholder engagement	-	√	√	Strategic importance for SSC’s owner, govt. agencies, local population, customers
Gender equality and diversity	Social	Gender equality and diversity	√	√	Strategic importance for the owner
Staff health and safety	Social	Safety and health	√		
Rights of indigenous population	Human rights	Rights of indigenous population	√	√	Strategic importance for SSC’s owner, indigenous population where SSC is active

**Material sustainability areas that are not included in the GRI guidelines**

Area	Materiality within the organisation	Materiality outside the organisation	Relevance outside the organisation
Regulatory and legal challenges	√	√	Strategic importance for SSC's owner, govt. agencies
Value to society of our products	√	√	Strategic importance for SSC's customers and ultimately also for society
Cooperation with trade union organisations	√	√	Strategic importance for key trade union organisations
Choice of customer and customer evaluation	√	√	Strategic importance for SSC's owner and customers
Availability of raw materials	√	√	Strategic importance for SSC's customers and suppliers
Long-term financial stability	√	√	Strategic importance for SSC's owner, customers and suppliers
Internal training, sustainability and security	√		
Product quality and safety	√	√	Strategic importance for SSC's owner, customers, suppliers, society
Satisfied staff	√		

**10 Ethics and integrity, including business ethics and anti-corruption**

In recent years, SSC has changed from being a local actor to a global actor in the space industry. SSC's operational divisions are now situated in several continents and SSC's customers are to be found in countries all over the world. This places demands on SSC to increase our understanding and efforts concerning the business conditions existing in each market and nation. It also places higher demands on SSC to follow up these issues, both in its operational and its strategic work.

Having clear guidelines and follow-up with regard to business ethics and integrity is an important goal for SSC. Responsibility for producing policy documents on these issues falls on the Vice President, Public Affairs, who is responsible for sustainability and the Vice President, Strategic Security, but it is each manager's and employee's responsibility to ensure that these requirements are fulfilled.

The aim of SSC's ethics and integrity work is for each SSC employee to understand and follow the guidelines that the company has in this area, to ensure that those who are staff and SSC as a company do not contravene the internal or legal guidelines in the area.

In 2014, sustainability risks, together with ethics and anti-corruption, have been included in SSC's continuous efforts to counter risks, which has led to these issues being addressed both in strategic and operational work.

SSC measures the result of its ethics and integrity efforts via the number of incidents occurring. In 2014, no incidents relating to ethics and integrity were reported in any of the SSC Group's companies.

In 2014, SSC decided to introduce a code of conduct which is to govern SSC's operations. During the work with the code of conduct, all employees were given the opportunity to submit their views on its contents. The contents were also discussed in a workshop during one of SSC's leader conference, where leaders throughout the Group were given the opportunity to air their opinions and discuss how the code of conduct will affect their work. The code of conduct was subsequently adopted and is now being implemented.

In 2015, these efforts will continue with training and the creation of practical tools, in order to give a concrete form and integrate the code of conduct in our daily work.

During the first three months of 2015, a work shop will be held at the annual SSC leader conference, where the focus will lie on how the different parts of the code of conduct affect SSC, the risks arising if it is not complied with and how these risks can be mitigated.

## **10.1 Customer choice and evaluation**

SSC works in a market with a limited customer potential. Our activities are markedly business-to-business in character and most of our customers are institutions or companies in a state-owned circle, but purely private actors play an increasing role. Strong socio-political interests are to be seen throughout this industrial area.

SSC's selection of customers is limited by legislation on Swedish export controls and otherwise applicable international sanctions. Before a decision to initiate a business relationship, there are special procedures in the different divisions for the way in which customer selection and organisation of the business are to be dealt with. SSC will, in 2015 be introducing a tool based on the code of conduct in our sales procedures in order to ensure that SSC conducts sustainable business deals.

Both departments, Public Affairs and Strategic Security, act in an advisory capacity with the business divisions in connection with customer procedures. This primarily applies to possible business deals with new customers and new countries.

SSC's code of conduct deals with relations with customers and the requirements placed on staff in their contacts with customers.

## **10.2 Regulatory and legal challenges**

SSC's activities are governed by a number of national and international regulations. SSC has transparent and close dialogues with national government agencies to ensure that cooperation is as good as possible. In view of the fact that parts of SSC's activities are unique (such as rocket and balloon launching), stringent demands are placed on SSC to be both transparent and proactive in its contacts with government agencies.

Something that all SSC activities have in common, are the challenges facing the Group with regard to compliance with the export control legislation. It is primarily the US but also the Swedish export control legislation that affect SSC operations. In 2014, SSC has

undertaken a number of skills-enhancing measures to raise the quality of our export control work even further. An example of this is the implementation of control mechanisms to ensure that SSC business deals comply with export control regulations. In 2014, SSC has also conducted training initiatives in this area. These courses will continue in 2015. In 2015, SSC will also have trained one more person to be responsible for export control placed at Esrange, which will strengthen the organisation's daily work in this area.

## **11 Our financial responsibility**

Financially stable activities are of strategic importance for most of the company's stakeholders; customers, suppliers, staff and for the state as owner. Without a stable financial system, the company's existence and the benefit of its activities are at risk.

In order to achieve a stable financial situation, there is a five-year plan that has been approved by the Board of Directors, with estimate of financial development. In a dialogue with the company executive, the owner decides on the required returns, which in the case of SSC also reflect the social mission of the company. In 2013, the owner reviewed the SSC mission objectives and its financial goals. These were determined in connection with the Annual General Meeting in April 2014.

The business plan is a strategic policy instrument and is realised through annual plans and follow-up takes place every month at the Group level within the company executive. External reports are issued every three months.

The result for 2013 was SEK 10.7 million and the improvement continued in 2014 with a further growth in its results to SEK 33.9 million. The Board of Directors will, in line with the company's dividend policy, therefore propose a dividend to the owner at the Annual General Meeting in April 2015.

## **12 Environment**

SSC provides a number of products and services that reduce pressure on the environment and that contribute to society's knowledge on the environment and climate. At the same time, the company's operations naturally entail some environmental impact, certain environmental risks and raw material and energy consumption.

SSC wishes to contribute to sustainable development in accordance with Sweden's national objectives, by developing products and services with a green profile and by taking environmental aspects into account in all its operations, and weighing these in decisions that affect its future activities. SSC respects international space conventions, national legislation and ordinances within the field of environment, including the Swedish Environmental Code.

Environmental issues are an essential part of SSC's daily agenda and the company's planning is also directed at environmental issues, just as is stated in the goal of sustainability work defined by the Board of Directors.

