



SUSTAINABILITY REPORT 2016

Contents:

<i>3</i>	<i>CEO Message</i>
<i>4</i>	<i>About Relacom</i>
<i>6</i>	<i>The Relacom way</i>
<i>8</i>	<i>Sustainability Management</i>
<i>10</i>	<i>Stakeholder Engagement</i>
<i>14</i>	<i>Relacom Sweden</i>
<i>20</i>	<i>Relacom Norway</i>
<i>26</i>	<i>Relacom Denmark</i>
<i>30</i>	<i>Relacom Finland</i>
<i>38</i>	<i>About this Report</i>
<i>40</i>	<i>GRI Cross Reference Index</i>

CEO Message

We aim for the future

Within Relacom we have in recent years worked hard to refine and develop our services. Our motto is “We aim for the future”. That refers not only to the commercial activities, securing a solid basis for a continued growth with competitive services within Telecommunications, Power and Internet of Things. It stands as much for our commitment to take responsibility for people and the environment.

In our role as one of the leading service partners within technical infrastructure in the Nordic region, we are actively driving our business to ensure we create a positive impact in society and for the environment.

Not only are we implementing methodology and technology to minimize the environmental impact from our own operations. We are also teaming up with clients in several projects to develop solutions aiming to reduce the environmental footprint from their operations, e.g. power production and power consumption.

Taking responsibility for people and the environment is a strategic choice for Relacom. We are borrowing the world from future generations, and our promise to them is to manage and develop it in the very best way.

This is becoming even more important as technological development is accelerating and competition is growing.

I am confident that a proactive stance on sustainability creates value in the short, medium and long term. Reducing today's energy consumption and acting as a responsible employer provides benefits already in the short term, while our contributions in the development of new and more sustainable solutions within our competence areas create value in the medium to long term.

We are very aware of sustainability's growing importance to the company, our employees, our customers, as well as to the society as a whole. A wise man once said: No one can do everything, but everyone can do something. Aiming for the future, we are determined to contribute with what we can.



Veronica Ezeyza-Alvear
President & CEO

About Relacom

Relacom is a leading technology services provider offering strategic solutions to the telecommunications, Power and IoT markets. Over the years, Relacom has become a preferred partner to leading global telecommunication and power operators, as well as to national retail and logistics companies.

The company's extensive track record spans from construction of nation-wide mobile networks, life-cycle management of electrical and telecom networks, installation of fiber optics for new residential areas, securing wireless communications for workplaces and private homes to installation of networked applications for retail and logistics companies. Combined with expertise from Orbion Consulting, we provide a unique, integrated value proposition to our customers, and manage a wide range of services needed to optimize our customers' businesses.

Relacom also runs a broad operation that covers everything from constructing, maintaining and expanding nation-wide telecom and electricity networks to gathering energy measurement data within the energy sector. Relacom's work also includes installing network applications for retailers and logistics companies (IoT).

Relacom combines broad experience and cutting-edge technical expertise with an innovative approach to provide service that exceeds our customers' expectations. Relacom provides a wide range of services and extensive geographic coverage in each country where we are active. These factors combined make Relacom the preferred partner in the industries in which we work.

Our customers include international and local companies, operators, vendors, municipalities, energy providers, network owners and consumers.

