SSC

SUSTAINABILITY REPORT 2015

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WE HELP EARTH BENEFIT FROM SPACE

Reporting in accordance with GRI G4
Since 2014, the Swedish Space Corporation (SSC) has been reporting in accordance with the Global Reporting Initiative's GRI G4 Core Guidelines. This means that, in addition to providing a number of compulsory standard disclosures, SSC also reports on such issues that are material for ensuring that the company achieves sustainable and profitable activities in the long term. The GRI G4 Core Guidelines correspond to the fundamental reporting that a company must achieve in order to fulfil the demands of GRI G4.

GRI divides sustainability issues into three categories: Environment – Economic – Social. Each category is divided into various GRI aspects (areas of focus) which describe the different categories. Anti-corruption, for example, is a GRI aspect within the Social category. For each GRI aspect, there are a number of indicators that describe the reporting that is required.

SSC has identified a number of material sustainability areas and on the basis of these, has identified GRI aspects that are material for the company. In order to fulfil the reporting requirements of GRI G4 Core, SSC must select one indicator per aspect that the company is to describe in its Sustainability Report. Using these selected GRI aspects and indicators, SSC is able to obtain measurable results for its material sustainability areas and to generate relevant and clear information that is possible to compare internally from year to year and externally at national and international levels.

The GRI index in Appendix IV contains an overview of the compulsory standard disclosures and selected aspects and indicators that are included in SSC's Sustainability Report.

Review
The Board of Directors and the CEO of SSC hereby present the Sustainability Report for 2015. The Sustainability Report has been reviewed in accordance with the confirmation report on page 32 by Pricewaterhouse Coopers AB.

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Introduction by the CEO

SSC wants to contribute to a better world

The international space industry is developing rapidly at present. Various space-based applications are contributing increasingly extensively to many important social functions. Some examples of these are telecommunication, TV, broadband, navigation and positioning, information about the weather, the environment, agriculture and the infrastructure as well as applications for avoiding and dealing with humanitarian disasters. Space also provides material for important research, both concerning space and our planet. Space activities can contribute to solving issues that are of vital importance for the future of mankind, such as climate change, peace, freedom, democracy and economic development, in other words, sustainable global development. From this perspective, the strategic importance of the space industry for innovation, competitiveness, employment and growth may be extensive.

These developments also mean that there are risks of these applications being used for undesirable purposes. Wrongly used, space applications may represent threats to human rights, peace and freedom. Another risk is that collisions between satellites leave debris in space, which negatively affects opportunities for the effective use of space.

The increase in the use of space provides SSC with good conditions for positive, long-term growth and for being able to contribute to the positive effects. With a long-term focus on sustainable activities, the company can actively contribute to the positive development of our planet and of our lives on the planet. This makes it necessary for SSC to have global activities based on a long-term strategy that takes account both of

opportunities and risks, with clear requirements and procedures for how business deals and activities are to be implemented. Sustainability issues must thus be integrated into the company's strategy and business procedures. Building the foundation for this has been the focus of SSC's sustainability efforts in 2015.

New focus for sustainability work

In 2015, SSC's Board of Directors and executive management have taken a number of initiatives in order to be able to take advantage of the opportunities presented by developments in the industry in the long term. The focus has been to improve long-term financial sustainability to allow for necessary investments. An important area has therefore been to develop SSC's business with new services in new markets for new customers, and to ensure that existing customers and stakeholders are satisfied with our operations.

In the first half of 2015, a new sustainability policy was developed . The policy has been approved by the Board of Directors. It is based on SSC's Code of Conduct, which was established by the Board in 2014. This has meant that some of the operational sustainability objectives established in 2014 became obsolete. They were therefore revised in order to better match the new policy, the company's vision and the ambition to use space services to contribute to long-term sustainable society in global contexts as well. Implementation of the new objectives is a long-term process that must be conducted in several stages. The goal established for 2015 was therefore to define how SSC is to achieve a sustainable business strategy in line with the owner's policy and guidelines for sustainable enterprise. The

materiality analysis from 2013 was revised during the year in order to reflect the new direction. A number of material sustainability areas were defined. SSC's new sustainability efforts will be governed on the basis of these.

Sustainability issues have been moved from Group function Communication to the Group function Strategy in order to integrate sustainability as a natural part of SSC's business and strategy. The new department is entitled "Strategy and Sustainable Business".

Five-year plan for increased dialogue and transparency

Based on the new sustainability policy and the revised materiality analysis, a five-year plan was drawn up which was approved by the Board of Directors at the end of 2015. The plan contains a sustainable, long-term strategic objective, supplemented by operational goals aimed at increasing skills internally, implementing procedures and routines and increasing our external dialogue with customers, suppliers and other stakeholders. The operational goals will be renewed over time, are to be followed up regularly and reported annually in the SSC Sustainability Report.

Increased skills within sustainability

In order to achieve the ambition of contributing to a sustainable planet, it is important to increase the skills of both management and employees, with regard to sustainable enterprise being a natural part of the company's strategy. All managers with human resources responsibility have therefore undertaken a management programme based on SSC's strategy.

During our annual global management conference, a workshop was arranged with the entire company executive and senior management to increase awareness and understanding of the importance of sustainability. One of the things shown by the workshop was that management needed common procedures for the way in which we are to objectively assess business and business partners in high-risk markets[1] from a sustainable business perspective. Such procedures have been created during the year, with an initial focus on the sales process.

New model for business deals in high-risk markets

The demand from new customers from emerging geographical markets has, like global geopolitical developments, further accentuated the need for clarity with regard to requirements for a sustainable approach and analysis and transparency concerning SSC's material sustainability issues. Being present in more complex markets is necessary, partly because these markets are growing and partly because, through the benefits that space services may provide, SSC could contribute to sustainable societal development even in these markets, and thus globally.

In order to meet these requirements, SSC has produced a new model this year for how business deals in high-risk markets are to be analysed and implemented. The model includes the introduction of Human Rights Impact Assessments in business deals that are more complex. It also provides guidance on when and how SSC is to undertake more extensive due diligence procedures that also include the requirements of the UN Global Compact. The management and the Board of Directors have been involved in drawing up the model. The model will be implemented throughout the group in 2016.

Business

A number of initiatives for business have been taken during the year which may contribute to sustainable development. Examples of these can be seen in the Report. Among the more long-term projects can be mentioned Situational Space Awareness (SSA) where, together with the customer, SSC is reviewing the possibility of creating a better picture of the location of objects in space, in order, among other things, to avoid collisions in space, but also to know which satellites there are in space and their intended use.

Making use of space for operations that are of critical importance to society is becoming increasingly important for a growing number of actors, both commercial and publicly funded. New functions and applications that are based on infrastructure existing in space, and thus services that enable the use of that infrastructure are rapidly being developed. The future therefore means great opportunities. A condition for succeeding is a completely sustainable business. Establishing a sustainable strategy and clear procedures, objectives and requirements are a necessary beginning. This has characterised this year's sustainability work.

Solna 30 March 2016

STEFAN GARDEFJORD
Chief Executive Officer

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1. By using the term high-risk markets in this document, SSC means markets where respect for human rights is low and where corruption levels are high, but where, at the same time, there are no formal obstacles to doing business such as embargos or international sanctions. Markets in which there is a risk of inter-state conflicts are also included in this concept.

SSC in brief

SSC is a Swedish limited company, entirely owned by the Swedish state with its head office in Solna. According to its articles of association's operational objectives, SSC is to undertake space activities with a commercial focus, be responsible for operating Esrange Space Center and undertake activities in connection with this. SSC is represented in 22 locations in 12 countries and at the end of the year had 579 employees.
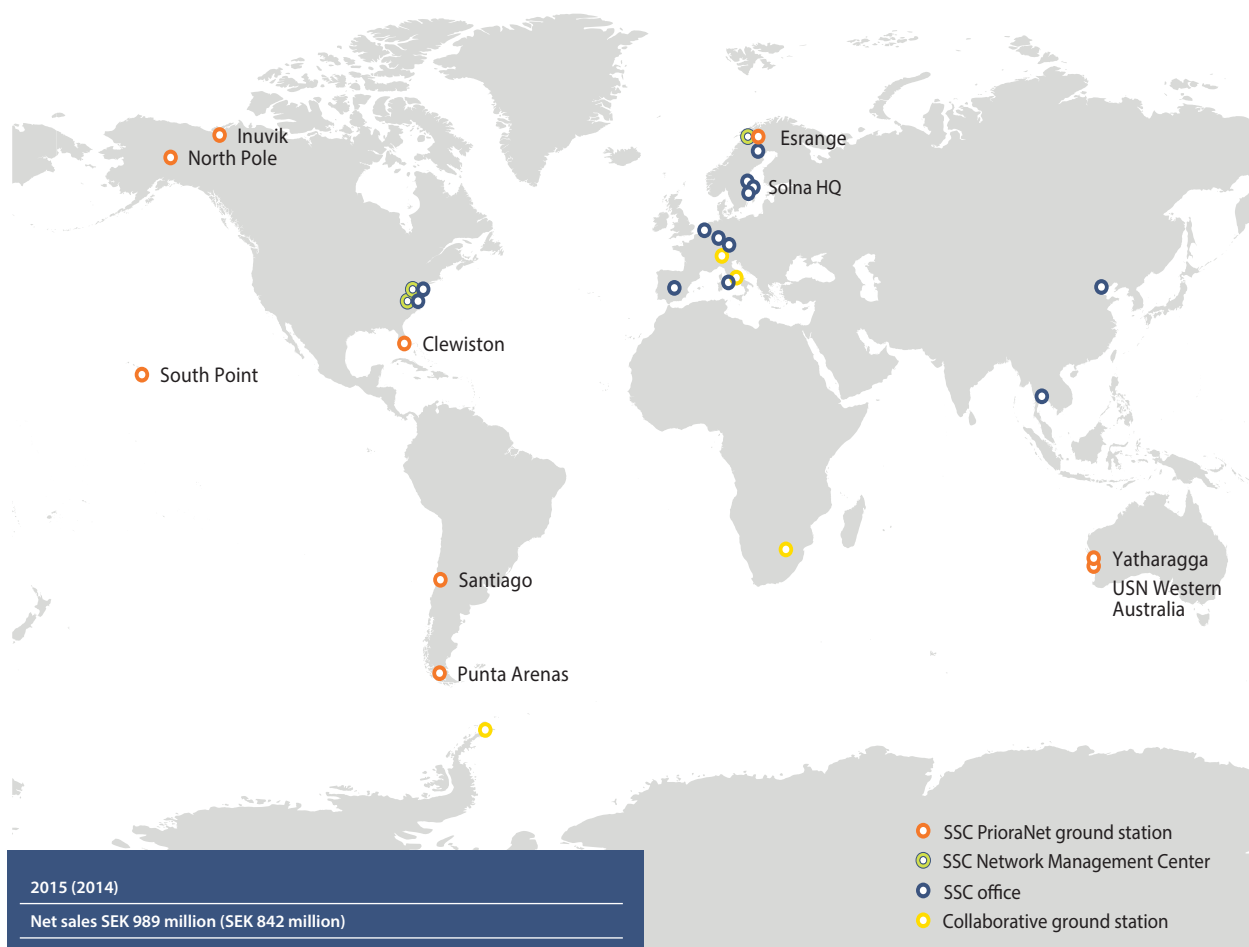
Map labels: Inuvik, North Pole, South Point, Clewiston, Santiago, Punta Arenas, Esrange, Solna HQ, Yatharagga USN Western Australia

2015 (2014)
Net sales SEK 989 million (SEK 842 million)
Operating profit/loss before exceptional items SEK 21 million (SEK 16 million)
Operating margin before exceptoinal items 2.1% (1.9%)
Operating profit/loss SEK 5 million (SEK 31 million)
Operating margin 0.5% (3.7%)
Cash flow SEK -32 million (SEK-56 million)

Legend:
- ⭘ SSC PrioraNet ground station
- ◎ SSC Network Management Center
- ⬤ SSC office
- ⬤ Collaborative ground station

Figure 1. Figure showing SSC's global operations.