Some examples of measures that have been introduced to reduce pressure on the environment are:

- A well-developed video and telephone conference system that is frequently used and thus reduces the need for travel and reduces the company's carbon emissions.



- The exchange of outdoor lighting to LED bulbs has been initiated both at Esrange and at the satellite station in Santiago, Chile to decrease energy consumption.
- The power system at the satellite station in Santiago has been exchanged to decrease energy consumption.
- Source separation of waste and proper waste management take place continuously
- Disposable items have been replaced by china crockery in Solna to decrease the amount of waste and SSC's environmental impact.
- When choosing goods transport means, consideration is to be taken to the environment
- Used rocket and balloon parts are taken care of
- A study of the premises in Solna and Esrange has been made regarding the management of dangerous goods, such as gases, explosives and chemicals. The study has resulted in suggestions for improvement and measures that will help to reduce environmental risks.
- A number of employees have received training on packaging of dangerous goods to increase safety when sending goods and thus reduce environmental risks.

#### *Permits*

Esrange has a permit from the Swedish Rescue Services Agency, the rescue services and the County Administrative Board for handling inflammable and explosive goods, a decision from the environmental office with regard to the storage of rocket parts and the composting of household waste, as well as permits for waste water management systems. Work on finding solutions for taking care of used rocket parts by an external party was begun in 2014.

Esrange is also required to take part in consultations under the Swedish Environmental Code and has received decisions from the County Administrative Board with regard to archaeological investigations and injunctions on the protection of the natural environment.

## 13 Our social responsibility

### 13.1 Staff

#### Number of employees in the Group, by form of employment and gender, as of 31 December

	2014	2013	2012
<b>Permanently employed, full time</b>	<b>511</b>	<b>545</b>	<b>567</b>
<i>of whom women</i>	116	124	145
<i>of whom men</i>	395	421	422
<b>Permanently employed, part time</b>	<b>18</b>	<b>22</b>	<b>3</b>
<i>of whom women</i>	13	13	1
<i>of whom men</i>	5	9	2
<b>Employed on fixed term contract</b>	<b>24</b>	<b>21</b>	<b>12</b>
<i>of whom women</i>	3	6	3
<i>of whom men</i>	21	15	9
<b>Consultants*</b>	<b>33</b>	<b>16</b>	-
<i>of whom women</i>	8	8	-
<i>of whom men</i>	25	8	-

\*The number of consultants was not reported for 2012.

#### Number of employees in the Group, by gender and region, as of 31 December

	Sweden	Europe	USA	Chile	Australia	China	Thailand
<i>Women</i>	79	42	7	3	0	1	0
<i>Men</i>	214	136	36	29	4	1	1
<i>Total</i>	293	178	43	32	4	2	1

### **13.1.1 Staff survey**

The most recent staff survey undertaken throughout the Group was made in the autumn of 2013. Eighty-two per cent of the Group's employees took part in the survey.

The year 2014, like 2012 and 2013, was characterised by quite a number of changes in the organisation to meet the company's new direction – to become a leading provider of advanced space services.

Work on various activities to deal with the weak factors that were identified in the surveys of 2012 and 2013 has continued during 2014, including efforts to introduce a new management system which will clarify and facilitate the governance of operations, further clarifying and strengthening the legitimacy of SSC's vision, mission and business plans. The results of the survey are dealt with comprehensively in the organisation, in the divisions and in each working team.

It has been decided that the next staff survey will be implemented in 2015.

### **13.1.2 Recruitment**

SSC is dependent on being able to employ qualified people to achieve success. SSC must therefore be an attractive employer with motivated staff who have the right skills for their work tasks.

Channels that are used for recruitment are, for example, the Internet, social media, advertising, recruitment companies and labour market days. Through examination projects, traineeships and study visits primarily to Esrange, contacts are created with students who may represent a future recruitment base.

Apart from the above channels, vacant posts in the Group are also advertised internally on the SSC intranet.

For the Swedish organisation, there is a recruitment policy that covers diversity, responsibility and a community of values.

### Newly-employed in the Group, by age group and gender, 1 January 2014–31 December 2014

	Sweden	Europe	USA	Chile	Australia	China	Thailand
<b>&lt;30 years</b>	<b>14</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<i>of whom women</i>	4	2	0	0	0	0	0
<i>of whom men</i>	10	4	2	0	0	0	0
<b>30-50 years</b>	<b>15</b>	<b>16</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>of whom women</i>	3	9	0	1	0	0	0
<i>of whom men</i>	12	7	2	4	0	0	0
<b>&gt;50 years</b>	<b>6</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<i>of whom women</i>	0	0	2	0	0	0	0
<i>of whom men</i>	6	0	0	0	1	0	0

The number of newly employed was 12, 3% in 2014.

### Employees who have left the Group, by age group and gender, 1 January 2014–31 December 2014

	Sweden	Europe	USA	Chile	Australia	China	Thailand
<b>&lt;30 years</b>	<b>24</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>of whom women</i>	7	0	0	0	0	0	0
<i>of whom men</i>	17	1	5	0	0	0	0
<b>30-50 years</b>	<b>35</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>of whom women</i>	12	2	0	0	0	0	0
<i>of whom men</i>	23	8	4	3	0	0	0
<b>&gt;50 years</b>	<b>23</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>
<i>of whom women</i>	9	0	1	0	0	0	0
<i>of whom men</i>	14	0	2	2	1	0	0

Employee turnover for employees that left the Group in 2014 was 19,7%. The relatively high employee turnover derives from the divestment of Airborne Systems and the outsourcing of certain infrastructural operations at Esrange.



### **13.1.3 Skills development**

A dialogue on goals and personal development must be held with all members of staff once a year. A skills development plan must be drawn up and follow-up must take place after six months. Managers must register that they have held these dialogues and this is also followed up in the staff survey.

The Human Resources Department documents the courses and training completed by the employee in individual personnel files.

### **13.1.4 Gender equality and diversity, gender equality plans and objectives**

Our differences create diversity which provides opportunities and broadens the skills and knowledge of the company, which is seen as a strategic asset in our business development. Diversity must be a self-evident element of our activities and means that everyone has the same rights, opportunities and obligations within all areas, regardless of gender, gender identity or expression, ethnic origin, age, disability, sexual orientation or religion.