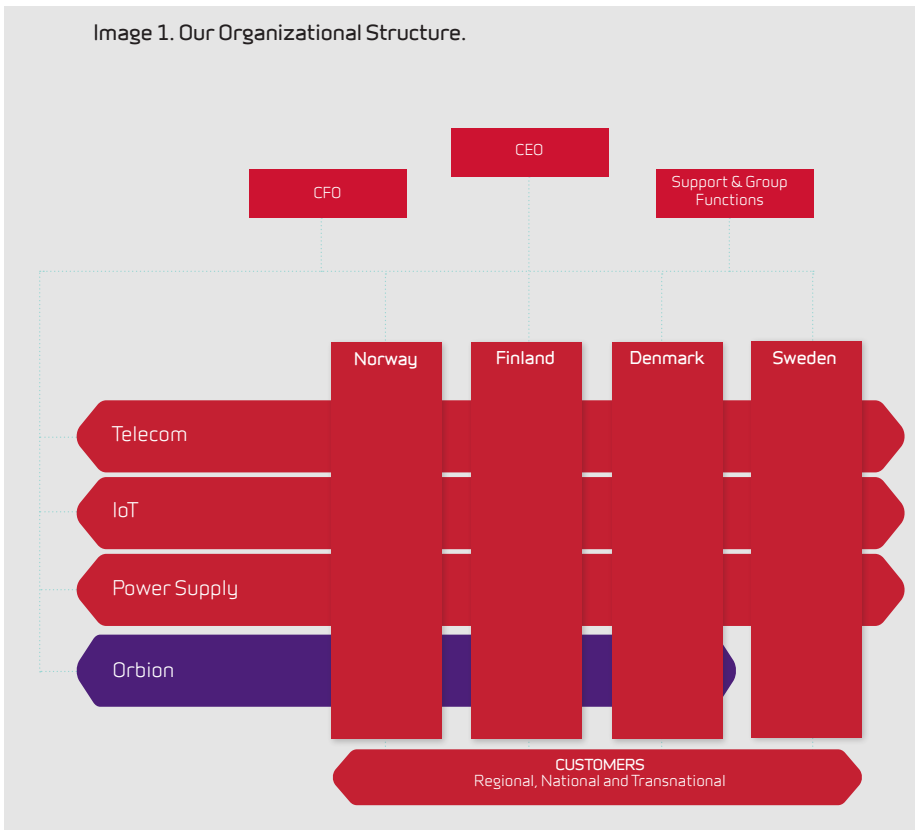
Organization

Guidelines, targets and visions are decided jointly at the group level. The Group includes Relacom Sweden, Relacom Finland, Relacom Norway, Relacom Denmark and Orbion Consulting. Relacom Group's CEO is Veronica Ezeyza-Alvear.

Relacom is active in four business areas and supplies the following products and services:

- » Telecom – Working with our clients, we ensure that the Nordic countries are connected to fiber and copper, 3G, 4G and the future 5G networks, both indoors and outdoors.
- » IoT – We make sure that there are networks (WiFi and infrastructure networks) for all the fantastic gadgets that are going to be linked up, but also that they function properly and are connected and maintained in the right way.
- » Power – We are a part of today and tomorrow's network design, construction, maintenance and fault repair. Smart metering, meter value management and smart grid solutions.
- » Technical Consultancy Services – We offer specialized technical consulting in site acquisition, network planning, implementation, operation and integration. Procurement process consulting.

Image 1. Our Organizational Structure.



Company Name
Relacom Group (Relacom Management AB)

Countries of Operation
Sweden, Norway, Finland and Denmark

Number of employees
~ 3 000

Location of Headquarters
Stockholm, Sweden

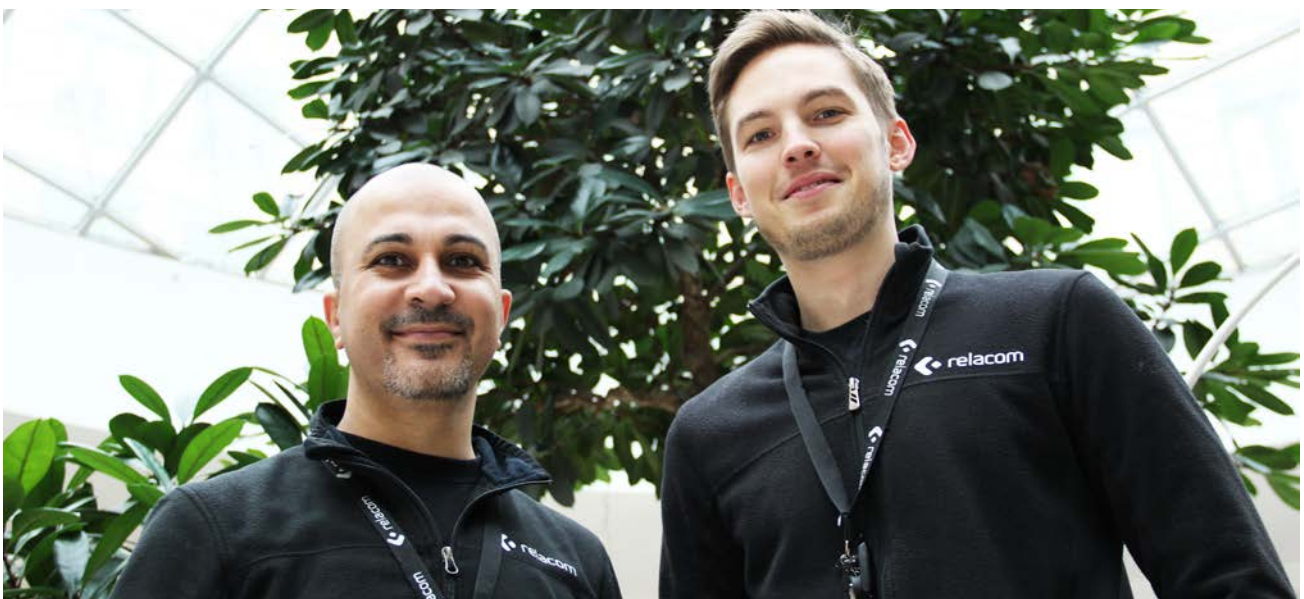
Revenue
~ 4 Billion SEK

For further financial information please see the annual report for Relacom Management AB.

Corporate Governance

Relacom Management AB is Relacom Group's parent company and is owned by Nordea Bank and DNB Bank. The company's shareholder meeting is the Group's primary legal decision making body. Decisions made by the shareholders are converted into directions, frameworks and targets by the board of directors and communicated to the Group's management team.

The Group's management team is responsible for guiding the company to meet the targets set by the board of directors according to the directions given and within the frameworks set. Below this executive level, the Group is managed by management committees and along solid reporting lines. To ensure responsible decision-making, Relacom has developed what is known as our Group Authorization Matrix. This document defines levels of authority for key positions regarding the right of attestation and the right to make decisions on behalf of the company.