SSC is a global company with employees and customers throughout the world. SSC is now represented in Sweden, Germany, Netherlands, Spain, Italy, France, USA, Canada, Chile, Thailand, China and Australia.

The company's assignment

SSC's operations include both a commercial part and a societal part (a societal mission defined by the state, with measurable mission objectives). SSC thus has two clearly defined assignments:

The commercial assignment, to run global commercial operations within advanced space services, with required returns. The assignment is measured against financial objectives. In 2015, the commercial part consisted of three divisions: Satellite Management Services, Engineering Services and Technology[2].

The societal mission, to own, operate and develop Esrange. The assignment is measured against two clear mission objectives, without the requirement of financial returns. The corporation's societal mission part is operated within the Science Services Division, with Esrange as its base. Two mission objectives are to be evaluated and reported: level of capacity use and quality index.

One of the objectives is the level of capacity use, which may be a minimum of 70 per cent. The operation is to be used at a minimum of 70 per cent of possible capacity. The level of capacity use is to be mainly estimated on the basis of the number of rocket launches and the number of balloon launches at Esrange. The other objective is the quality index. The objective is a measured index of a minimum of 80 per cent. The quality index is to include an evaluation of user assessments of the company's service quality, its professionalism and skills and the expectations of the customers[3].

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2. For a full description of assignments and objectives, see the SSC Annual Report, pages 6-7.
3. Ibid

SSC's business areas

A description of SSC's four business divisions

SATELLITE
MANAGEMENT SERVICES (SaMS)

SSC's network of satellite stations around the world is a key component of many satellite systems. The Division provides ground station services for communication with satellites via satellite control, communication of control signals, and the reception of satellite data, and apart from Swedish operations also includes the wholly owned subsidiary in the USA (SSC Space US Inc. previously USN), Chile (SSC Chile SA), Australia (SSC Space Australia Pty Ltd) and Canada (SSC Space Canada).

Our services enable, e.g.:
- Urban planning
- Telecommunications and media broadcast
- Weather, climate and environmental research
- Strategic security such as rescue services

SCIENCE SERVICES

SSC offers launching services for sounding rockets and stratospheric balloons with scientific or technical instruments for research and technical development. These launches are often undertaken in cooperation with international customers. Launches take place at the space base, Esrange Space Center, 45 km north of Kiruna. Internationally speaking, the base enjoys a unique position as a civilian space base, through its extensive infrastructure and access to a large impact area for rockets and an extensive air restriction area when rockets and balloons are released. The development of experimental payloads is undertaken by the Division's department in Solna.

Our services enable, e.g.:
- Space research within such fields as astrophysics, astronomy and particle physics
- Weather, climate and environmental research
- Basic research within such fields as biology, medicine, physics
- Technical development within, for example, metallurgy (the development of light strong metals), medicine (such as medicines against rheumatism) and cell biology (understanding cells' growth processes)

ENGINEERING SERVICES

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 and procurement to the operation of satellites and spacecraft in orbit. Operations in Sweden, Germany, the Netherlands, France and Spain. Operations include the wholly owned subsidiaries, LSE Space GmbH, and Aurora Technology B.V.

Our services enable, e.g.:
- Earth observation
- Telecommunications
- Navigation
- Space research

TECHNOLOGY

The Division consists of three units, independent of each other, which develop rocket motors and systems for space use. It also provides test services for aviation and space systems.

ECAPS (subsidiary) - manufactures the world's first green propulsion systems for satellites.

NanoSpace (subsidiary) – manufactures technology based on microelectromechanical systems (MEMS technology) for small motors that steer small satellites in space.

Aerospace Test Systems – offers the operation and development of testing systems at Vidsel test range.

How SSC's sustainability work is governed

The state's ownership policy and guidelines for state-owned companies

Sustainable enterprise constitutes part of the Swedish state's governance of state-owned companies (owner governance). Requirements and guidelines are detailed in the State's Ownership Policy and Guidelines for State-Owned Companies. These documents addresses human rights, labour rights, environment, anti-corruption, business ethics and diversity and gender equality. The owner's terms of reference[4] and policy also constitute a framework that governs SSC's sustainability efforts overall. In accordance with these terms of reference, SSC is working with sustainability in the long term by:

• working strategically: integrating these issues into the SSC business strategy and establishing strategic sustainability objectives;
• acting transparently in issues that involve material opportunities and risks and conducting an active dialogue with SSC's stakeholders in society;
• cooperating with other companies and relevant organisations, and
• complying with international guidelines in the area.

Apart from this, SSC is to act as an example within the environmental area, in accordance with its terms of reference. SSC is to present an annual Sustainability Report in accordance with the Global Reporting Initiative's (GRI) guidelines. The report is to be quality assured, reviewed independently and confirmed.
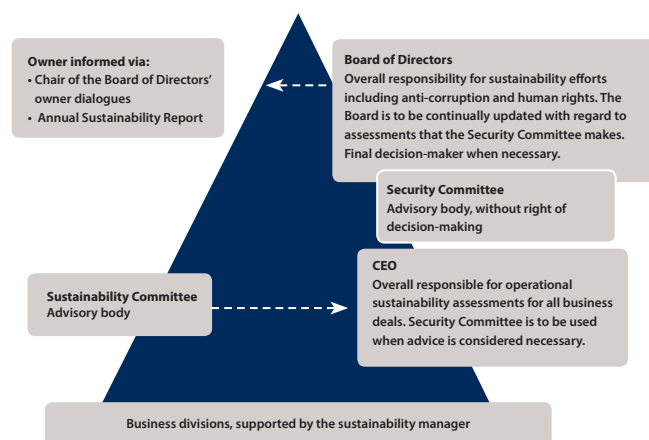
Management of SSC's sustainability work

In 2015, the SSC Board of Directors approved a new sustainability policy and environmental policy, which are both supported by SSC Code of Conduct.

Based on these policies, SSC's ambition is to integrate sustainability into all its operations. The SSC Board of Directors is ultimately responsible for this work. In order to create a natural approach to such integration, overall responsibility for sustainability issues was transferred from Group function Communications to a new Group function for strategic planning and follow-up which was given the name of Strategy and Sustainable Business. By doing this, sustainability is identified as a strategic issue that, apart from the areas defined by the owners, also includes strategic security. Thus the work is led overall by the SSC Head of Strategy, who is part of SSC's executive management. Expert responsibility for sustainability issues in the function is delegated to SSC's sustainability manager. Concrete operational responsibility lies with the line management in the global organisation.

SSC is a small company. SSC has therefore created a structure where sustainability issues will be implemented as a natural part of business and operations in the line organisation, where management by objectives and follow-up are important instruments. The Group management establishes the objectives and follows them up with the sustainability manager as expert.

As a support for line efforts, SSC has set up a Sustainability Committee which is led by the CEO. The committee consists of operationally responsible line managers together with representatives for planning and follow-up. The committee has an advisory and coordinating role for the Group's executive management, with a focus on strategic sustainability from a holistic perspective. In 2015, two meetings were held where the focus has been on the developing of the new SSC sustainability policy, the SSC strategy and a five-year plan for sustainability efforts.

SSC's Board of Directors has organised a committee[5] with an advisory role for the Board for strategic security and sustainability issues. This committee is led by a specially appointed member of the Board, and includes the Chair of the Board of the company. The committee has a balanced composition of Board members with special skills and representatives from executive management, including the CEO as rapporteur. This committee deals with larger and more complex issues regarding business ethics and regulations, and issues related to specific business deals concerning export controls, human rights and security in its broadest context. The governance of strategic sustainability efforts, including ethical business decisions in business operations, was defined in 2015 as the following:

Owner informed via:
• Chair of the Board of Directors' owner dialogues
• Annual Sustainability Report

Board of Directors
Overall responsibility for sustainability efforts including anti-corruption and human rights. The Board is to be continually updated with regard to assessments that the Security Committee makes. Final decision-maker when necessary.

Security Committee
Advisory body, without right of decision-making

Sustainability Committee
Advisory body

CEO
Overall responsible for operational sustainability assessments for all business deals. Security Committee is to be used when advice is considered necessary.

Business divisions, supported by the sustainability manager

Stakeholder dialogues

SSC's stakeholders have an important role in SSC's operations. Its main stakeholders are listed below, with key stakeholders marked. Key stakeholders are the stakeholders that SSC affects most and who are considered to have the most influence on the corporation's activities

• **Customers**
• **Owner**
• **the Swedish National Space Board**
• **The general public, including local communities**
• **Employees**
• **Stakeholders within research and education**
• NGOs (e.g., Amnesty International, CSR Sweden)
• Media, general media in Sweden and international industry-oriented media

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4. Chapter 3.2. The State's Ownership Policy and Guidelines for State-Owned Companies. Government Offices 2015.
5. The Security Committee consists of the Chair of the Board of Directors, 3 members of the Board, as well as company's CEO and Senior Vice President of Strategy & Sustainable Business who are rapporteurs.

• States/agencies (e.g., ESA, NASA, National Space Boards) Stakeholder groups, including key stakeholders, were identified by means of the revised materiality analysis in 2015. In 2016, a more extensive mapping will be made of stakeholder groups. SSC has an ongoing dialogue with stakeholder groups at local, national and global levels in the countries and regions in which SSC is active. These dialogues take place as part of SSC's daily work at all levels from the Board of Directors and senior executives to operational levels. An important part of this is the dialogue that takes place in the meeting between customers and SSC's employees in visits to our offices and facilities. Internally, there is a continual dialogue between the executive and senior management via both physical and virtual management meetings. Personal development dialogues and an annual staff survey are further channels for internal dialogue. For 2015, the following stakeholder dialogues are exemplified (Table 1).