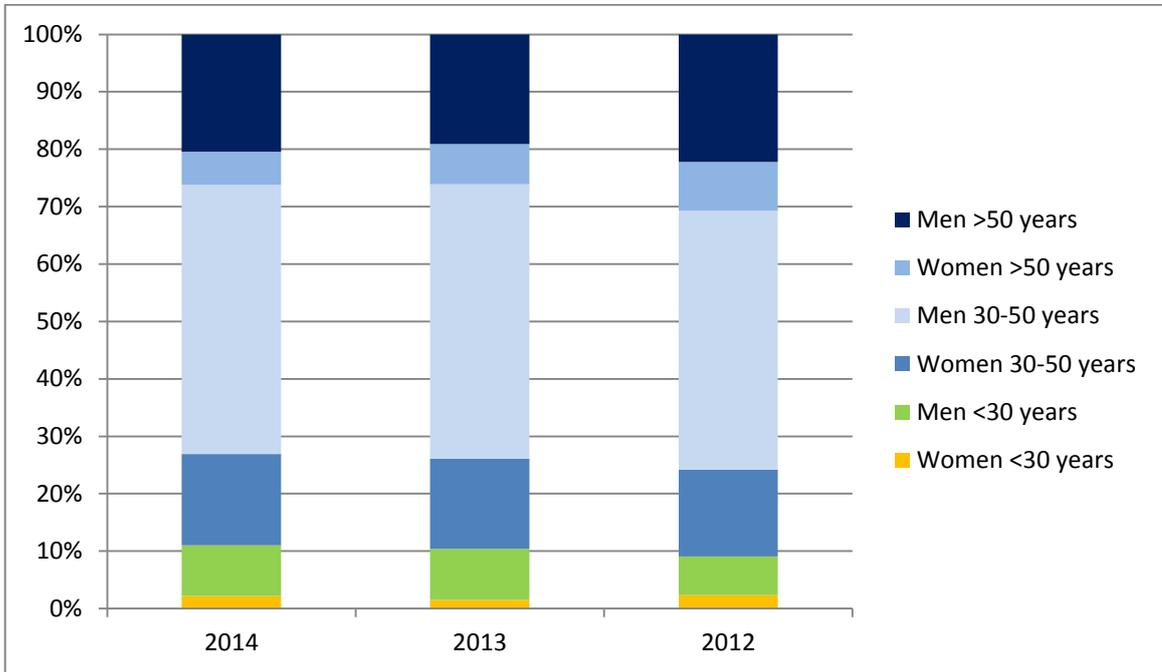
As a result of this, everyone is to be treated equally, both in internal and external recruitment, in staff development and in pay settlement.

All staff are entitled to be treated with respect and consideration for each person's just demands for integrity. All forms of discrimination and ethnic harassment are forbidden at the workplace.

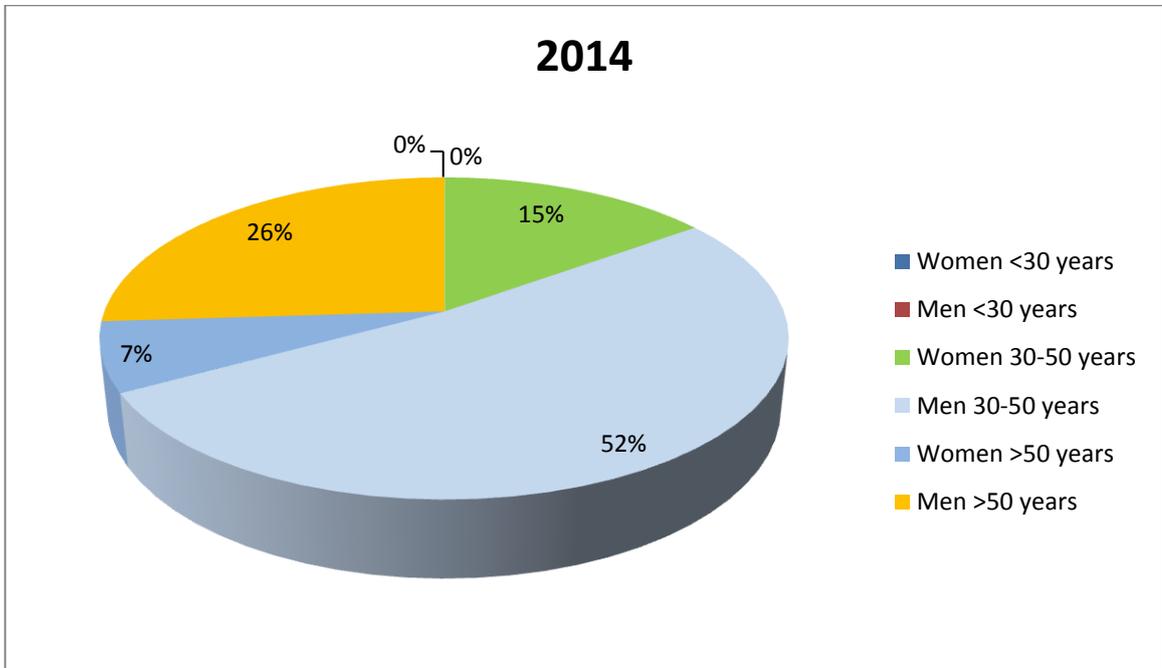
All staff are responsible for the company's diversity policy being followed, and thus for combating discrimination. Managers are responsible for compliance with the policy. The SSC Board of Directors approves the diversity policy. Diversity is one of the subjects discussed at management training courses. Active efforts to promote diversity are to be made in the organisation and must be borne in mind when business and operational plans are drawn up. The SSC diversity policy applies to the entire Group.

A salary survey was undertaken in 2014, and an action plan has been drawn up to ensure that pay settlement within SSC is gender-neutral.