The Relacom Way

Everything we do starts with people, whether we consult, plan, build or maintain networks and equipment.

The impression Relacom leaves on the community is influenced by how we run our operations, for example how efficient our processes are and how we manage our production and create tools to meet our customers' and stakeholders' requirements and expectations.

Relacom's **vision** is to be the preferred service partner within technical infrastructure in the Nordics.

Our **mission** is to offer flawless function and commercial value in our customers' networks.

To realize our vision and mission we need talented people who are service-minded and have the ability to work across borders and with a flexible and non-bureaucratic mindset

Core values – Reliable and competent:

Relacom is a **reliable** partner. Everyday we have to make sure that our customers experience high quality in the services we provide. It is an ongoing process building and staying reliable.

Relacom has **competent** people. We have both technical expertise and years of experience working with a variety of systems. These skills help us take a proactive approach and fulfil our commitments. We are present both on a personal level and in a geographical sense.



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Sustainability Management

In 2016 Relacom Group strengthened its sustainability management by developing several sustainability goals in areas such as finance, marketing and health and safety. In addition, we are requiring that there are effective management systems addressing the areas of quality, environment and the working environment in every country we have operations. As in the past, all country offices are to comply with our code of conduct and anticorruption policy.

With these controls, we want to achieve a joint development of our sustainability efforts for the countries involved. In 2017 we will continue our efforts to develop these goals and to measure and follow up results:

- » That our customers are satisfied
- » That we develop the competence of project leaders
- » That our employees are engaged and motivated
- » To have a safe working environment

This means that Relacom agrees to work in accordance with the UN's ten basic principles for responsible enterprise. Each year, we prepare a report entitled Communication on Progress that summarizes how Relacom is supporting and working in harmony with Global Compact and the initiative's principles.

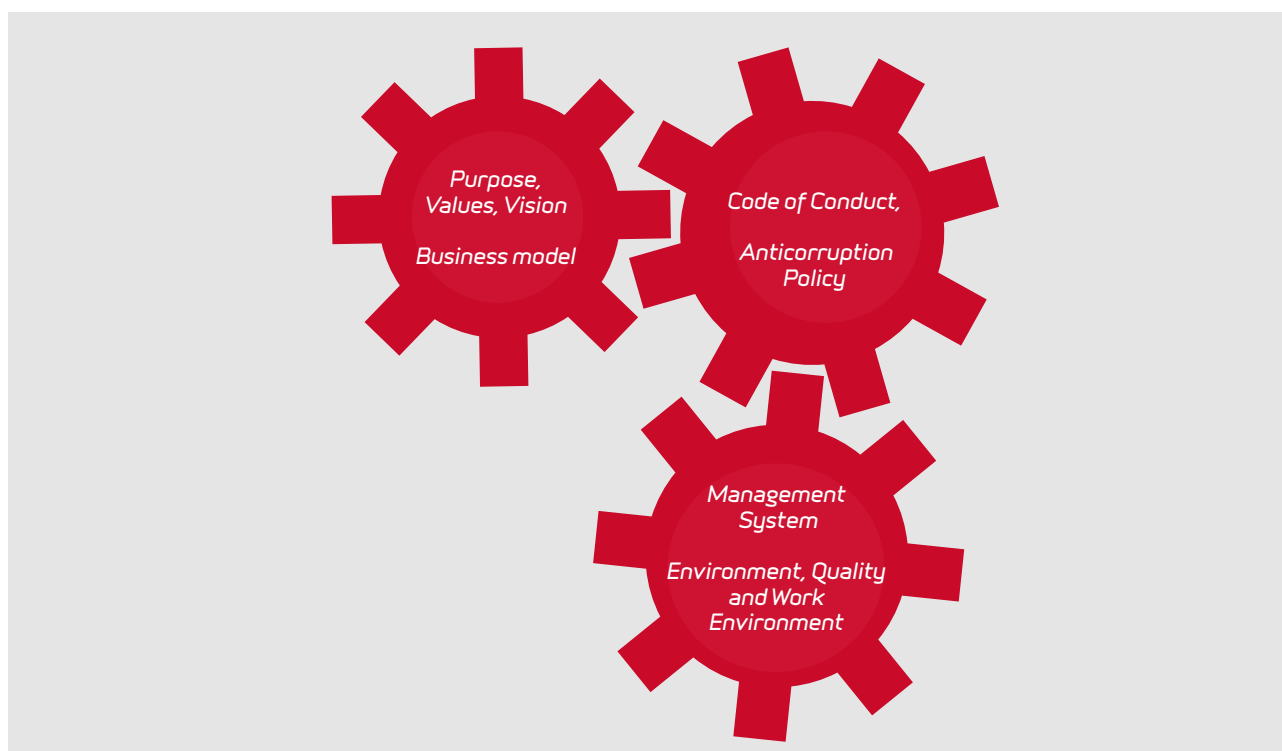
A Brief Summary of our Code of Conduct:

Relacom strives to create sustainable advantages for its customers, employees, suppliers, the environment and the community.