Table 1. Examples of SSC's stakeholder dialogues in 2015

Stakeholder groups	Issues and areas important to the stakeholder group in 2015	Examples of dialogues and activities in 2015	Examples of results of dialogues
Customers	• How SSC and customers address the space industry's expansive development. • SSC's application of policies for strategic security and the Code of Conduct.	• International executive roundtable talks with experts within the space industry concerning existing and future customers • Direct customer dialogues, including within the framework of the contract process.	• Greater mutual understanding, better relations, greater focus on development of services. • Contracts with mutual clauses regarding issues involving, for example, security of delivery, human rights.
Owner	• Quality and long-term development within the framework of SSC's societal mission. • Financial stability. • Global development of space operations, SSC's potential. • Esrange's development. • Strategic sustainability issues.	• Owner dialogue. • Representatives from the Government Offices' visit to Esrange and special meetings on the modernisation of Esrange and the possibility of launching satellites from there in the future. • Inquiry for a national space strategy, background material, circulation for comment process, visits, meetings. • Dialogue with various Ministries as well as internationally on how space activities can contribute to a sustainable world, including sustainability challenges such as space debris in orbit.	• Support and understanding for needs and the way forward, aimed at contributing to a sustainable world. • Better internal understanding for the owner terms of reference regarding sustainability. • Satisfactory direction of the Inquiry for a national space strategy. • Greater insight and understanding, driving force regarding important development issues, including sustainability challenges such as space debris in orbit. • Agreement on the further development of Esrange.
Swedish National Space Board	• Further development of Esrange including the capability for satellite launches (at Esrange). • Esrange Andøya Special Project (EASP) agreement,. • International cooperation issues, for example Memorandums of Understanding with countries and agencies.	• Meetings with Swedish National Space Board concerning Esrange's modernisation and development, activities within EASP and international state activities.	• Agreement with the agency on the further development of Esrange. • Continued activities and agreement on contractual issues within the framework of EASP.
Employees	• SSC's future strategy and sustainability. • Understand SSC's fundamental values, such as "One Company". • Management, with the focus on greater ability to engage, undertake dialogues and implement strategies.	• Seminars for all SSC's management. • Management seminars with exchange of information between the various sections of SSC, visits. • Management programmes for all management. • Employee survey (VOICE). • Employee dialogue on goals and objectives.	• Greater insight. • Greater knowledge, better effect in the use of resources. • Better management, greater strategic understanding.
General public incl. local communities	Nationally: • Understand the potential of space, SSC's global and local role and promote long-term knowledge and competence supply. Locally: • Regionally important investment in Kiruna as a space centre. • Impact on the surroundings and people's lives.	• Articles in the national media, TV programmes. • Municipal and regional dialogues with agencies. • Exhibitions directed at the general public. • Opened visitors centre at Esrange, articles in the media. • Participation in the Astronaut Conference in Stockholm. • Targeted information for students. • Annual consultation committee meetings with Sami villages in northern Sweden. • Dialogue and meetings with local indigenous population in Kiruna. • Visit to Esrange by indigenous population from Inuvik, Canada.	• Greater interest from the general public and curiosity about the positive effects that space investments can give for a sustainable world as well as global and regional growth. • Greater interest for technical education within space, greater interest in employment at SSC. • Positive local cooperation and dialogues. • Continued well-functioning joint right of use for SSC and the Sami villages of the impact area north of Esrange. • Approved installation of antenna in Canada.

Dialogues with local populations are an important aspect for SSC, particularly in places in which the indigenous population has interests. SSC conducts ongoing dialogues with representatives of such groups in Kiruna with regard to activities at Esrange and the use of the large impact area north of the base. SSC also takes part in the annual consultation committee meetings with the indigenous population, the County Administrative Board and the Swedish National Space Board. In 2015, SSC has undertaken a new antenna establishment in Inuvik in northern Canada. During the work involved with this, a visit was made to Esrange by representatives of the indigenous population of Inuvik, aimed at creating the same, positive dialogue that the company has with equivalent groups in Sweden. The visit was very much appreciated by both parties and the objective was achieved.

Materiality analysis for 2015

SSC has reported on sustainability in accordance with the Global Reporting Initiative GRI G4 Core. The GRI G4 Core corresponds to the basic report that a company must achieve in order to fulfil the requirements of GRI G4. A key aspect of this report is what is known as the materiality analysis. The materiality analysis identifies material sustainability areas that SSC has an actual impact upon, and the relevance of different areas for SSC's stakeholders.

Thus the analysis enables identification of the sustainability areas that are material for SSC and that the company is to prioritise. These then provide the basis for governance, measures, follow-up and reporting in the company's Sustainability Report.

In 2013, SSC undertook a materiality analysis according to the guidelines of GRI G4. By making use of the categories and aspects[6] defined in the GRI G4 as a basis of the analysis, a number of sustainability issues were identified which were linked with SSC's business strategy, the space industry in general and the media image of both the industry and SSC. From this material, a number of sustainability areas were defined. The material that was the result of the analysis later formed the basis of a stakeholder questionnaire, and intensive interviews, which were undertaken internally and externally in 2013. Based on all this material, the sustainability issues that were regarded as important for SSC were prioritised, which were subsequently validated by the management. These material sustainability areas then formed the basis of SSC's Sustainability Report in 2014.

In 2015, an overall review and revision of the materiality analysis from 2013 has been undertaken. This review was necessitated by changes in SSC's business strategy, which, in turn, were due to changes in the market. Another important reason for the revision was the stakeholder dialogues that had been carried out, as well as the owner's recommendations from 2014. This review enabled SSC to identify 10 material sustainability areas, which were subsequently linked with GRI aspects and indicators in accordance with GRI G4 (see Appendix IV, the Table on specific standard disclosures). The result is a reduction in the number of material sustainability areas compared with 2014, which allows the company to concentrate its efforts to the most material. Areas that are no longer defined as material are, for example, "Policy, standards and Code of Conduct" and "Internal training within sustainability and security". SSC no longer regards these as material sustainability areas, where real sustainability

objectives can be defined. The two areas are instead considered to be fundamental preconditions, tools, for achieving sustainability objectives. These tools have been produced and implementation of them has been initiated during the year.

Another area with a new prioritisation is environment. SSC has a low negative environmental impact, but in the long term can contribute to a better global environment[7]. The results of the revision were that the area, as defined in the owner's policy, now lies outside the material sustainability areas for SSC's sustainability efforts.

The consequence of this prioritisation for SSC's environmental efforts is minor; the company is working actively to reduce its environmental impact, but since this impact is small, the area is not a material sustainability area. On the other hand, SSC is putting a great deal of effort into developing services in its business activities that will add to the ability to contribute to a long-term sustainable global environment. These are followed up in the material sustainability area "Value to society of products and services". SSC reports on its environmental efforts by reporting its commitments in the UN Global Compact. This report is to be found in Appendix V. Other areas, such as employee satisfaction, and health and safety have also been combined into one joint material sustainability area since the company is small and these issues are related to the company's operations. The results of this year's revision of the materiality analysis provide the basis of this report and can be seen in the following matrix:
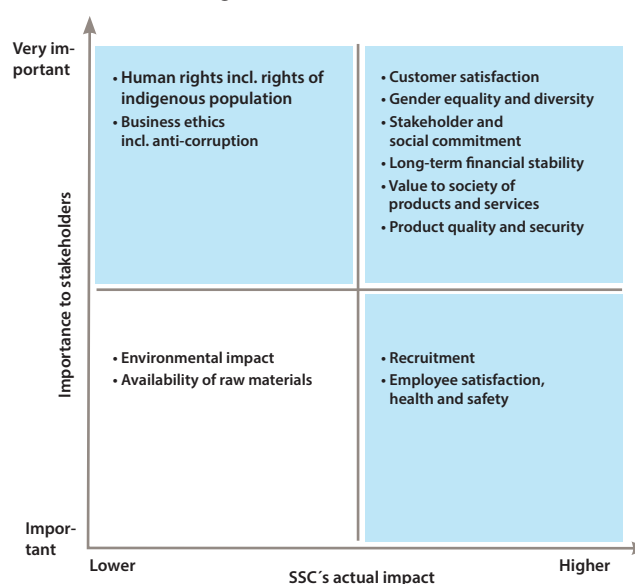
Figure 4: The matrix shows the material sustainability areas identified by SSC for 2015. The matrix shows the importance of those material sustainability areas identified by SSC for SSC's stakeholders (Y-axis) and the actual impact that SSC's operations have in the area (X axis). The identified material sustainability areas (marked) are the basis of SSC's Sustainability Report for 2015.

To ensure the right focus in sustainability efforts so that account is taken of the company's strategic focus, market changes and new demands, SSC has decided in 2015 to implement a new, more extensive materiality analysis in 2016. This will then be regularly followed up as part of the company's strategic work.

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6. GRI G4 specifies categories, aspects (areas of focus) and indicators that the company must report. Aspects and indicators define the information that is to be described in the report. See the yellow information box and Appendix IV.
7. Through space operations with global coverage, environment and climate monitoring can be undertaken and data can continually be collected and made available on the situation of the atmosphere and oceans, on the landmass, on vegetation and biological diversity.

Governance of material sustainability areas

SSC's sustainability efforts are generally governed by the owner's terms of reference, SSC's sustainability policy and SSC's strategic business plan. The different sustainability areas are governed in accordance with the Table below. In 2015, SSC further developed SSC's management system GMS[8] in order to make operations more effective, with clearer processes and governing policies, procedures and instructions.

Table 2 shows governance, follow-up and responsibility for SSC's material sustainability areas. The policies are the highest level, and these are shown in the Table. Each policy includes underlying descriptions of procedures and instructions. Guidelines may exist that may be specific for individual subsidiaries, based on national regulatory frameworks of the countries in which companies operate and/or where SSC conducts operations.

Table 2. Describes the governance, follow-up and division of responsibilities of SSC's material sustainability areas

Material sustainability areas	Governance	Follow-up	Responsibility
Customer satisfaction	Owner's terms of reference	Annual measurements (Div. Science Services)	Head of Division Customer /service manager
Gender equality and diversity	Owner's terms of reference. Diversity policy (Eng) Gender equality plan	Employee survey	CEO Human Resources Head responsible for staff
Stakeholder and social commitment	Owner's terms of reference. Business strategy Stakeholder mapping	Conferences/Symposiums Lectures/Seminars Visitor activities Sustainability Report	CEO Head of Strategy/Public Affairs Head of Division
Long-term financial stability	Owner's terms of reference Business strategy Policy management of financial risks	Annual report Quaterly reports Monthly reports	CEO CFO
Value to society of products and services	Business strategy	Sustainability Report	CEO Head of Strategy Head of Division
Product quality and security	Overall security policy (Eng) IT policy (Eng) IT security policy (Eng)	Penetration tests Monitoring systems Inspections	Head of Strategy/Strategic security Responsible manager Site manager Head of IT
Human rights incl. rights of indigenous population	Owner's terms of reference UN Global Compact Code of Conduct (Eng) Sustainability policy (Eng)	Meetings and dialogue with affected Indigenous population Sustainability committee meetings Sustainability Report	Styrelse Board of Directors CEO Sustainability Manager Head of Division General Counsel
Business ethics incl. anti-corruption	Owner's terms of reference Code of Conduct (Eng) Ethic policy Sustainability policy (Eng) Entertainment policy (Eng)	Sales process Sustainability committee meetings Whistle-blower function Sustainability Report	Board of Directors CEO Sustainability Manager Head of Division General Counsel
Recruitment	Recruitment policy Gender equality plan Security classification (Eng)	Sustainability Report	Human Resources Recruiting manager
Employee satisfaction, health and safety	Work environment policy Environmental policy (Eng)	Employee survey Employee development dialogues Accident reporting	CEO Human Resources Responsible manager

Goal steering

The new sustainability policy, together with the review of the materiality analysis in 2015, led to several of the operational sustainability objectives (that were established in 2014 and based on the materiality analysis of 2013) becoming obsolete. The management therefore decided to set these aside in order to focus on steering towards the new conditions. The Table in Appendix 1 shows the sustainability objectives that were established in 2014, their status and why some of them were removed.

The point of departure of SSC's sustainability efforts is that all its operations are to be based on a sustainable business strategy. The work on sustainability is thus to be based on a sustainable strategy instead of a sustainability strategy. Based on this point of departure, and from the new sustainability policy approved by the Board of Directors and the review of the materiality analysis, a long-term sustainable strategic objective has been drawn up and approved by the Board. This has then provided the basis for a five-year plan. The objective and the long-term plan were approved by the Board of directors at the end of 2015. The long-term plan is thus based on a sustainable

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8. GMS, Group Management System, available to all employees via SSC intranet.

long-term strategic objective supplemented by operational goals that will initially be aimed at increasing competence internally, implementing procedures and routines and increasing our external dialogue with customers, suppliers and other stakeholders. The operational goals will extend over several years and will be regularly followed up and described annually in the Sustainability Report. They will then be successively developed in order to lead to the long-term objective as external and internal conditions change. Through this interaction between a set vision with a long-term strategic objective and more flexible operational goals, a goal steering model is created. This model will mean that sustainability efforts can be successively governed over time, so that implementation can take place at the same time as sustainability issues can contribute to business benefits.