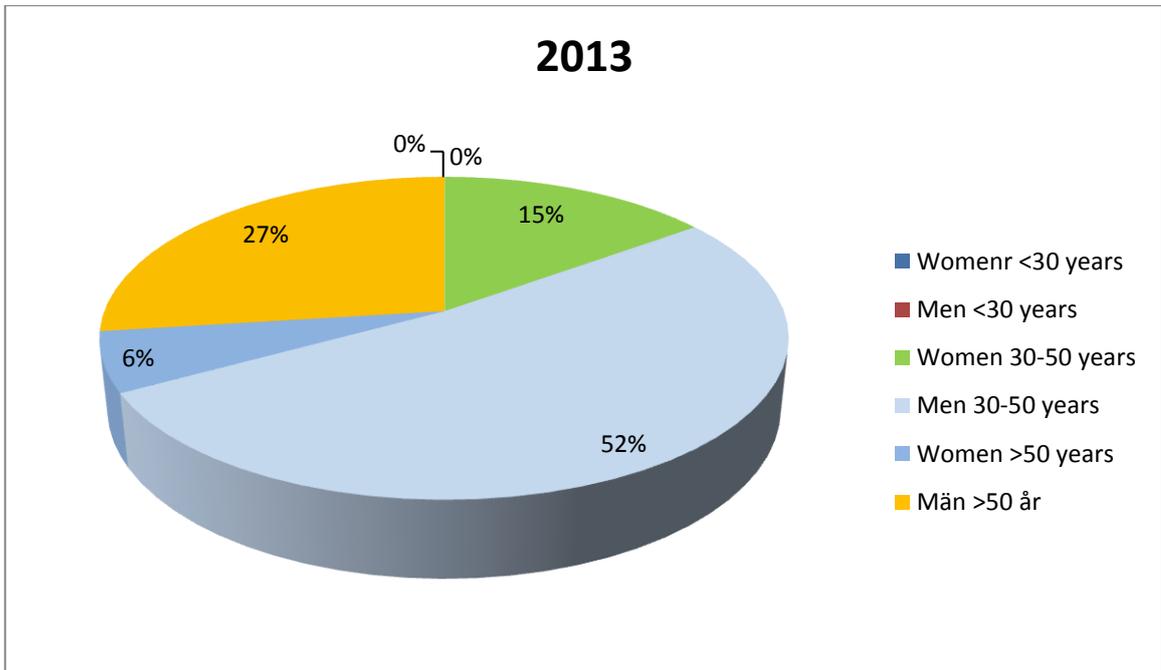
**Staff in the Group, by age and gender, as of 31 December**



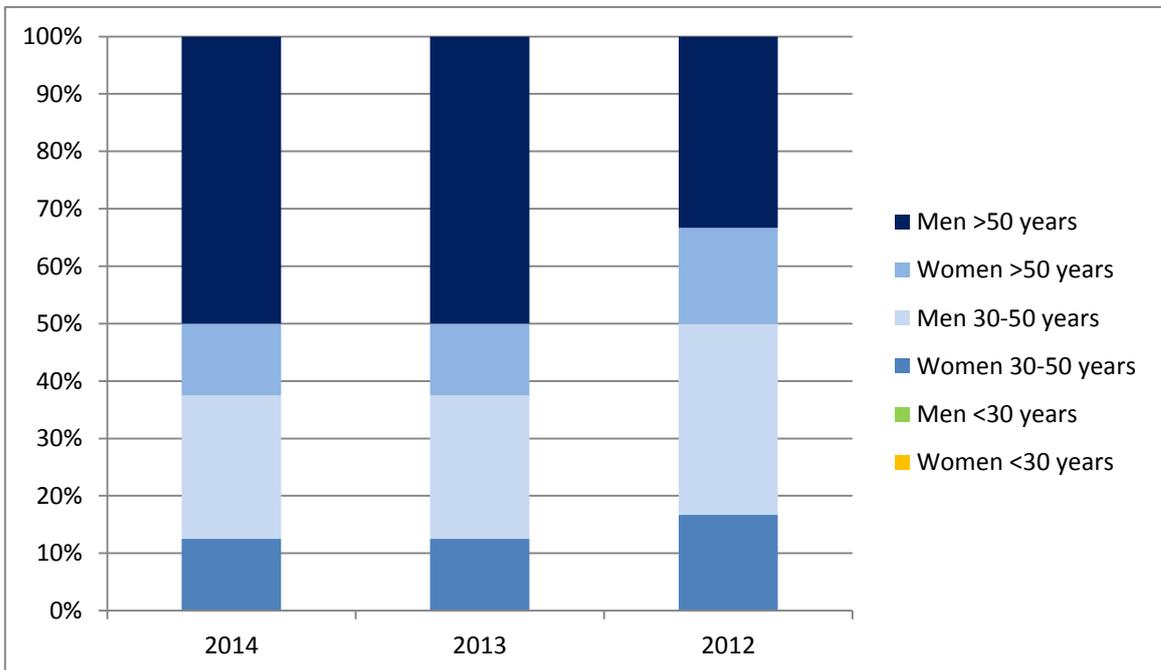
**Management in the Group, by age group and gender, as of 31 December 2014**



**Management in the Group, by age group and gender, as of 31 December 2013**



**Company executive in the Group, by age group and gender, as of 31 December**



In 2014, the company executive consisted of a total of 8 persons, two of whom were women. In 2013, the company executive consisted of 8 persons, two of whom were women. In 2012, the company executive consisted of 6 persons, two of whom were women.

In summary, the proportion of women in the Group is relatively low, 24%. The space business is male-dominated and the number of women choosing a suitable engineering

education is low. SSC experiences difficulties recruiting women as few show interest in open positions.

### **13.1.5 Gender equality plan for the Swedish organisation**

In 2013, a new gender equality plan was drawn up for SSC's Swedish activities, applying to the period 2013–2015. The plan contains concrete goals to increase gender equality in the short- and long-term and activities to achieve these goals. Some of the overall goals include:

- Retaining the ratio of at least 70 per cent and 30 per cent between men and women at the company level. In 2014, the proportion of women was 27 per cent.
- The number of female managers must be in proportion to the relation between the total number of women and men in the company. In 2014, the proportion of female managers was 26 per cent
- Evening out gender distribution within working groups
- Through guidelines and requirements for the organisation, actively working towards greater diversity
- Ensuring that the company is free from victimisation

The CEO of the parent company has the overall responsibility for approval and implementation of the gender equality plan. Management is responsible for ensuring that gender equality efforts become an integrated part of the business and operational plans, and for following up the guidelines and objectives of the plan that have been established. Staff are responsible for acting in accordance with the diversity policy and for ensuring that attention is drawn to any deficiencies/irregularities in the work environment with regard to gender equality issues. The Human Resources Department, together with employer and employee representatives, is responsible for administering the plan.

The gender equality plan will be evaluated and revised in 2015.

### **13.1.6 Work environment, health and safety**

SSC complies with the Work Environment Act and has a work environment policy and routines for systematic work environment efforts, as well as a routine for reporting work injuries and incidents. Our foreign subsidiaries comply with the laws and regulations applying to each country. Since the number of work injuries and rate of work-related sick absenteeism are low, we have chosen not to report any indicators relating to them, since there is a risk of identifying the persons in question

Work environment issues are dealt with in daily operations in cooperation with staff. Everyone is to actively help to ensure a good work environment, by taking responsibility in their work and showing consideration for each other.

Work environment efforts are also reflected in the business and operational plans and in SSC's work environment policy.