Relacom mostly works on behalf of business-business customers when meeting end-customers. As such Relacom's conduct is critical to our customers' success:

- » Relacom obeys the laws and regulations of each country in our business activities
- » Relacom respects human rights and our growth is based on a sustainable and responsible approach in which our employees play a key role. Relacom aims to be the benchmark in our industry and to offer an attractive working environment that attracts new employees
- » Relacom strives to employ a long-term environmental strategy to minimize our negative environmental impact and to follow the precautionary principle.
- » Relacom strives to establish long-term relationships with suppliers and to achieve sustainable advantages through cooperation.
- » We are committed to prevent corruption in all its forms and tolerate it neither in our own business, nor in those with whom we do business.

Image 2. Our Sustainability framework.



Compliance

During 2016 we had no non-compliance findings regarding laws and regulations and no significant findings, nor had we any grievances reported regarding environment, social aspects and products and services.

Anti-corruption

Relacom's management group has drawn up a policy that applies to all Group companies and employees.

In turn, country representatives are responsible to inform the organization about the content of the policy and for ensuring that it is followed. Country representatives inform and help employees to understand how they are expected to act in different situations in connection with our customers. Whenever a new staff member is employed, they are informed about the policy and our whistle-blower function. During 2016 several of our customers have performed external CSR audit and examined our performance. We have no non-compliance regarding anticorruption but we will during 2017 implement training in our sustainability policies.

Supply Chain

Relacom engages a number of suppliers and, to ensure that each of them lives up to Relacom's and our customers' values, we have chosen to work with a handful of large distributors based in the Nordic region. We have consciously chosen companies that are based in the countries in which we operate.

Relacom's contractors are screened through a qualification process that imposes requirements on their environmental, health and safety work and their business ethics. Our code of conduct is a part of every country's supplier policy.

Did you know?

We support UN Global Compact

As of 2012, Relacom is a UNGC signatory. This commitment entails working in accordance with the UN's ten fundamental principles for responsible business. The Global Compact includes: Principles for human rights, labour conditions, environment and anti-corruption.

We also submit a report annually, entitled 'Communication on Progress', which summarises our commitment to the Global Compact's ten principles.

Materiality Analysis

Our Stakeholders

An important part of our sustainability efforts and a necessity for understanding our stakeholders' needs and expectations is holding an active dialogue with them. Doing so supports development and forms the basis for this report. Relacom's operations affect, and are affected by, a large number of different stakeholders. A good and open dialogue is important for developing and building long-term relationships. Our employees meet stakeholders daily in various forums and the majority of our stakeholder relations are established in our meeting and communications channels. Meetings with clients and contractors occur on a daily basis. Customer surveys, employee satisfaction surveys, annual general meetings, proxy meetings, supplier meetings, trade fairs, industry meetings and meetings with employer organizations are conducted throughout the year. Collaborative projects conducted with public employment services and upper secondary schools are additional examples of situations where we meet and communicate with our stakeholders.

Materiality Analysis

A materiality analysis was conducted 2014 in accordance with the guidelines found in GRI G4 to find out which aspects our internal and external stakeholders think are important. Stakeholders, such as customers, employees and owners, have contributed to this analysis. The internal valuation incorporated the results from stakeholder dialogues held over the year. To the right is a summary of the result and it summarizes all aspects in the stakeholder dialogue. The companies operations differ from each other. But all the aspects that are of relevance of both stakeholders and Relacom are presented in the report. All aspects are not applicable for all companies. The index shows which aspects each country reports.

We will perform a new materiality analysis during 2017.



Image 3. Our business environment.

Image 4. Materiality Analysis.