SSC's long-term strategic objective with regard to sustainability is that "All SSC's business shall benefit a positive global societal development". The societal development to which SSC's service deliveries contribute include, for example, global access to telecommunications and Internet, global security, environmental research, climate surveillance, research where space or space-based systems are used and development that is based on scientific data from space about the Earth, the atmosphere, the oceans and space and within astronomy, planetology and cosmology.

In order to create relevant operational sustainability objectives, SSC has analysed its operations in 2015 so as to identify what needs to be improved internally for the long-term strategic objective to be achieved, and thus to help create a sustainable strategy for the company in the long-term. The absolutely most important task is to review procedures and routines in order to create the conditions for working methods where the most material sustainability efforts become a natural part of SSC's operations. In addition, skills within the organisation on sustainability in general and sustainable enterprise specifically need to be increased, particularly at management levels and in the most critical business processes. At the initial stage, therefore, the focus needs to be internal. Decisions on this focus have been made during the year.

Even at an early stage, the sales process was identified as something in particular need of improvement in internal efforts. The reason for this was the identified material sustainability area of human rights, linked with the new, and in this context, difficult markets in which the company needs to operate. Implementation efforts during 2015 therefore focused on this process, aimed at establishing concrete controls, with regard to the sustainable issues that applied to each business opportunity before every sales decision point in the process. This has been tested and implemented, with good results. The goals of SSC's external sustainability efforts have been given a somewhat longer timeframe, even if the work has begun in 2015 with extended stakeholder dialogues (see Table 1). The initially most prioritised area is to improve the dialogue with stakeholders, where partners and larger customers represent an important group, and with various specific stakeholder groups that may consider that they are affected by SSC's operations. A decision was taken to implement a new stakeholder

analysis in early 2016, based on the new market conditions, the possibilities and risks described above, with SSC's policy and long-term objectives as a basis. A decision was also taken to implement a structured dialogue with the stakeholder groups that the stakeholder analysis will identify.

When it comes to SSC's supply chain, a goal was established in 2014 that entailed an examination, due diligence, being undertaken of all suppliers. Since SSC has a large number of small suppliers, the majority of which are small Swedish companies, supplemented with a number of larger European and US suppliers of advanced technology, this objective was not considered relevant for prioritisation after the review of the materiality analysis. Instead sustainability issues with regard to this have been implemented in the form of requirement definitions to strengthen the procurement function. SSC has also decided to improve the procurement processes with relevant sustainability parameters before the decision-making stage, as with the sales process.

The operative goals established for 2016 are:
- SSC's model for a sustainability analysis of business opportunities is to be applied to all new business opportunities in the sales process: *the focus of this goal follows the conclusions of the revision of the materiality analysis and is to be human rights and corruption. The aim is to provide the greatest possible transparency in the process.*

- All SSC employees are to have undergone training involving SSC's Code of Conduct: *Initially management training will be prioritised (begun in 2015) so that these can support a simpler training of all employees.*

- SSC's Code of Conduct is to be signed by suppliers and partners and addressed with all customers and when needed, be included in the contract: *SSC has several very large institutional and commercial customers in different parts of the world that have similar codes of conduct to that of SSC. For these customers, the goal entails the contents of the codes of conduct being discussed in the form of dialogue. SSC also has customers who do not have a code of conduct or whose code of conduct differs substantially from that of SSC. For these customers, it may be relevant to include the Code of Conduct in the contract, together with clauses that mean the possibility of terminating the contract if the code is not complied with.*

- SSC is to comply with environmental and safety laws and always strive towards no deviation from internal requirements with regard to environment and safety: *SSC's environmental impact is small, but the company deals with certain environmentally hazardous substances and is working in a global environment in which safety issues are very important, both for the company and for different stakeholders. The goal is therefore directed at proactive measures to ensure a relevant level in operations with regard to these areas.*

These goals will be followed up at Division level, beginning in 2016.

Our business

SSC's services, market and challenges

SSC is active in a global market that is in the process of drastic change. An increasing number of commercial actors are now supplementing the institutional customers that previously dominated. Technological developments provide cheaper technologies and new applications which, together with greater commercialisation, lead to a greater number of countries acquiring space systems. All in all, the market is growing, both geographically and economically, but competition is becoming increasingly tough and margins are being challenged.

An important driving force in these changes is the strong development driven by new commercial actors, the most forceful of whom are largely actors based in the USA. The fact that major global IT companies, such as Google and Amazon are investing in making use of space systems for their operations provides a further dimension where IT and space activities converge.

Space-based applications are important for many different societal functions. Development means that space-based systems and services will also be able to contribute more extensively to solving questions that are vital for the future of the human race, such as greater global transparency, climate changes, peace, freedom, democracy and economic development – or in a nutshell – contribute to more sustainable global development. The significance of the space industry for innovation, competitiveness, employment and growth may be extensive.

SSC's business activities consist largely of deliveries of advanced space services within the entire market described above. Our circle of customers includes major institutional European and US space actors, as well as a number of national institutions and commercial companies. Among our ten largest customers, ESA is by far the largest. The German space agency, DLR is the second largest, while the US agency NASA and commercial Digital Globe are almost as large. The proportion of "other customers" is growing with new countries, companies and organisations. Our Asian group of customers is dominated by China, which buys SSC's services primarily for downloading meteorological data from weather satellites. Japan has also been a major customer for many years, both with regard to downloading satellite data and to testing activities for a new commercial supersonic aircraft.

The company's potential for using its business operations broadly and substantially to contribute to positive global development while creating sound growth can be described as good. Demands for technological and business development are large, as are investments in skills and infrastructure and internal cooperation and partnership. In 2015, SSC has laid the foundation for a sustainable business strategy, which is based on this potential. During the year, dialogues on this strategy with various stakeholders have shown that there is a concern that new space applications with more advanced technology may represent a threat to human rights, peace and freedom, primarily via greater possibilities for unsound surveillance in

the hands of the wrong actors. This concern is largely based on a lack of knowledge about space activities, its applications and the potential that these activities have. Properly used, space provides invaluable possibilities for helping to improve research and to increasing transparency and communication. Space applications thus constitute an active contribution for peace, freedom, democracy, sustainable growth, climate knowledge and the preservation of biological diversity – in short, a more sustainable planet. Today's increasingly complicated global geo-political situation accentuates the need for contributing space capabilities to solve these problems and also the problem areas described above. Like those of all equivalent space organisations, SSC's business deals are subject to specific requirements within certain sectors of sustainability efforts. Here there is a security policy dimension of which the company has to take account.

In sum, all this means that in order to be able to develop and to take advantage of the new market conditions while contributing positively to global development, SSC needs to increase communication and transparency on the positive potential of our operations, to create understanding in the various stakeholder groups. The owner, the media and the general public are, in this context, the most important groups to reach out to. The developments described above also mean that the company must have reliable procedures and skills to deal with overall global market-related and specific situations that entail opportunities and risks, where human rights constitute the most important area with regard to the risks. Dialogue, transparency and human rights are, in the light of the background described above, the most important parameters for SSC's long-term sustainability efforts. Creating the conditions for positive work on these parameters has been the focus in 2015.

Organisational changes

In order to take advantage of new opportunities and to meet greater requirements, new establishment and re-structuring have taken place during the year. Activities within the Satellite Management Services (SaMS) Division have been consolidated so that the regional subsidiaries working in different countries are now operational in a completely integrated joint global market and function-oriented organisation. At the same time, the company's IT activities have been integrated into a joint global service organisation, which has been placed close to the most IT-dependent business operations, SaMS, but which support the activities of the entire Group. These measures improve the efficiency of deliveries and the potential for control, follow-up and transparency.

The subsidiary SSC US Inc., which ran very limited activities, has been closed down. SSC's US operations are now run via the Universal Space Networks subsidiary. When this change was decided upon, it was decided that from 1 January 2016, the US subsidiary is to be called SSC Space U. S. Inc. Antenna installations have been completed in Alaska and in Inuvik, Canada. In September 2015, a representation office was also opened in Rome, Italy.

SSC's business in 2015

A number of examples of services and products that SSC has provided in 2015 and that directly and/or indirectly had positive benefits for society are given below.

D-SEND

For the past five years, SSC's stratospheric balloon activities at Esrange Space Center have been supporting Japan Aerospace Exploration Agency (JAXA) by undertaking a number of balloon flights with different fuselages. These flights are part of a multi-year JAXA project which aims, e.g. at developing and evaluating a new type of conceptual aircraft that can fly at supersonic speeds with a sonic boom that is lower than that generated by earlier aircraft. When objects such as aircraft fly faster than sound, a pressure wave appears around the object which is perceived as a powerful explosion when it reaches the ground, termed sonic boom. This sonic boom can be very disturbing for humans and animals and may also damage buildings, for example. JAXA hopes that this project will help them to develop aircrafts in the future that can fly supersonically over land, without disturbing or damaging communities on the ground. None of the fuselages that JAXA has used in its experiments at Esrange have had motors, but have been lifted to a height of between 20 and 30 kilometres using SSC's balloons. When the balloon has reached the right height, the fuselage has been released. When the fuselage reaches supersonic speed, the strength of the sonic boom has been measured. An evaluation of the most recent measurements that have been undertaken in the summer of 2015 is still underway.


ECAPS

In 2014, SSC's subsidiary ECAPS received its first order for environment-friendly propulsion systems for satellites and the first units from serial production have been delivered in 2015. ECAPS is a world leader in this field and its innovative technology means that the toxic fuel used today, hydrazine, can be replaced by green fuel. ECAPS fuel, which is manufactured in Sweden, is based on storable Ammonium Dinitramide (ADN) and is easy to handle and transport, thanks to its low level of toxicity and sensitivity. The fuel can be transported on board an ordinary passenger aircraft, and refuelling satellites can be undertaken more easily than before. During combustion, water

vapour, nitrogen gas and hydrogen gas are primarily formed. Other contracts have been signed in 2015, and ECAPS will deliver a total of 19 complete propulsion systems to the US Google-owned company Terra Bella Technologies Inc.
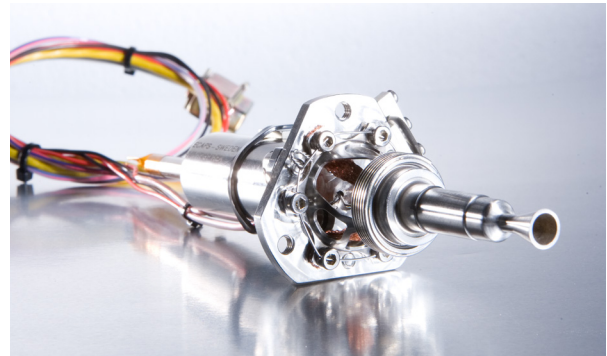
MASER 13