It is the employer who is responsible for the work environment and for planning, leading and following up work environment efforts. This responsibility also includes checking that safety instructions are followed and that measures are taken to improve the work environment. In 2014, all new managers in the Swedish organisation signed contracts with regard to their supervisory responsibility for work environment issues within their

divisions. The work environment and responsibility are included in SSC management courses. There is a work environment committee at SSC in Solna and at Erange, which meet twice a year. Annual safety inspections are conducted at Erange and in Solna. The launching of sound rockets and high-altitude balloons is the part of SSC's activities that is most hazardous, since it involves explosives, helium gas, heavy payloads and large amounts of plastic material, which may entail the risk of injury to people and damage to property. For this reason, SSC works actively with safety and safety issues and routines related to them.

SSC's Erange facility is classified as a civilian object of protection and an access control system is applied. All visitors have to show ID documents and accept that security routines are followed before they are allowed access to the area.

All staff at Erange undergo courses in first aid and cardiac defibrillators every other year and fire protection every third year. At regular intervals, 10–12 people are trained in Solna.

Every year, a rescue exercise is conducted for the rescue group at Erange. This rescue exercise, which includes both theory and practical exercises, is implemented over a three-working day period.

Planning and instructions for medical care and rescue services are available for everyone on the intranet.

Evacuation leaders have been appointed for each floor in Solna.

The handling of chemicals that takes place in Solna is hazardous. Routines are in place to prevent injury and improve the work environment and for all handling of dissolvents, other chemicals and toxic substances. This handling takes place in a special chemistry clean room and in laboratories with ventilated extractor hoods.

In 2014, SSC undertook a study of the handling of dangerous substances, both in Solna and at Erange, with the assistance of an external consultant. This study resulted in proposals for improvement and other measures, which SSC began to address during 2014. These efforts will continue in 2015.

Activities within Aerospace Test Systems, which runs the operation and development of testing systems at the Vidsel test range on behalf of FMV must be regarded as hazardous. FMV's routines regarding safety apply at this facility. Work environment efforts at Vidsel are led by FMV. An employer representative and a safety representative from SSC at Vidsel are called to the safety committee meetings.

Other operations run within SSC's area of activities, Satellite Management Services and Engineering Services, are not so hazardous from a human safety perspective.

SSC has a low sickness absentee rate and few cases of occupational sickness and injuries.

**Sickness absentee rate of staff, by region and gender, 2014**

	Sweden	Europe	USA	Chile
Women	1,7%	0.9%	0.3%	0.2%
Men	1.3%	1.0%	1.3%	2.9%

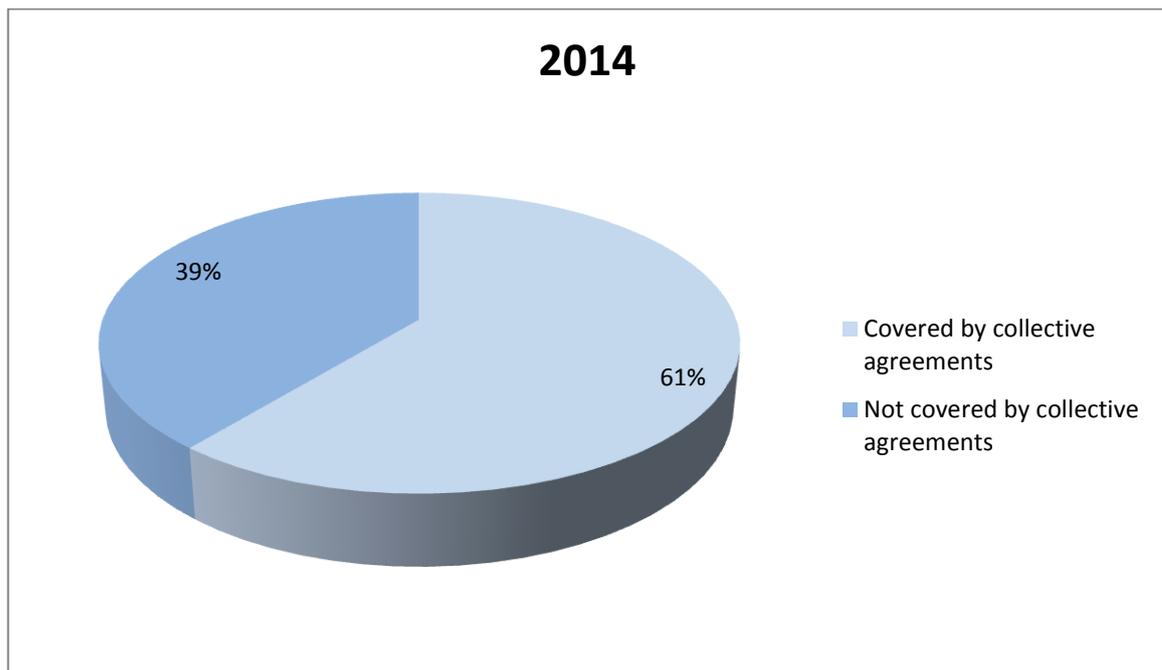
**13.1.7 Cooperation with trade union organisations**

SSC complies with the applicable laws and collective agreements for the employment conditions existing in the countries where we are active. Some of our foreign subsidiaries do not have local trade union clubs or collective agreements, but all our employees are free to organise themselves in unions under the applicable legislation. We strive to maintain good relations with employees’ trade union organisations where these exist.

In Sweden, SSC has a cooperative agreement with the trade union clubs and holds regular meetings, aimed at promoting the company’s development and making it more efficient, thereby increasing its competitiveness. This is done by providing information and involving the trade union organisations at an early stage. This cooperation agreement does not replace the Employment (Co-Determination at the Workplace) Act and the Development Agreement between the Confederation of Swedish Enterprise, the Swedish Trade Union Confederation/Unionen (the Swedish Union for white collar workers), but rather supplements it.

Two representatives from the staff are members of the Board of Directors.

**Number of employees covered by collective agreements in the Group**



All employees in the Swedish organisation are covered by collective agreements, apart from the company executive.

## **13.2 Customers**

### **13.2.1 Products and services including quality and safety**

The Swedish organisation's operational management system is certified in accordance with the ISO 9001:2008 international standard. Each division is responsible for the quality and safety of its services and products and for continual improvement of its procedures. SSC takes a serious view of the global security challenges facing the space industry, not only in terms of security policy, but also purely operationally. SSC considers that security efforts at a high level will increase the future quality of products and thus customer satisfaction.