Our Markets

14-19 Relacom Sweden

20-25 Relacom Norway

26-29 Relacom Denmark

30-38 Relacom Finland

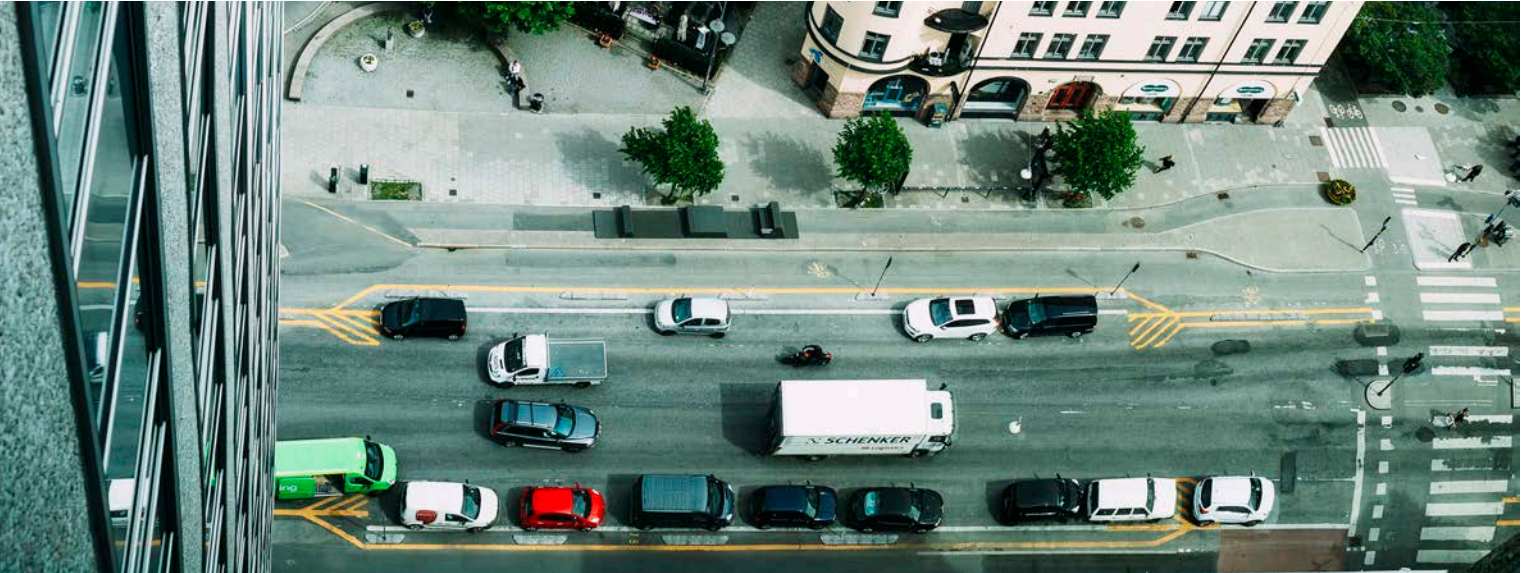




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Relacom Sweden



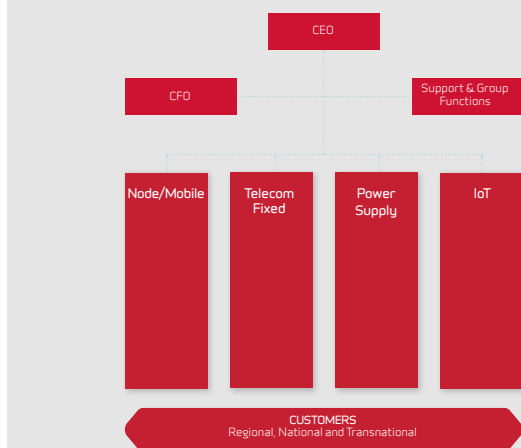
Environmental Work

Relacom Sweden is a nationwide technology services provider. The Swedish operations offers services to the telecommunications (fiber and mobil solutions), power and IoT markets. 500 technicians and project specialists are spread throughout the country.

Our environmental work aims to find solutions that are both good for the environment and that benefit our customers and employees. Energy, climate, work in sensitive areas, chemicals and waste are focus areas within our environmental work.

Relacom's environmental work corresponds and adheres to the requirements found in the ISO 14001 standard and are integrated into Relacom's business management system. All work related to environmental issues is managed by Relacom's management and supported centrally by Relacom's environmental coordinator. Our environmental work does not only influence our own operations, but extends to our subcontractors and suppliers, too. All our contractors are reviewed against our environmental requirements.

Image 5. Sweden Organizational Structure.



Our environmental goals are:

- » To reduce greenhouse gas emissions by 3% compared with 2015
- » To reduce the amount of unsorted and landfill waste by 2% compared with 2015

In 2015 Relacom enacted organisational changes that allowed the company to reduce its workforce by about half in 2016. These changes have had a major impact on our ability to achieve our objectives. In 2017 they will be supplemented with metrics that are not affected by personnel changes.

Climate

Energy use in the form of electricity, heating and cooling is one of our most critical environmental issues. It is still difficult to pinpoint the exact amount of energy used at our smaller, rented offices, where electricity and heating are included in the leasing fee. Our real estate division is responsible for establishing procedures for reporting on and following up energy use together with our property owners.

During the last couple of years, we have taken important steps to reduce travel related to meetings, including installing solutions for online meetings with external parties, such as customers and suppliers. All these measures has helped us to significantly reduce the number of trips we take and reduce our environmental impact.

Waste

Both waste minimization and responsible waste management are vital for reducing our environmental impact and ensuring sustainable development. Waste management procedures are an integrated part of our operations. Through our agreement with a waste contractor, we can

both reuse and recycle waste generated by our operations. The same requirements and procedures for handling waste also apply to our subcontractors.

Our ambition is to ensure that all waste from our own operations is recycled as quickly as possible. All our places of business have collection stations for waste. The stations consist of containers for collecting office waste and for the recycling of cables and construction waste from our field operations. We have also implemented procedures for proper waste handling and transportation for locations other than our offices where we carry out assignments.