The earth's gravitational field exerts a strong force. This affects most phenomena on the surface of the earth. In 2015 the MASER 13 sounding rocket was launched from Esrange Space Center. One of the scientific experiments in the rocket payload was the XRMON-SOL module. This experiment investigated the solidification properties of a metal alloy. By carrying out research experiments on sounding rockets where the free-falling payload in space minimizes the effect of earth's gravity a better understanding can be obtained of all the processes that affect the solidification of metals. The results of these experiments are used to improve the mathematical computational models that are used by the processing industry. This means that lighter and stronger materials can be produced, and higher quality metal casting can be achieved. Ultimately, this leads to less waste in industrial manufacturing processes. More effective manufacturing and the possibility to produce lighter machinery that needs less fuel to operate means that energy can be saved. In this way, research in space can contribute both to positive environmental impact and energy gains on Earth.
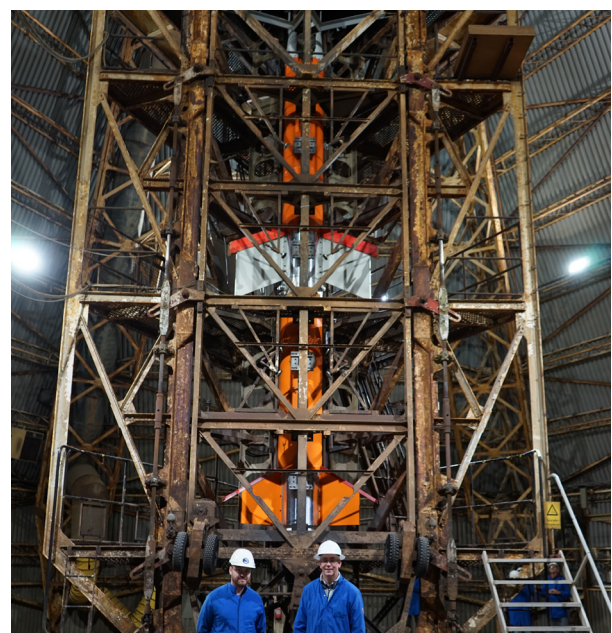
RESEARCH

Over the year, SSC has started two projects together with Luleå University on technological research related to Esrange's area of activity. The projects will strengthen the link between the university and the space industry in the Kiruna region, and will provide valuable information and knowledge both to SSC and the university, and will in addition to this result in two new PhDs in the future. The first project involves what is termed Software Defined Radio (SDR) which is a technology where components that have traditionally been implemented in hardware are instead placed in computer software. SDR has been used in the mobile telephone industry for a while, and with increasing capacity in computers and new hardware for SDR, the technology has become possible for broader use. The project aims at developing systems for ground stations that enable satellite communication based on flexible SDR technology, and will investigate new possibilities within satellite communications. In the future this may enable better and more advanced communication with satellites.

The other project involves research on controlling flight paths for scientific stratosphere balloons in order to be able to undertake long precision flights. There is also potential in being able to shorten the campaign period[9] where balloon launches could be allowed with wind profiles that would at present be regarded as unfavourable/unsafe. This provides the conditions for being able to undertake better, more exact research experiments in the future, based on balloon flights.

XMM-NEWTON

In 2015, SSC's Satellite Management Services Division, has entered into cooperation with ESA to take over satellite communication with ESA's XMM satellite from their own antenna station in Perth which has been closed down. SSC has for a number of years already provided ESA's XMM-Newton mission with research consultants via its subsidiary Aurora in Madrid. XMM was launched in 1999 and is the largest scientific satellite ever launched by the European Space Agency. The satellite carries the most sensitive instrument for measuring X-ray sources in the universe that has ever been launched. During its lifetime up to now, it has helped to drive forward knowledge of the universe in a unique manner. Information from XMM is at the foundation of more than 300 published scientific reports every year. An example of progress is when researchers, using XMM, succeeded in documenting the last breaths of a star, before it was "swallowed" by a black hole (see the photo below). The galaxy in which this event was documented is situated 300 million light years away from Earth. The satellite lacks internal storage, so the requirement for continual and safe communications in real time with Earth is high, which makes SSC particularly proud to have been chosen as the long-term partner for the assignment.

Copyright: ESA/C. Carreau

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9. The word 'campaign' denotes the period in which rocket or balloon launches take place at the Esrange Space Center. A campaign includes preparations, launching and parts of the work afterwards.

Customer satisfaction

Customer satisfaction is an important aspect for all SSC's operations since customers are at the core of everything SSC does. SSC measures customer satisfaction in different ways within the various divisions. The Satellite Management Services Division undertakes, for example, no quantitative customer satisfaction surveys but conducts ongoing dialogues with its customers via those responsible for customers and via direct customer contacts in daily operational activities. Within the Engineering Services Division, everyone responsible for contracts and/or service have ongoing customer follow-up on a weekly basis which is subsequently reported back to the Head of Division every month. In this customer follow-up, questions such as customer complaints, events, incidents and deviations, etc. are addressed.

The Science Services Division undertakes the company's societal commission, where SSC is measured by the level of capacity use at Esrange and by customer satisfaction. In 2015, measurements have been made among all the customer groups that have taken part in projects and/or campaigns [9] within the framework of the activities of Science Services. These surveys have been undertaken with the assistance of SSC's external partner TNS SIFO and consist of web-based questionnaires that address, inter alia, quality, delivery and customers' experiences. The questionnaire is sent to 3-5 people per customer group. Since the size of customer groups differs, and those answering must be anonymous, the questionnaire is sent simultaneously to different customer groups, to ensure anonymity. To ensure that the gap between the questionnaire and the customer's project and/or campaign is not too long, the questionnaire is sent to customers several times a year. In 2015, it was sent out on three occasions, after which the results were compiled on an annual basis, a method that SSC decided to introduce in 2014. The result shows that the customers who were satisfied or very satisfied with SSC made up 94% (85%) of those who answered. The result with regard to Net Promoter Score (NPS) shows loyalty between the customer and SSC, i.e. the will to recommend SSC was +68 (+39) on a scale from -100 to +100. A positive NPS is considered to be good, while an NPS of over 50 is considered to be excellent. In order to improve our ability to meet the needs of existing and future customers, SSC has further developed the company's joint Customer Related Management System (CRM) in 2015. The CRM has been used since 2015 by all parts of the organisation.

Long-term financial stability

In a dialogue with the executive management and the Board of Directors, the owner establishes a required return which in the case of SSC, reflects the societal mission that the company has. The company also has a requirement for capital structure, established by the owner, which thereby regulates the level of risk that the owner considers acceptable. In order to ensure financial stability, the group works with a five-year business plan, approved by the Board of Directors, with assessed income, result, cash flows and investment needs. This business plan is supplemented by an annual, more detailed budget.

Financial follow-up primarily takes place every month, and is reported to the Board. External reporting takes place every three months.

For several years, SSC's work has focused on creating financial stability in the company. This is a priority issue since financial stability enables SSC to make investments in future technology and the employees required for SSC to continue to maintain a strong position in the space industry. In 2015, a cost rationalisation programme was adopted aimed at strengthening SSC's cash flow in order to create scope for future investments. The organisational changes previously described were undertaken to increase efficiency, reduce costs and thereby increase the company's profitability.

Table 3. SSC's distributed costs 2015

Total revenue 2015	SEK 989 million (SEK 842 million)
Personnel costs and benefits	SEK 360 million (SEK 333 million)
Social security expenses	SEK 105 million (SEK 104 million)
Suppliers	SEK 430 million (SEK 351 million)
Interest to lenders	SEK 6 million (SEK 4 million)
Tax payments	SEK 17 million (SEK 7 million)
Community investments	SEK 28 million (SEK 21 million)
Total	SEK 946 million (SEK 820 million)
Financial booked value	SEK 43 million (SEK 22 million)

Community investments in Table 3 primarily involve investments in "New Esrange", one of the largest investment programmes that SSC is undertaking. This work at New Esrange entails the modernisation and development of Esrange Space Center in order to maintain and renew opportunities to make use of space both for research and new commercial applications. SSC is also working to create a capability to launch smaller satellites from Esrange, in order to contribute to the EU objective of independent access to space. In order to undertake these investment programmes, both long-term financial stability as well as a balanced required return from the owner, are required.

This year's performance after tax amounted to SEK -4 million, which includes restructuring costs for future cost reductions of SEK 16 million. Other financial information is given in the Annual Report.

Product quality and security

Safe deliveries of a high standard are necessary in the space industry. At the beginning of the 2010s, SSC experienced a crisis with regard to security, where IT security together with security awareness were particularly problematic. An extensive security programme was therefore initiated in 2012, which became a focus area in 2013, when the company was also strengthened with new competence and a new security organisation. The critical measures that were taken involved IT security, physical safety, information security and risk, continuity and crisis management, as well as export control-related strategic issues. The aim has been to create full confidence on the part of customers and the owner with regard to all

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9. The word 'campaign' denotes the period in which rocket or balloon launches take place at the Esrange Space Center. A campaign includes preparations, launching and parts of the work afterwards.

security-related activities. Most of the basic programme of measures to deal with the problems was completed in 2014.

During the year, customer dialogues have shown greater demands for security and security of delivery, including both physical safety, IT security, information security and security against technological breakdowns in service deliveries. As part of further improving security of delivery therefore, SSC has checked and analysed physical safety and security of delivery. This has been done at all locations where SSC has installations for the global network of ground stations for data downloading from satellites. The results were satisfactory, but some needs for improvement were found. Immediate measures have been taken in single cases, and an improvement programme, lasting several years, has been approved by the company's executive management in order to further raise security levels.

SSC has also built up an operational IT security centre in the USA to discover and deal with disturbances and possible hacking attempts in SSC's IT network. Established cooperation with agencies with regard to security of networks in Sweden has continued as before.

In order to meet increasing demands, SSC has in 2015 developed and initiated the implementation of a new global incident and crisis management function, which is manned 24/7. Implementation is to be completed in 2016 throughout the group. Through this function, SSC will increase its capability and resistance for dealing with disturbances that occur both internally and externally. This is important for SSC since the activities that SSC conducts are of vital importance for important parts of society's functionality.

During the year, a new security segmentation of Esrange has been implemented, which has considerably increased the security level, both for security-classified parts of SSC's business activities and with regard to physical safety at the base. These measures have also meant that greater openness has been able to be implemented in the parts of the facility where security requirements are lower. This, in turn, has led to improved opportunities for dialogue when people are visiting. Cooperation with Swedish security agencies during the year has been positive. Dialogue has been conducted and advice given on

various issues by the local police force, and with the security police, the Swedish Armed Forces and the National Defence Radio Establishment (FRA) as well as with the various divisions of the owner with interests in this field.

The supply chain

SCC is a service company and the supply chain is thus not as systematic as for a company in the manufacturing industry. SSC's suppliers vary depending on the project and needs. A description of SSC's supply chain in accordance with the requirements of GRI is thus not relevant. SSC's supply chain primarily involves procurements of operations, services and equipment that stem from our facilities around the world. The total sum of the five largest SSC suppliers amounted to approximately SEK 93 million in 2015, and stems from the upgrading of communications equipment and engineer and service provision. Our largest suppliers in 2015 were from Sweden, the USA and Germany. No major changes have taken place in the supply chain in 2015. During the year, SSC has analysed its procurement procedures and taken a decision on the appointment of a procurement manager with skills in controlling and undertaking procurement based on sustainability principles throughout the Group. Through this, in 2016 SSC will initiate work on more systematically identifying sustainability risks in the supply chain and ensuring that SSC's Code of Conduct is part of our supply contracts.