In 2014, SSC has drawn up policy documents in areas such as overall security, information management, risk management and crisis management as a framework on which to base its work. Training and implementation of these policy documents will take place in 2015, partly through e-learning but also via seminars and teacher-led courses. Alongside the drafting of policy documents, SSC has also held some 20 seminars with employees from the entire Group in 2014. These seminars have focused on raising the awareness of employees for the risk and security challenges that SSC is facing now and in the future. These seminars were also held in preparation for implementation of the policy documents and the changes in, for example, working routines, which implementation of the policy documents may entail.

### **13.2.2 Customer satisfaction**

Customer satisfaction and procedures for how we work with this aspect are part of our management system at division level.

Customer satisfaction is also a factor in which the owner is interested, with regard to fulfilling the objectives for the social mission within the framework of running Esrange. A high level of customer satisfaction is an expression of the mission objectives having been achieved together with a high rate of usage at the facility. SSC has therefore, in 2014, developed a system to measure customer satisfaction which will be able to be applied in several of the divisions. The result of this survey can be seen in the Annual Report.

We conduct a continuous dialogue with our customers via discussions and meetings in order to follow up customer satisfaction.

In 2014, a joint Customer Relationship Management (CRM) system was introduced for the entire Group.

## **13.3 The chain of suppliers**

SSC's main operations involve advanced space services. The procurement procedures that we undertake thus involve the operation, services and equipment that come from our facilities throughout the world, and our engineering services. The total sum for the five largest SSC suppliers amounted to SEK 121.8 million in 2014 and stems from engineering and communications services, as well as pension expenses. Our largest suppliers in 2014 were from Sweden, Germany and Chile.

The factors that have affected the SSC supplier chain in 2014 are based on the new establishment of antennas, upgrading of power supplies, the outsourcing of some infrastructural activities at Esrange and the divestment of Airborne Systems' operations.

### **13.4 Availability of raw materials**

General use of raw materials in SSC is comparatively low. In the area of activity involving the launching of balloons, there is, however, a significant use of the raw material helium, which is used to create aerodynamic lift for the balloons. Helium is a finite resource, purchased from the USA. As stocks decline, the costs of the use of helium are expected to increase. In 2014, SSC has initiated efforts to find an alternative to helium and the primary candidate is hydrogen gas. This is, however, associated with considerable greater risks, since hydrogen gas is more explosive.

### **13.5 Society**

#### **13.5.1 Stakeholder engagement and social commitment**

SSC is a state-owned company with mission objectives that extend beyond pure returns on capital. In 2013, the owner undertook a review of the mission objectives, which were determined in connection with the Annual General Meeting in April 2014. SSC mission objectives are as follows:

- The national task with clear mission objectives, without the demand for financial returns, to develop and operate Esrange Space Center.
- With a demand for financial returns, to run global, commercial operations within advanced space services.

Space operations are a strategic national asset, where SSC's role as a supplier of services is essential for other organisations, researchers, government agencies, foreign space companies and space organisations as well as security policy stakeholders.

SSC is also active in regions where employment is concentrated to few activities and where environmental impact in various forms must be avoided as far as possible.

Our proximity to the indigenous population at Esrange requires particular attention. At Esrange, the use of land is an important issue for both the local population and SSC. Representatives from Esrange and the Sami villages keep each other regularly informed on their activities in order to coordinate their different areas of interest in the best way.

Mineral prospecting has been intensified in Norrbotten in recent years and Esrange and the reindeer husbandry industry are also affected by this. There is consensus about this between Esrange and the three nearest Sami villages. Esrange's need for a large, restricted area in the rocket launch range coincides with the need for good pastures for the reindeer husbandry industry.

Being easily accessible for a dialogue with stakeholders is extremely important and SSC must conduct an open dialogue with those who have an interest in its activities and are also included in organisations linked to its area of activity, which strengthens confidence in the company and thus in its business operations themselves. Through an annually drawn up communications plan, the need for a planned dialogue with stakeholders is satisfied. Responsibility for contacts in society lies with the Public Affairs department.

### 13.5.2 Sustainability initiatives that we have joined

SSC takes part regularly in the network meetings on sustainability work arranged by the Ministry of Finance Division for State-owned Enterprises.

SSC has been a member of the UN Global Compact since 2013, and in 2014 submitted a Communication on Progress in the form of a Sustainability Report for 2013.

Every year, the company donates a sum of money to charity in connection with the Christmas holiday. In 2014, this donation went to Supporting Education in Liberia, for the fight against Ebola.

Since SSC largely has public organisations as its customers, the company is very restrictive with gifts and donations. The way in which SSC staff are to handle the issue of gifts and donations is regulated by the SSC code of conduct and ethics policy. The very limited donations that are made are dealt with by the company's local divisions and are directed at programmes supporting culture, education, sport or other proactive social and humanitarian programmes.

### 13.5.3 Membership of organisations

SSC has found that membership of the following industrial organisations is strategic for our activities:

- Space Foundation
- International Astronautical Federation (IAF)
- SpaceOps
- National Defense Industrial Association, Space Division (NDIA)
- American Institute of Aeronautics and Astronautics (AIAA)
- Women in Aerospace
- Society of International Affairs
- Swedish Aerospace Industries (SAI, where SSC has been the Chair company in 2014)
- Rymdforum (where SSC holds two places on the Board of Directors)

SSC is also a joint owner of Kiruna Municipality's development company, Progressum.



## 14 G4-32: GRI G4 index

The SSC Sustainability Report has been drawn up in accordance with version G4 of the Global Reporting Initiative (GRI) guidelines. These reporting principles aim at ensuring that information on the organisation’s material Aspects are included and that the quality of the information reported fulfils the given criteria. All companies within the SSC group are included in the report if not stated otherwise.

SSC has reported in accordance with the GRI G4 core-level. KPMG has reviewed the Sustainability Report. Its assignment has included monitoring compliance between the declared application level GRI core and the indicators given in the Sustainability Report.

A cross reference list for the general standard disclosures and specific standard disclosures that SSC reports for 2014 is given below. In the cross reference list, reference is made to the place in the documents where the relevant information is to be found.