Waste minimization is well integrated in the company

Our IT help desk manages the company's hardware, telephone entry system, alarms and IT technology aids. The goal is to minimise electrical waste by recycling everything that can be used. The Technical Department has a repair function. Products are fixed and parts are replaced so that the product can continue to be used. Our management of waste follows the waste hierarchy, with a focus on minimising waste to an increasing extent through purchasing controls and the reuse of purchased products.

TABLE 1. ENERGY CONSUMPTION WITHIN THE ORGANIZATION [G]

G4-EN3 a

	2016	2015	2014
Diesel	27063	50735	70905
Petrol	952	1386	958
Total	28015	52121	71863

TABLE 2. ENERGY CONSUMPTION WITHIN THE ORGANIZATION [G]

G4-EN3 c

	2016	2014	2013
Electricity	690	1318	3022

TABLE 3. DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) [T]

G4-EN15 a

	2016	2015	2014
Fuel (Diesel, Petrol)	2017	3752	5172

TABLE 4 ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) [T]

G4-EN16 a

	2016	2015	2014
Electricity	17,4	33,2	76,1

Image 6. Waste hierarchy within the organization.

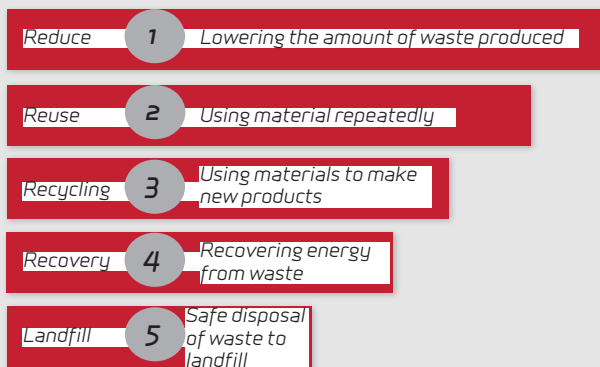


TABLE 5. TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD [T]

G4-EN23 a

	2016	2015	2014
Non-hazardous waste			
Recycling	110	400	558
Composting	0	0	0
Incineration (mass burn)	221	111	216
Landfill	2,62	19,0	9,14
Other (mixed recycling and incineration)	3,18	0	9,11
Hazardous waste			
Recycling	41,1	76,3	46,7
Total	378	606	839



Our Customers

To achieve and maintain world-class operations, customers' needs and expectations must be both understood and met. Relacom focuses on having a close dialogue with customers and suppliers through continuous meetings where needs and expectations are identified. Our customers expect Relacom actively to pursue quality assurance and sustainability, including reducing our environmental impact, ensuring a safe workplace and being socially responsible. Our customers expect us to apply these expectations to our suppliers and contractors, and that we follow up on their compliance with these requirements. In 2016, we have had an increase in supplier follow-up from our customers. Both in the form of site visits of our projects such as desktop audits. We welcome this and appreciate that customers are making sustainability demands on us.

At Relacom, we are aware of the importance our customers place on privacy. To this end, we have implemented procedures to ensure that customer data is handled in a safe manner. This measure resulted in no cases of lost customer data being reported during 2016.

Customer Satisfaction

We believe that a dialogue with our customers is the cornerstone of being able to develop our business. An example of this is a project that we've undertaken with clients and the Swedish Post and Telecom Authority (PTS).

Cooperation with Suppliers

Carefully considered purchases allow Relacom both to reduce environmental impact and to lower actual purchase costs. Relations with our suppliers are characterized by high-level business ethics, objectivity and professionalism. Relacom's purchasing policy requires that all our suppliers comply with our code of conduct. We only work with suppliers who meet our stated requirements concerning quality, environmental impact and ethical guidelines. We ensure that all Relacom suppliers are evaluated before beginning to work with them. Evaluations are based on references and customer satisfaction, financial stability, business systems, delivery service and support. Should a supplier lack delivery capacity or have other problems, a new evaluation is conducted.

Did you know?

We are since 2016 certified by The Swedish Post and Telecom Authority (PTS) to build quality fiber networks (Robust Fiber certification).



**Robust
fiber**



Systematic Efforts to Improve our Work Environment

A good working environment helps business development, encourages physical and psychological well-being, helps motivate employees, encourages employees' personal development. Relacom systematically improves the work environment through regular surveys, implementing improvement measures and following up the status of our operations. This helps us to prevent illness and accidents at the workplace and creates a better working environment for everyone.

Work environment considerations include physical, technical and psychosocial conditions that are important for creating a good working environment. Managers and executives work with employees, safety officers, the occupational health strategist and others to achieve well-functioning and satisfactory solutions. Not only are we required to comply with Swedish work environment legislation, but our customer agreements also contain clear health and safety rules that we follow.

We have not noted any deviations from these commitments during 2016.

During 2016 we started to implement the international standard OHSAS 18001. The implementation will be completed in autumn 2017.

Professional Development

We identify needs in the organization and create training opportunities that match demand. The range of training offered is determined, in part, by Relacom's overarching strategies as stated in our business plan, demand from our customers and input from managers based on professional development interviews held with staff. In this way, our employees have better opportunities to develop and we strengthen Relacom's collective expertise at the same time.