Business ethics, human rights, anti-corruption and export controls

SSC is to be a reliable actor within advanced space services in a global market with great cultural, political and business-ethical differences. Business ethics, human rights and anti-corruption are therefore important issues, both for SSC and for its stakeholders. The company must therefore have an ethical platform of its own, against which every business opportunity can be structurally evaluated, in order to ensure compliance with national and international laws, regulations, frameworks and guidelines. The need for this is accentuated by the increasingly demanding international security and humanitarian environment. SSC's Code of Conduct that was adopted by the Board in 2014 is available for all via SSC's external website and intranet. In 2015, SSC has begun implementation of the Code in various ways in our operations. The Code, for example, is part of the

documentation given to new employees in the parent holding company. In 2016, the Code will be part of a training package that will reach all employees in the Group.

In 2015, SSC has improved its capacity for intelligence activities (which includes greater understanding of the global geopolitical situation) and assessments of actors and markets where problems such as conflicts, lack of respect for human rights or high levels of corruption are common (high-risk markets). An analysis model for how to assess new business deals has been developed (the SSC Sustainable Business Analysis model). This analysis model has been linked with the company's sales process, and for follow-up to the company's delivery process where the sustainability risks from this perspective are followed up centrally. The method includes aspects such as geopolitical risks, anti-corruption, impact on human rights, and regulatory conditions. SSC has actively developed this model in 2015. At the end of the year, a decision was taken on the model's final structure and implementation. It is implemented throughout SSC's business activities and will substantially contribute both to greater ability to comply with the requirements and guidelines of the owner with regard to sustainable enterprise and to strengthening the business of SSC.

In 2015, SSC has improved its ability, in a structured way, to ensure that national and international regulatory and legal requirements such as export control legislation, trade embargos and sanctions can be complied with throughout its business operations. SSC is primarily affected by European and US export control legislation. During the year, an qualified officer in export control has been appointed to be responsible for this at Esrange Space Center in Kiruna. The consolidation that has been implemented in 2015 between the Swedish and US operations within the business segment Satellite Management Services has brought benefits with regard to compliance with the US International Traffic in Arms (ITAR) legislation. This consolidation will facilitate the follow-up of business activities and the application of the new model for a sustainability analysis in business deals described above.

In 2015, work on increasing understanding and knowledge within the company has continued with regard to business ethics, focused on human rights and anti-corruption. Business ethics was one of several seminar themes during the annual SSC management conference in 2015. Experience from the seminar showed that apart from the above-mentioned analysis model, SSC also needs to develop the Code of Conduct so that it can be used as a document when negotiating contracts with suppliers and partners. The work of drawing up such a document has begun. During the year, a new concept for an anti-corruption training has been developed and a decision to implement it in 2016 has been made.

A "whistle-blowing function" has been introduced which gives employees the possibility of anonymously reporting events or incidents. No events or incidents have been reported via this function in 2015. During the year, SSC has had no legal cases,

indications of, or reports of suspicions with regard to corruption or violations of human rights.

SSC's role and social commitment

SSC's deliveries of space services are of vital importance for major societal functions in Sweden and in the countries where SSC or SSC's customers supply satellite information. The overall societal role that space activities thus have are described from different angles in several chapters in this report. SSC is also important locally, on the one hand as an employer and on the other hand for developments that may be the result of a local workplace delivering advanced services in the space sector. Kiruna enjoys a unique position in this connection, where SSC's modernisation of Esrange and preparations for future expansion are very important. SSC cooperates in these projects with other space actors in Kiruna and with local and regional authorities and stakeholder organisations. In 2015, the regional cooperation platform Space Kiruna has been further developed, with participation from the municipality, various stakeholders and companies. The focus is to create the joint development of space-related businesses in the region. The initiative is supported by regional agencies. In 2015, a study was presented by the consultancy firm Vasco Advisors, which pointed at a further development of Esrange as the most important condition for space-based businesses in Kiruna. The national importance of further development of Esrange is also described in the national Space Inquiry[10] , to which SSC has contributed with background material in 2015.

The joint right of use of the large impact area for rocket activities at Esrange is vital, both to SSC and to the local population, tourism and reindeer herding. SSC therefore has strict routines for the company's use of the area and conducts annual dialogues with stakeholder groups concerning it.

External initiatives and commitments in 2015

SSC continues to be a member of the UN Global Compact and submits an annual 'Communication on Progress.' Appendix V describes how SSC works with the UN Global Compact's principles. In 2015, SSC has joined the UN Global Compact Nordic Network and taken part in the organisation's annual conference. In 2015, SSC has regularly participated in network meetings within sustainable enterprise, which have been arranged by the company's owner. These meetings have contributed to greater understanding of sustainable enterprise and to the exchange of ideas with other state-owned companies which has benefited further mutual development.

The company is restrictive with regard to gifts and donations, since customers and stakeholders are to a considerable extent, public organisations. The limited donations that are given are dealt with by local units and are focused on programmes that support culture, education, sport or other proactive humanitarian programmes. In 2015, the company has, inter alia, been involved in arranging "Min Stora Dag" (My Great Day), by organising a visit to Esrange Space Center for a child suffering from a serious disease.

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10. Government Offices, Swedish Government Official Reports (SOU) 2015:75, A space strategy for public benefit and growth

Our employees

SSC is a company whose activities are based on high levels of specific skills. Skillful, secure and healthy employees are therefore a key factor. Recruiting and keeping the right employees and getting them to enjoy working here, to develop and work according to the organisation's objectives and values are vital for the company's development. SSC's global organisation has three areas of focus with regard to the human resources aspect:
- Clearer leadership
- Improved cooperation culture
- More positive attitudes towards innovation and new thinking

The distribution of employees with regard to gender, form of employment and region are shown in Appendix III.

Staff satisfaction

The employee survey, VOICE, was conducted in the spring of 2015 for the fourth time. Eighty-eight per cent of employees took part compared with 82 per cent the previous year – this is the highest figure ever and shows great commitment in the organisation. The general index, calculated as an average of the questionnaire's result within each sub-section[11] was 61.2 per cent during the year (61.9%). Compared with the most recent survey, this was a marginal reduction of 0.7 per cent.

Somewhat more than 76 per cent of employees are proud of working for the company. Cooperation within different teams also gained high marks. A somewhat poorer result was seen in cooperation between teams from different parts of the company, which make this an area for development.

The employee's marks for leadership/management were somewhat better than the previous year, but there is still scope for improvement. Managers need primarily to improve communication and follow-up and to dare to challenge their employees. Each local team is now working with improvements, based on the results of the survey.

In 2015, SSC has put considerable efforts into developing management and leadership. A global management development programme has been started in 2015, including 6 days for all managers up to level 3 (57 people). The aims of the programme include creating a common platform with regard to company culture and values, providing them with tools to put the company's strategies into practice and increasing a sense of community between managers in different countries, divisions and functions.

Another decision in 2015 was to establish cross-functional teams that focus on innovation and new thinking. A new matrix organisation within several different functions also led to greater cross-functional working methods.

Diversity and gender equality

SSC is active throughout the world which is why a mix of employees that reflects different markets strengthens continued development. Teams that are characterised by diversity think and act in ways other than the obvious, and thus contribute to greater creativity and innovation, which is essential in our operations. SSC works within a heavily technological – and therefore traditionally male-dominated – industry. The distribution of genders within SSC is reflected in this, where a majority of men are to be found among the company's employees (Diagram 1). The distribution between women and men has not changed in recent years. SSC is working in a long-term perspective with gender equality and generally encourages girls and women to apply for the engineering professions in general and our activities in particular.

SSC is taking part in a project initiated by the Swedish Government entitled "Tekniksprånget" (Technical Leap), which is an internee programme for final term students under 21 years of age who are authorised to apply for a higher education engineering programme. Every term, SSC receives two internees from the Technical Leap programme. In 2015, one man and three women had internships with SSC'.

Among managers, the majority within the group are men. A marginal increase in the number of women managers can be seen compared with 2014 (Diagram 2).

The distribution by gender and age in the company's executive management was unchanged in 2015, compared with 2014 and 2013 (Diagram 3). Two people left the company's executive management during the year and were replaced by two new members, but without affecting the distribution. SSC's Board of Directors was extended with one member of the board, which led to a greater proportion of women in the Board (Diagram 4).

SSC's gender equality plan has, inter alia, the goal of making the number of female managers proportional to the relation between the total number of women and men in the company. Revision and an evaluation of the gender equality plan is underway and will be reported in 2016. In 2015, a salary survey has been made in Sweden which showed that the company has equal salaries in general. With regard to harassment and violations of people's integrity, non-tolerance prevails throughout the organisation. This information has been clarified by SSC via our intranet during the year. No reports have been received in 2015.

Recruitment

Strategic skill supply is a key to SSC's ability to be able to run sustainable business operations. Planning takes place at global level. SSC is undertaking a number of activities within the sector, such as PhD programmes in connection with Luleå University of Technology and sponsoring of various initiatives to encourage young people to choose technological higher education. With regard to the latter, SSC has been portrayed in a number of newspaper articles and TV programmes in the Swedish market, such as TV4's youth programme "Sissela stör en ingenjör" (Sissela disturbs an engineer). SSC encourages its employees to visit schools and other organisations in order to provide information

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11. These sub-sections are competence, motivation, responsibility and initiative, rights, cooperation, organisational efficiency, climate for renewal.

on space activities, SSC's operations and the importance of higher technological education and development. Several such initiatives have been taken by SSC employees during the year.

Responsibility for local recruitment lies in each country, since successful recruitment requires a local presence and knowledge about the local labour market. Showing that SSC is an attractive employer is important for obtaining and keeping the right skills in the company. During the year SSC has participated, among other things, in labour market days in Kiruna and Luleå and at the ASE congress[12] in Stockholm. SSC has also been active in social media in order to reach potential new employees. Advertising for employees has partly taken place internally to encourage development, and partly via different recruitment companies, the media and the group's and its subsidiaries' websites.

SSC's staff turnover in 2015 was 6.7 per cent. In Appendix 3, the number of employees is given by age category and gender per region. The figures include employees on shorter term contracts and permanently employed staff who began or concluded their employment during the period 1 January 2015 until 31 December 2015. From the Table, it can be seen that 19.4 % of the average of the total number of employees (including employees on shorter term contracts) had begun

during the year, while 14.8 had ended their employment. These figures also include staff who had ended their employment because of restructuring, such as by outsourcing, aimed at better financial stability.

In 2015, SSC has outsourced part of its operations (facility management) in Chile which affected the number of concluded employments. The Engineering Services Division has recruited in order to meet a greater market need for the Division's services. SSC's activities at Esrange in 2015 have involved a greater use of capacity compared with previous years which has led to more frequent employment of staff on shorter-term contracts than during 2014 in order to manage the increased work load.

Sixty per cent of SSC's employees are covered by collective bargaining agreements. The employees not covered by collective bargaining agreements are, apart from the CEO[13], employees in some subsidiaries in countries where collective bargaining agreements are not as common (such as the USA). Employees in these countries are able to share in the company's benefits with regard, for example, to health and medical care, dentistry, life insurance and pension funds via their employment.