The information is found in the documents under the following: SR – The SSC Sustainability Report, 2014 and AR – The SSC Annual Report, 2014

<b>GENERAL STANDARD DISCLOSURES</b>				
<b>General standard disclosures</b>		<b>Page/Link</b>	<b>Comment</b>	<b>UN Global Compact</b>
<b>STRATEGY AND ANALYSIS</b>				
G4-1	Statement from the CEO on the relevance of sustainable development for the organisation and its strategy	Page 1, SR		
<b>ORGANISATION PROFILE</b>				
G4-3	Organisation’s name	Page 1, AR footer	Swedish Space Corporation	
G4-4	The most important brands, products and/or services	Page 5-9, SR Page 1-3, AR		



G4-5	Location of organisation's head office	Page 1, AR footer	Solna strandväg 86, SE-171 04 Solna, Sweden	
G4-6	Number of countries in which the organisation is active, and the name of the countries in which major activities take place	Page 3,5, AR		
G4-7	Owner structure and type of company	Page 6, AR		
G4-8	Markets in which the organisation is active	Page 1-3, 42, AR		
G4-9	Size of the organisation	Page 18, 23 AR Page 4, 18 SR		
G4-10	Total number of staff, by employment type, employment conditions and region	Page 18, SR		
G4-11	Proportion of employees with collective agreements	Page 26, SR		Labour principle 3
G4-12	Organisation's supplier chain	Page 27, SR		
G4-13	Changes in the organisation or supplier chain	Page 28, SR		



G4-14	Precautionary principle's use in the organisation	Page 5-9, 16-17, SR	<p>SSC contributes to a sustainable development in accordance with Sweden's national goals, partly by developing products and services with environmental profiles, partly through considering environmental aspects in all our operations and weigh these in when it comes to decisions that affect the future operations. SSC therefore actively works on limiting the environmental impact on land, air, water and ecosystems.</p> <p>SSC respects international space conventions, national laws and regulations within the environmental area. SSC limits the negative effects of transports and optimize the use of raw materials and energy in the operations. In all cases of SSC's own development and the purchasing of products and services, environmental aspects are weighed into the choice of system solutions and suppliers.</p>	Environment, principles 7,8,9
G4-15	Membership of sustainability initiatives	Page 29, SR		
G4-16	Involvement in organisations	Page 29, SR		
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>				
G4-17	Organisation structure	Page 2-3, 5, 12-13, AR Page 4-5, 30 SR	All companies within the SSC group are included in the report if not stated otherwise.	
G4-18	Process for materiality analysis	Page 9, SR		
G4-19	Identified material Aspects	Page 13-14, SR		
G4-20	Boundaries at Aspect level in the organisation	Page 13-14, SR		
G4-21	Boundaries at Aspect level outside the organisation	Page 13-14, SR		



G4-22	Explanation of impact of changes in information of previous reports and the reason for this	N/A	No changes in information have been made	
G4-23	Material changes made since previous reporting period with regard to boundaries and scope	N/A	No material changes have been made	
<b>STAKEHOLDER DIALOGUE</b>				
G4-24	Stakeholder groups involved by the company	Page 12-13 SR		
G4-25	Principle for identification and selection of stakeholders	Page 12, SR		
G4-26	Procedures when communicating with stakeholders	Page 12, 28, SR		
G4-27	Important areas that have been raised in these communications and how the organisation has dealt with these areas	Page 5-9, 12-13, 14-15, 19, 21, 24-28, SR		
<b>INFORMATION ON THE REPORT</b>				
G4-28	Reporting period	SR	Business year 2014	
G4-29	Last report issued	SR	March 2014	
G4-30	Reporting cycle	SR	Annual	
G4-31	Contact person for the report	SR	The contact person for the Sustainability Report is the Vice President Public Affairs, Anders Jörle, tel: +46 8 627 62 06, <a href="mailto:anders.jorle@sscspace.com">anders.jorle@sscspace.com</a>	



G4-32	GRI Table of contents	Page 30-44, SR		
G4-33	Policy for external endorsement of report	Page 30, 45, SR		
<b>GOVERNANCE</b>				
G4-34	Description of corporate governance	Page 6-15 AR		
<b>ETHICS AND INTEGRITY</b>				
G4-56	Description of fundamental values, principles, standards and ethical guidelines and how well these have been integrated into the organisation	Page 11, 14-16, SR		Human Rights principles 1,2, Labour principles 3-6, Environment principles 7-8, Anti-corruption principle 10



SPECIFIC STANDARD DISCLOSURES					
MATERIALITY AREAS FOR SSC	MATERIAL ASPECTS (Such as in G4-19)	GOVERNANCE & INDICATORS	Page	Comment/Omission	UN Global Compact
	<b>SOCIAL</b>				
	Employment conditions and decent work				
	Sustainability governance (Employment)		Page 19, 21, 24-26 SR	Since SSC is a knowledge-based company, the staff is an important resource for running activities. SSC is dependent on retaining and employing qualified staff with the right skills. Staff surveys are undertaken at regular intervals and improvement efforts, based on their results, are implemented in the organisation at different levels. A dialogue on objectives and personal development is to be held with all members of staff once a year. During the dialogue, a skills development plan is drawn up and a follow-up dialogue is held after six months. Management must register that they have held these dialogues and this is also measured in the staff survey.	



Recruitment	Employment	G4-LA1 Total number of employees who have left the company, staff turnover, by age, gender and region	Page 20, SR	We report staff turnover on group level and by gender. The staff turnover is based on number of new employees and the average of number of employees at the beginning and end of the year respectively. The same principle is used for reporting the employees that have left the company during the year.	
	Sustainability governance (Health and safety)		Page 24-26, SR	<p>SSC is obliged to follow the Swedish Work Environment Act. SSC's subsidiaries are obliged to follow the legislation and regulations applying to each country where they operate. Some of SSC's operational areas are more hazardous than others, which is why it is important for SSC to work systematically with work environment issues. SSC has a work environment policy, routines for systematic work environment efforts and for reporting work injuries and incidents.</p> <p>Management is responsible for the work environment and for planning, leading and following up risks at work. Training in rescue equipment and fire protection is regularly held, as well as rescue and evacuation exercises. SSC has few cases of work-related injuries and illness.</p> <p>SSC's operations are built on trust and respect in the individual. SSC works for a favorable, well working and stimulating work environment that foster the employees' safety, health</p>	Human Rights, principle 1



				and well-being. The working environment is a natural and important part of the daily work. The employees shall be able to influence the working environment and safety of their own working site, directly and through a well working organization. SSC respects the Occupational Safety and Health Act, has a policy and routines for work environment as well as routines for reporting of work related injuries and near accidents.	
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Health and safety	Health and safety	G4-LA6	Page 26, SR	Since the number of cases of work-related injury and illness is so small, we have chosen not to report them because of integrity reasons.	
	Sustainability governance (Diversity and equal opportunities)		Page 21-24, SR	SSC works in a traditionally male-dominated industry and therefore regards diversity and equal opportunity as strategic assets in the company's business development. Gender equality and diversity are also included as an important point in the state's owner policy and guidelines for companies owned by the state. SSC has a diversity policy that has been approved by the Board of Directors and applies to the entire Group. Management is ultimately responsible for compliance with the policy and active efforts involving diversity are being made in the organisation. Staff also have a responsibility for ensuring	Labour principle 6