Whether technician, manager, or administrative staff, the same possibilities for professional development must be available. Within the professional development field, we also have a training programme that helps employees develop

Preventive Work Environment

Relacom wants to be a leader in the industry when it comes employee safety and dedication. In a safe and pleasant work environment, our employees are given the ability to develop and deliver high-quality service to our customers. Relacom always prioritizes our employees' and customers'

health and safety. We strive to achieve Relacom's vision of zero accidents. The foundation for achieving this goal is following legislation and rules.

Health and safety is included in all collective agreements and supplementary contracts are continually agreed upon with the various labour organizations. Every third month, the Central Safety Committee meets to discuss work environment related issues, such as accidents, incidents and changes within the organization. The meetings focus on

TABLE 6. TOTAL NUMBER AND RATES OF NEW EMPLOYEES HIRES AND EMPLOYEE TURNOVER BY AGE GROUP GENDER AND REGION *

G4-LA1 a

2016	<30	31-50	>51	Total
<i>Women</i>	9	4	2	15
<i>Men</i>	28	23	41	92
TOTAL	37	27	43	107

TABLE 7. STAFF MOBILITY [%]

G4-LA1 b

	2016*	2015*	2014
Total staff turnover	34	42	12,5

* The organisational changes made involved redundancies.

TABLE 8. ACCIDENTS AND SICK LEAVE STATISTICS

G4-LA 6 a

	2016	2015	2014
<i>Injuries*</i>	4	7	6
<i>Work-related accidents resulting in death</i>	0	0	0
<i>Days lost due to work-related accidents</i>	11	339	428
<i>Sick leave as a percentage of total work time**</i>	3,2	3,9	3,5

TABLE 9. COMPOSITION OF GOVERNANCE BODIES

G4-LA12 a

Management Group	2016
<i>Women</i>	0
<i>Men</i>	9
<30	0
31-50	4
>51	5
Total	9

Great Stories

Relacom recycles technology

For several years Relacom has had a tradition of recycling and servicing technology, both in our own organisation and on behalf of our customers. Together with our IT partner Enfo, we offer Life Cycle Management services, which means that we service, repair and distribute hardware.

Stefan Wallman, one of the technicians responsible for efforts to service and replace hardware, explains that it's possible to recycle more than you think:

"Everything has a certain life span. For example, a fan or hard drive can handle only a certain number of revolutions, but it's possible to reuse parts and replace many of them."

This allows products like computers, monitors and telephones to have a longer life cycle without skimping on performance or functionality:

"Just because it's used doesn't automatically mean that the performance is worse. It's a matter of taking care of the equipment you have, and that's something that we at Relacom and at Enfo are good at," Stefan says.

Having a plan and continuously applying it helps to contribute to reduced environmental impact and, ultimately, lower costs.

Environmentally friendly battery backup replaces diesel

Now hydrogen is here to power large and small installations in the event of a power failure. In 2016 Ballard Power Systems commissioned us to install a battery backup powered by hydrogen. This was a pilot project carried out at a large telecom facility in central Sweden.

Instead of using diesel as a reserve power source, the solution uses fuel cells powered by hydrogen stored in secure tubes. The only by-product is water vapour. Last year Relacom technicians completed training at Ballard, which means that we are now certified to perform this type of environmentally friendly service.

The technology has tremendous growth potential because energy companies, operators and others face major challenges when current battery installations do not have sufficient capacity to cope with the new requirements for backup power. In addition, forward-looking companies primarily invest in green energy, which this project exemplifies.

About Ballard Power Systems

A global company with a vision of being a leading supplier of innovative solutions for clean energy.

Read more at www.ballard.com



Relacom Norway



Relacom Norway provides its services throughout the country. Operations are led by a General Manager and the company provides services in Telecommunications, Power and IoT (Internet of things).

We take the environment seriously

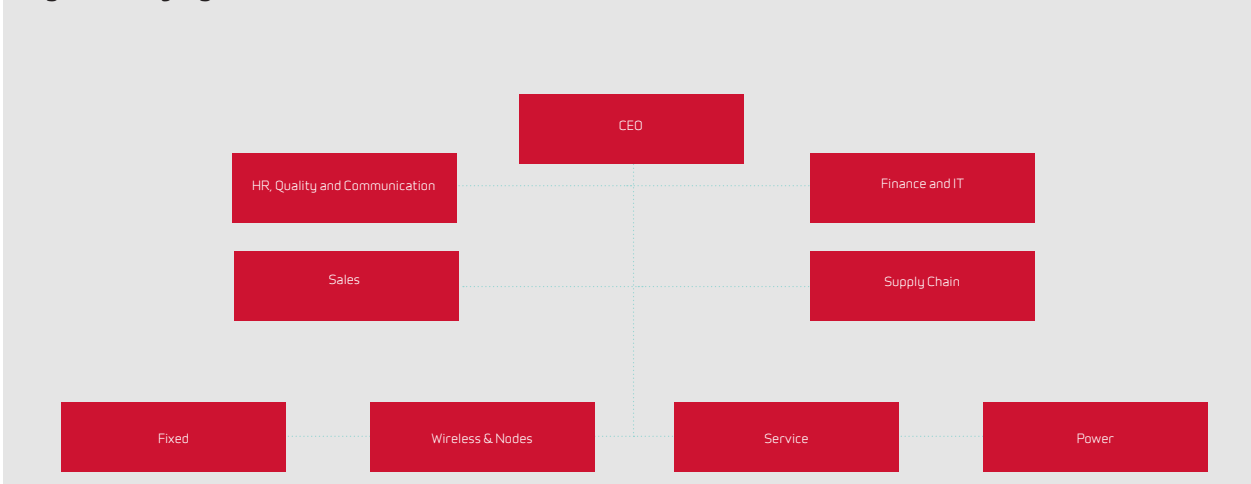
Customers, public authorities and the community can be confident that we are working to minimize our environmental impact. By adopting a long-term approach and showing respect for our environment, we focus on creating an