Diagram 1. Employees divided by age and gender

Diagram 2. Managers divided by age and gender 2015

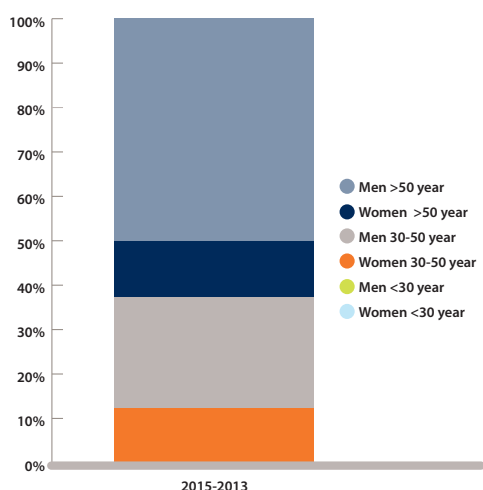**Diagram 3. Executive management divided by age and gender**
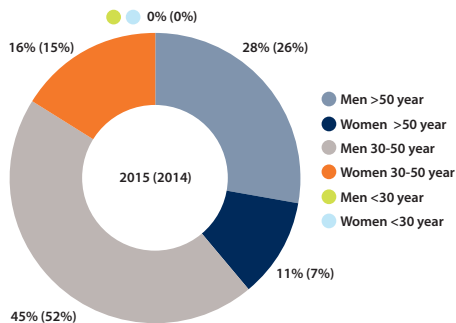

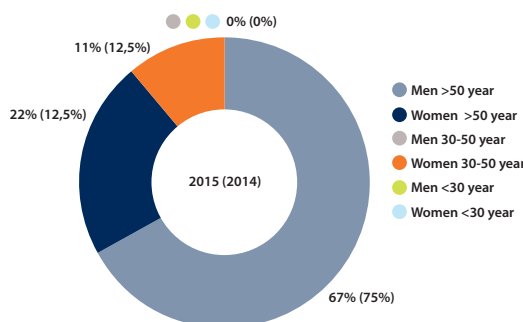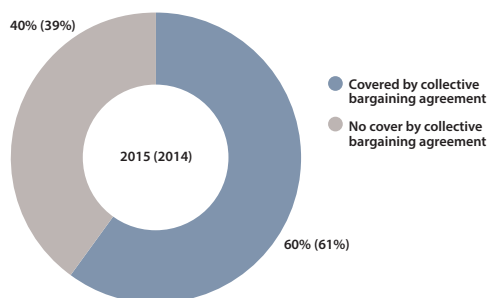**Diagram 4. Board of Directors divided by age and gender 2015**

Diagram 5. Employees covered by collective bargaining agreement 2015

12. Association for Space Explorers (ASE), the global organisation for astronauts, Annual Conference in Stockholm, September 2015.
13. Not covered by the Act on Security in Employment (LAS).

Work environment, health and safety

SSC complies with the Work Environment Act and conducts Systematic Work Environment Management (SAM) based on work environment policy and routines for systematic work environment efforts. Routines for reporting work-related injuries and incidents are implemented. The foreign subsidiaries comply with national laws and regulations in the regions in which SSC operates. Responsibility for the work environment, health and safety is delegated to the company's managers and to each employee, with the support of the Group function for human resources. SSC has few work-related injuries and low work-related sickness absence. The frequency of work-related injuries is therefore low, 0.36 based on GRI estimate model of the Injury Rate (IR) indicator. For reasons of integrity, SSC does not report other values for this GRI indicator since there is a risk of employees being identified. For integrity reasons, absence due to sickness is not reported for China and Australia in Table below either, because of the small number of employees in these countries, but absence due to sickness is low here as well.

SSC holds annual objective and personal development dialogues between management and staff, or in connection with returning after a long period of leave. Follow-up takes place six months after the dialogue is held. Objectives, an action plan and skills development plan are documented and undersigned by both the manager and the member of staff. During the talk, objectives, skills development and performance are evaluated, as are the employee's working situation, health and work environment. New objectives are then planned and established, which create the conditions for development. In order to adapt itself to a more global organisation, SSC will ensure that these dialouges will be undertaken in accordance with the same methods throughout the entire Group.

SSC is also continually making efforts to improve the work of dealing with dangerous substances. In 2015, the system has been improved by training and implementation of a new document handling system. In 2015, training has been held at Esrange, and in Solna on the handling and packaging of dangerous goods.

Table 4. Absence due to sickness divided by gender and region

	Sweden	Europe	USA	Chile
Women	3,70%	4,04%	2,10%	0,99%
Men	1,28%	2,63%	1,47%	5,87%

Appendix I – Sustainability objectives established in 2014

Description of SSC's sustainability objectives established in 2014

Sustainability objective established in 2014	Status	Comment
All employees at SSC are trained, have understood and work in accordance with the ethical and environmental norms established by the company.	Ongoing, partly implemented	New sustainability policy and environmental policy drawn up and established in 2015. Training to be implemented in 2016. Clear, measurable goals for 2016.
High level of awareness among employees on sustainability and business ethics.	Ongoing	Training to be implemented in 2016. Clear, measurable goals for 2016.
Sustainability well implemented in new management system and thus also in business processes.	Goal for 2016	New process ensuring this developed in 2015, to be implemented in 2016.
Clear external message on SSC's sustainability vision and objectives.	Deleted	SSC aims to have a sustainable strategy, not a sustainability strategy. The new sustainable strategy and goals linked with it will be communicated when the strategy has been established.
External verification of the management system under ISO 2600.	Deleted	ISO 2600 in itself is not a prioritized sustainability objective for the next few years.
Global action is to make use of the company commitment among employees, strive towards a global company culture and see diversity among its employees as an asset in the recruitment process.	Ongoing	Not a sustainability objective in itself but an overall business strategy condition for SSC to be able to run its operations now and in the future.
Continued development of knowledge on sustainable business, business ethics and anti-corruption, incl. training of all employees.	Goal for 2016	Training will be undertaken in 2016, based on new process which ensures sustainable business deals. This process was drawn up in 2015 and will be implemented in 2016.
Apply GRI G4 Core as a sustainability reporting method.	Implemented	
As a global company, SSC will continue to develop sustainable business potential linked with sustainable development. SSC strives to have a positive impact on the environment and the societies in which SSC is active, with account taken to human rights.	Goal for 2016	New process that ensures this drawn up in 2015, to be implemented in 2016.
Report long-term profitability in accordance with the owner's requirements based on sound financial requirements.	Ongoing	Described in the SSC Annual Report.
Analyse and document environmental impact of operational activities on Esrange Space Center.	Deleted	Continual work underway but not a prioritised sustainability area.
Phase-out of storage of residues and waste from old used rockets.	Implemented	
Continued reduction in the company's CO2 emissions in relation to sales volume.	Deleted	Continual work underway but not a priority sustainability area.
Always use the most environmentally friendly process in our business activities. Implement requirements in business processes to ensure certified environmental management systems.	Deleted	Continual work underway but not a priority sustainability area.
At a global industrial level, take part in marketing of environmentally- friendly space programmes/activities.	Implemented	
When contracts are signed with customers and suppliers that are unknown to SSC, due diligence must be implemented.	Deleted	Impossible to implement due diligence on all customers and suppliers. Procedures for how and when due diligence is to apply were drawn up in 2015. To be implemented in 2016.
Become member of the UN Global Compact and through this, implement the initiative's 10 principles and integrate them into SSC's management system.	Implemented	
Establish a structured process for continual dialogue with stakeholder groups in order to find key issues that affect stakeholders in relation to SSC's operations.	Goal for 2016	

APPENDIX II – Membership and commitments

SSC's membership and commitments in industry-related organisations

In 2015, SSC was a member of the following major industrial organisations:

Organisation
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 was the chair company in 2014)
Svenska Exportkontrollförening
Rymdforum (where SSC holds two places in the Board of Directors)

In 2015, SSC was engaged in the following:

Organisation in Sweden
Joint owner of Kiruna Municipality's development company, Progressum.
Member of the decision-making body for NRFP3 (the National Space Research Programme, round 3).
Member of Space Kiruna, a cooperation platform for space actors in Kiruna.
Member of the Kiruna Space Council.
One member of the board of the Luleå University of Technology Space Research School.
One representative on the Board of the Swedish Institute of Space Physics.
Auditor of the Swedish Export Control Association – through SSC's member of staff responsible for export control .

Organisation in the USA
Chairman Space Division – NDIA through John E. Williams.
VP Awards & Recognition NDIA – Rocky Mountain Chapter (RMC) –through Kevin Mortensen.
Board of Directors NDIA – RMC through Kevin Mortensen.
Chair, Young Professional Committee AIAA – Rocky Mountain Section –through Kevin Mortensen.

Appendix III – Employees SSC Group 2015[14,15]

Number of employees in SSC Group 31/12 2015 divided on gender and terms of employment

	2015	2014	2013
Permanent employment full time	527	511	545
women	120	116	124
men	407	395	421
Permanent employment part time	21	18	22
women	13	13	13
men	8	5	9
Temporary	31	24	21
women	6	3	6
men	25	21	15
Consultants	50	33	16
women	11	8	8
men	39	25	8

Total number of employees (excl. consultants) in SSC Group 31/12 2015 divided on region and gender

	Sweden	Europe	USA	Chile	Australia	China	Thailand
Women	78	50	7	2	1	1	0
Men	227	154	37	19	2	1	0
Totalt	305	204	44	21	3	2	0

Employees employed in SSC Group 31/12 2015 divided on region, age and gender

	Sweden	Europe	USA	Chile	Australia	China	Thailand	Total
<30 year	41	17	2	0	0	0	0	60
women	11	5	0	0	0	0	0	16
men	30	12	2	0	0	0	0	44
30-50 year	12	20	2	1	1	0	0	36
women	2	5	0	1	1	0	0	9
men	10	15	2	0	0	0	0	27
>50 year	10	2	2	0	0	0	0	14
women	3	0	0	0	0	0	0	3
men	7	2	2	0	0	0	0	11

Employees left SSC Group 31/12 2015 divided on region, age and gender

	Sweden	Europe	USA	Chile	Australia	China	Thailand	Total
<30 year	29	3	3	0	1	0	0	36
women	8	1	0	0	0	0	0	9
men	21	2	3	0	1	0	0	27
30-50 year	14	8	0	8	1	0	0	31
women	6	1	0	2	0	0	0	9
men	8	7	0	6	1	0	0	22
>50 year	9	2	2	4	0	0	0	17
women	2	0	0	0	0	0	0	2
men	7	2	2	4	0	0	0	15

19,4% of the average number of the total amount of employees have started their employment during 2015

14,8% of the average number of the total amount of employees have ended their employment during 2015

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14. In September 2015, SSC opened a representation office in Rome, Italy. Since the employee was employed by SSC only for a few months in 2015 the employee is included in the calculations for Swedish employees.
15. When establishing this report SSC identified an error in the 2014 calculation of gender of employees in Sweden. This has brought forth a correction of numbers reported in 2014 resulting in 78 women and 215 men. One employee in Thailand moved to Sweden during 2015 and is included in the calculation for Sweden.

APPENDIX IV – SSC's Sustainability Report in accordance with the Global Reporting Initiative version G4

SSC's Sustainability Report is prepared every year in accordance with the Global Reporting Initiative (GRI) version G4 Core guidelines under the requirements of the owner and SSC's policy. The reporting principles aim at ensuring that information on the material sustainability aspects of operations are included and that the quality of the information that is reported fulfils given criteria. The report is submitted by the CEO and Board of Directors of SSC and according to the owner requirements and SSC's policy, it is to be quality assured, reviewed and confirmed by an independent party. The 2015 Sustainability Report has been reviewed by Pricewaterhouse Coopers AB. The framework of Pricewaterhouse Coopers AB's assignment incudes an overall review of compliance between the application level of GRI G4 Core and the indicators that are found in the Sustainability Report. All the subsidiaries are included in the Sustainability Report, unless otherwise stated. The persons responsible for compiling the Sustainability Report are the SSC Head of Strategy and Sustainable Business together with the SSC Sustainability Manager. The Sustainability Report is published at the latest by 31 March on SSC's website, where previous Sustainability Reports can also be found.