				<p>that the policy is followed. Diversity is a subject that is taken up at management training courses and is found in the SSC recruitment policy. The Swedish organisation has a gender equality plan which contains concrete objectives in the short- and long-term and activities to achieve these objectives. The plan also contains a follow-up of the previous gender equality plan's objectives. The CEO of the parent company has the overall responsibility for approval and implementation of the plan. Management is responsible for integrating gender equality effort into activities and for following up objectives. Management is responsible for integrating gender equality effort into activities and for following up objectives. Staff are responsible for acting according to the plan and to call attention to any deficiencies. The Human Resources Department, together with employer and employee representatives, are responsible for administering the plan.</p>	
Diversity and equal opportunities	Diversity and equal opportunities	G4-LA12 Composition of Board of Directors and company executive and distribution of other employees by gender, age	Page 9-10 AR Page 18,22-24, SR	We have chosen not to divide employees by minority group or other diversity indices since this may be prohibited and not always compatible with Swedish legislation.	Labour principle 6



		group, minority group origin and other indices of diversity			
	<b>Human rights</b>				
	Sustainability governance (rights of indigenous populations)		Page 28 SR	<p>SSC respects the UN Declaration of Human Rights and accepts our responsibility to observe the rights of employees and the society to the extent that they are affected by our operations.</p> <p>SSC has facilities close to indigenous populations and cooperation with the local inhabitants is strategically important, both for SSC and for them. This applies particularly to Esrangle, where SSC and the reindeer husbandry industry share the use of land. Regular information meetings are held between SSC and the Sami villages to coordinate the different areas of interest in the best way.</p> <p>Human rights are dealt with in SSC's Code of Conduct that was implemented in 2014. All staff is responsible for compliance with the policy. In 2014 a decision was taken to implement a whistle blowing function in the organisation. This function will be implemented in 2015. Management is responsible for reporting deviations. SSC's certification and authorisation regulations applying to the entire Group deal with how legal disputes</p>	Human rights principles 1-2



				are to be reported. Managers are responsible for compliance with these regulations.	
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Rights of indigenous populations	Rights of indigenous populations	G4-HR8 Number of cases of violations of indigenous populations and measures taken		SSC has not had any known cases of violations of indigenous populations in 2014.	Human rights principles 1-2
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<b>Society</b>					
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	Sustainability governance (Business ethics and anti-corruption)		Page 14-16 SR	For SSC it is important to have clear guidelines and follow up with regard to business ethics and integrity. It is also of great importance for SSC's owner. SSC has operations in several countries and our customers are to be found throughout the world, which places demands on understanding and follow-up with regard to the business conditions existing in these markets and countries and the political and business risks that these can entail. Anti-corruption is dealt with in the SSC Code of Conduct and ethics policy which all staff are obliged to follow. The policy also clarifies responsibility when there are	Human rights principles 1-2, Anti-corruption principle10
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				<p>deviations from the policy, and how these are to be reported. Managers are responsible for reporting deviations. SSC's certification and authorisation regulations applying to the entire Group deal with how legal disputes are to be reported. Managers are responsible for compliance with these regulations. To further enhance staff awareness of our regulations and guidelines on business ethics, a global training project that includes all staff will be implemented.</p>	
Business ethics and anti-corruption	Anti-corruption	G4-SO5 Confirmed corruption incidents and measures taken		SSC has not had any known incidents of corruption in 2014	Anti-corruption principle 10
	Sustainability governance (Regulatory and legal challenges, compliance with laws)		Page 15-16, SR	SSC's activities are governed by a number of national and international regulations. How SSC deals with this is strategically important, even for the owner and the government agencies it involves. A challenge for SSC is compliance with export control legislation, primarily Swedish and US. SSC has lifted over responsibility for export control issues to the function for Strategic Security and is working on raising the quality of this work further.	



				SSC's certification and authorisation regulations applying to the entire Group deal with how legal disputes are to be reported. Managers are responsible for compliance with these regulations.	
Regulatory and legal challenges	Compliance with the legislation	G4-SO8 Amounts for significant fines and total number of non-monetary sanctions against the organisation for offences against the legislation and regulations that apply		SSC has not been sentenced to any fines or sanctions for offences against legislation or regulations in 2014.	Human rights principles 1-2, Labor principles 3-6, Environment principles 7-9, Anti-corruption principle 10



	Products and services				
Customer satisfaction	Sustainability governance (Labelling of products and services)		Page 27, SR	<p>For SSC, customer satisfaction is of great strategic importance, as it is for its owner. If SSC's customers are satisfied, the risk of a change in supplier is reduced. SSC holds a continuous dialogue with customers, through discussions and meetings, to follow up customer satisfaction. Procedures for the way in which work on customer satisfaction is to be conducted in business operations are to be found in the SSC management system at division level. SSC has introduced a common management system for the entire Group, which will facilitate the measurement of customer satisfaction. The management system shall be fully implemented in 2015.</p> <p>The objectives within SSC's public assignment Estrange, are a high customer satisfaction and high occupancy.</p>	



Customer satisfaction	Labelling of products and services	G4-PR5 Result of the customer survey implemented	Page 8, AR Page 27 SR	A survey regarding fulfilling the objectives for SSC's public assignment was conducted in 2014. The objective for quality index is minimum 80% and the result was 85%.	
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## **Auditor's Limited Assurance Report on SSC's Sustainability Report**

This is the translation of the auditor's report in Swedish.

*To Swedish Space Cooperation (SSC Group)*

### **Introduction**

We have been engaged by the Executive Committee of SSC Group to undertake a limited assurance engagement of SSC's Sustainability Report for the year 2014.

### **Responsibilities of the Board of Directors and the Executive Committee for the Sustainability Report**

The Board of Directors and the Executive Committee are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 30 in the Sustainability Report, and are the parts of the *Sustainability Reporting Guidelines* (published by The Global Reporting Initiative (GRI)) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

### **Responsibilities of the auditor**

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with *RevR 6 Assurance of Sustainability Reports* issued by FAR. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Committee as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

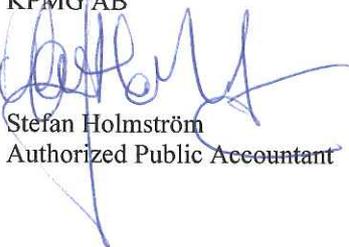
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

### **Conclusion**

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Executive Committee.

Stockholm, March 20, 2015

KPMG AB

  
Stefan Holmström  
Authorized Public Accountant

  
Jenny Fransson  
Expert Member of FAR