Reporting in accordance with GRI

The present report has been prepared in accordance with the GRI guidelines version G4 Core, which correspond with the basic reporting that a company must undertake in order to fulfil GRI requirements.

GRI G4 is based on two parts:
a) Standard disclosures that GRI requires all companies to report.
b) Specific standard disclosures that are determined on the basis of the sustainability areas that every reporting company has identified as material for its operations. The areas that the company identifies are to meet three sustainability categories (Economic, Environment and Social), with a number of sub-categories:
a) the above are standard disclosures about the company that are pre-defined by GRI. See the example in the section below.
b) the above are reported on the basis of GRI aspects (areas of focus) defined by GRI G4 which refer to the three sustainability categories. The GRI aspects are measured using indicators, which are also defined by GRI. See the example in the section below.

The report must state:
• How the company governs and follows up sustainability efforts, based on the aspects and indicators selected in order to improve the material sustainability areas that the company has identified. Thus, in brief, how the company governs work within the identified material sustainability areas.
• The results of the company's sustainability efforts, including how challenges and potential are dealt with.

SSC's Sustainability Report is thus based on standard disclosures in accordance with the GRI requirements and on the material sustainability areas that the company has defined within the framework of the three sustainability categories on which GRI is based.

Stakeholder dialogues are a key tool for identifying material sustainability areas, but also for measuring results against different indicators. A company may have many stakeholder groups and may therefore need to identify key stakeholders. These are, according to GRI G4, the stakeholder groups that the company affects the most, and that are considered to have the most impact on the company's operations. Key stakeholders for SSC, for example, are the owner, Sami villages around Esrange and the company's customers.

Standard disclosures

GRI's standard disclosures consist of what is termed aspects and indicators that GRI has predefined and that all companies that report in accordance with GRI G4 Core must describe. Indicators must be measurable/ possible to follow-up and are reported from year to year via the Sustainability Report. The Table entitled GRI index standard disclosures (page 29) summarises SSC's standard disclosures and where, in the Sustainability Report (SR) they are described (by referring to the page number). Reference is also made to the Annual Report (AR) where this is regarded as necessary.

Specific standard disclosures

According to GRI G4, every company must undertake what is termed a materiality analysis. Based on internal and external dialogues with the company's stakeholder groups, the development of the market, business plans, owner requirements, strategies, etc., the most material sustainability areas are identified within the three sustainability categories Economics, Environment and Society, as defined by GRI G4. Social is divided into the sub-categories, Labour Practice, Decent Work, Human Rights and Society and Product Responsibility.

GRI has defined a number of GRI aspects and indicators for each sustainability category. Each company is to link its identified material sustainability categories with these three categories and select the GRI aspect and indicator that best matches the material sustainability area. These are then to be reported in the company's Sustainability Report. The Table entitled GRI index specific standard disclosures (page 30) summaries the aspects and indicators selected by SSC and where, in the Sustainability Report, these are reported (by referring to the page number). Reference is also made to the Annual Report (AR) where this is deemed necessary.

Tabell –GRI index standardupplysningar

Indicator	Aspect	Page number	Comment
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	p.4-5	
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization.	See comment	Company's registered name is "Svenska rymdaktiebolaget".
G4-4	Report the primary brands, products, and services.	p.8-9, AR p.4-5	
G4-5	Report the location of the organization's headquarters.	p.6-7, see comment	Solna Strandväg 86, 171 54 Solna, Sweden
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	p.6-7	
G4-7	Report the nature of ownership and legal form.	p.6-7, AR p.1-15	
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	p.6-7	
G4-9	Report the scale of the organization.	p.6-7, AR p.16-27, 42	
G4-10	Report the total work force divided on employment contract, type and region.	p.27	
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	p.23	
G4-12	Describe the organization's supply chain.	p.19	
G4-13	Report any significant changes regarding the organization's size, structure, ownership, or its supply chain.	p. 4-5, 19, 23	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	See comment	Principle is respected
G4-15	List externally sustainability initiatives to which the organization subscribes or which it endorses.	p.21, 26	
G4-16	List memberships of associations.	p.21, 26	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organization's consolidated financial statements.	AR p.6-15	
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	p.12-14	
G4-19	List all the material Aspects identified in the process for defining report content.	p.12-14	
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	p.12-14, 30	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	p.12-14, 30	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	p.12-14, 25, 22 See comment	When establishing this report SSC identified an error in the 2014 calculation of gender of employees in Sweden. This has brought forth a correction of numbers reported in 2014 resulting in 78 women and 215 men. One employee in Thailand moved to Sweden during 2015 and is included in the calculation for Sweden.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	p.12-14, 25	
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization.	p.10-11, 16-18, 21-23, 26	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	p.10-11	
G4-26	Report the organization's approach to stakeholder engagement.	p.10-11	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	p.10-11	
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	See comment	1 January- 31 December 2015
G4-29	Date of most recent previous report (if any).	See comment	March, 2014
G4-30	Reporting cycle (such as annual, biennial).	See comment	1 year
G4-31	Provide the contact point for questions regarding the report or its contents.	See comment	Liisa Kiviloog, liisa.kiviloog@sscspace.com
G4-32	Report the GRI Content Index.	p.28-30	
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	p.2, 28,	
GOVERNANCE			
G4-34	Report the governance structure of the organization.	p.10, 13 AR. 7-15	
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	p.19-21, See comment	Code of conduct is updated and developed by SSC's sustainability manger in cooperation with the executive management.

Table –GRI index Specific standard disclosures

Compared to 2014 SSC presents more specified relevance within organization/outside organisation (WO/OO) regarding boundaries of each material sustainability area. All material areas have a strategic importance for SSC and SSC's owner. Disclosures on Management Approach (DMA) of each aspect is presented on pages 10-14 as well as continuously in the text (see page reference).

Material sustainability area	Material GRI-Aspect	Boundaries (WO/OO)	Indicator	Comment/Exclusion	Reference page number
Human rights incl. rights of indigenous population	Rights of indigenous populations	Relevant WO since it affects the company's access to use impact area outside Kiruna. Relevant OO since Sami villages use the same area together with SSC.	G4-HR8	No reported incidents. SSC has during 2015 held positive dialouges with indigenous people in Canada when establishing a new antenna.	p.21, see comment
Human rights incl. rights of indigenous population	Assessment	Relevant WO since company wants to be an actor in high risk markets without violating human rights. Relevant OO to conduct business in a proactive and transparent way towards a more sustainable world which is especially of importance for owner and the civil society.	G4-HR9	SSC has 2015 developed an assessment model including Human Rights Impact Assessment. The model has been assessed based on a real business case.	p.4-5, 13-15, 19-21, see comment
Business ethics incl. anti-corruption	Business ethics and anti-corruption	Relevant WO through proactive measures (governance, training and follow-up). Relevant OO through proactive measures using SSC's code of conduct in business engagements.	G4-SO5	No cases of corruption involving SSC has been reported 2015.	p.12-14, 15, 19-21, AR p.15, see comment
Customer satisfaction	Labelling of products and services	Relevant WO to ensure that business developes in the right direction. Relevant OO to meet owner's requirements.	G4-PR5	Valid for Division Science Services	p.18, AR 6-8, see comment
Gender equality and diversity	Diversity and equal opportunities	Relevant WO/OO for a global service provider as SSC builds its business based on the company's current and future employees.	G4-LA12	SSC does not divide employees by minority group or other diversity indices since this may be prohibited and not always compatible with legislation in the countries SSC employs staff.	p.22-23, see comment
Stakeholder and social commitment	Stakeholder engagement	Relevant WO to increase SSC's understanding of how the general public views SSC and the space industry. Relevant OO to increase the general public's understanding of space and its possibilities.	G4-24-27		p.10-11, 18, 21-23
Value to society of products and services	Indirect Economic Impacts	Relevant WO/OO to increase the employees' and general public's knowledge of space and its possibility to contribute to a more sustainable societal development.	G4 EC8	Limited to describe value to society of products and services.	p.4-5, 8-9, 15-17, see comment
Long-term financial stability	Direct economic value generated and distributed	Relevant WO to secure sustainable economic growth that enables future investments. Relevant OO to fulfill owner's requirements	G4 EC1	Reporting only relevant on Group level.	p.12-14, 18, see comment
Product quality and security	No at GRI-aspect	Relevant WO/OO organization to increase employees' and general public's understanding of the challenges product quality and security has for space based services to contribute to a more sustainable societal development.	No a GRI-indicator	Not a GRI aspect or indicator. Qualitative reporting.	p.18-19
Recruitment	Employment	Relevant WO to ensure right competence for current and future needs.	G4-LA1		p.22-23, 27
Employee satisfaction, health and safety	Health and Safety	Relevant WO to ensure that SSC is a safe and healthy workplace for all employees.	G4-LA6	All values/indicators are not presented due to the risk of possible identification of employee.	p.24, see comment

APPENDIX V - UN Global Compact

UN Global Compact

Global compact is a global sustainability initiative that encourages responsible business conduct among business enterprises focusing on human rights, labor rights, environment and anti-corruption. UN Global Compact is based on ten principles. By committing to this initiative SSC undertakes to work out and integrate the ten principle s into SSCs business. SSC declares in this table examples of initiatives that SSC has taken during 2015 to implement the principles into SSC's business organization.

HUMAN RIGTHST: PRINCIPLE 1-2

Businesses should support and respect the protection of internationally proclaimed human rights; and	• Development of process for sustainable business analysis including analysis of risk concerning violation of human rights.
make sure that they are not complicit in human rights abuses.	• Clear governance model for ethical business decisions. • Workshop on business ethics on SSC annual leadership conference

LABOUR: PRINCIPLE P 3-6

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	• Policy on equality and diversity • Equality plan 2013-2015 • Management training 2015 • Collective bargaining agreement (benefits in employment contracts in countries where collective bargaining agreements do not exist).
the elimination of all forms of forced and compulsory labour;	
the effective abolition of child labour; and	
the elimination of discrimination in respect of employment and occupation.	

ENVIRONMENT: PRINCIPLE 7-9

Businesses should support a precautionary approach to environmental challenges;	• Compilation of a new environmental policy that includes precautionary principle. • Encourages business opportunities with positive environmental impact.
undertake initiatives to promote greater environmental responsibility; and	• Continuous development of environmental technology e.g. through ECAPS. • Active environmental efforts in the operational business e.g. handling of old/used rocket motors.
encourage the development and diffusion of environmentally friendly technologies.	• Increased training in the area of handling of dangerous goods. • Development of new sustainability goals valid for 2016 includes zero tolerance regarding deviation from internal requirements concerning environment and safety to more clearly support the precautionary principle.

ANTI-CORRUPTION: PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.	• Development of anti-corruption training program. • Development of process for sustainable business analysis including anti-corruption. • Clear governance model for ethical business decisions. • Workshop on business ethics on SSC annual leadership conference.

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

Introduction
We have been engaged by the Executive Committee of Swedish Space Cooperation ("SSC") to undertake an examination of SSC's Sustainability Report (page 1-30) for the year 2015.

Responsibilities of the Board and Executive Committee for the Sustainability Report
The Board of Directors and Executive Committee are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 28 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 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.
The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management 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 Group Management.

Stockholm, 30 March 2016

PricewaterhouseCoopers AB

Camilla Samuelsson   Isabelle Jonasson
Authorised Public Accountant   *Expert Member of FAR*