attractive workplace, reducing our impact on the environment and helping our customers achieve their sustainability targets.

Our Customers

Achieving and maintaining good business operations requires understanding and meeting customers' requirements and expectations. Relacom focuses on having a close dialogue with our customers and an active response to their requirements and expectations. Our customers expect Relacom to actively work on quality and sustainability issues

Image 6. Norway Organizational Structure.



that will reduce our environmental impact, produce a safe workplace and assume social responsibility.

Privacy is very important for our customers. This is why we have implemented procedures to ensure the secure management of customer data and, as a result, no instances of lost customer data have been reported during the year.

Customer Satisfaction

Good service is one of the most important factors when customers are choosing a supplier. Attaining a high level of customer satisfaction is the cornerstone of Relacom's business strategy. We believe that the key to success is maintaining a close dialogue with our customers and we monitor customer satisfaction. We constantly strive to identify areas of improvements that allow us to reach our goal of meeting and exceeding our customers' expectations.

Bi-monthly Relacom conducts a customer satisfaction survey (CSS) to a random selection of private customers with whom we are in direct contact. This gives customers the opportunity to provide us with direct feedback on services we have delivered.

Environment

Relacom is ISO 14001 certified. The company provides products and services that meet the environmental requirements of our customers and society at large. These products and services are constantly being improved to reduce energy consumption and environmental impact. We impose the same environmental requirements on our suppliers as we do on ourselves.

Our environmental areas

- » We focus on reducing the pollution caused by our vehicles.
- » We handle our waste in accordance with the requirements of local authorities.
- » We take consideration of our surroundings when planning and implementing our work assignments.
- » We are conscious of the importance of the natural environment, historic sites and their surroundings and are vigilant in avoiding damaging or destroying them.
- » We do not use paper unnecessarily and reserve its use for when absolutely vital.

- » We prefer electronic meetings to physical ones when this is satisfactory.
- » We take all environmental complaints seriously and do our utmost to rectify any damage and ensure that such situations do not recur.

Climate

We take climate change seriously and work actively to reduce carbon dioxide emissions caused by our services and transports. The results of climate change, such as extreme weather, changes in precipitation, snowfall and ice, have a direct economic impact on our industry and our customers.

To protect the environment against CO2 emissions and reduce our costs, we are focused on achieving an annual average reduction in our vehicle fleet's fuel consumption by 5%, adjusted for sales levels. In both 2015 and 2016, we managed to achieve a reduction. Further measures have been put in place to achieve our target next year. Relacom has also focused heavily on reducing travel over the past year by increasing the number of electronic meetings. Relacom decided in 2016 to use a travel agency as a partner to better track our travel pattern and to better visualize areas of improvement.

Waste

Both waste minimization and responsible waste management are vital for reducing our environmental impact and ensuring sustainable development. Waste management procedures are an integrated part of our operations.

TABLE 10. ENERGY CONSUMPTION WITHIN THE ORGANIZATION [GJ]

G4-EN3 a

	2016	2015	2014
<i>Diesel</i>	75258	83361	92577
<i>Petrol</i>	2617	2903	2991
Total	77875	86264	95568

TABLE 11. DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) [T]

G4-EN15 a

	2016	2015	2014
<i>Fuel (Diesel, Petrol)</i>	5605	6211	6889



Through our agreement with a waste contractor, we can both take advantage of and recycle waste generated in our operations. The same requirements and procedures for handling waste apply to our subcontractors.

Our waste-related environmental goals mean that all facilities must have a well-functioning system for collecting and delivering waste and returns, something that our suppliers also need to adhere to.

Relacom is a member of "Grønt punkt Norge" and thereby takes on a corporate social responsibility. "Grønt Punkt Norge" is a company that has undertaken the goal to reduce environmental impact packaging entails.

Rapid handling of customer complaints

TABLE 12. TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD [T]

G4-EN23 a

	2016	2015
<i>Non-hazardous waste</i>		
<i>Recycling</i>	358	221
<i>Composting</i>	0	0
<i>Incineration (mass burn)</i>	383	547
<i>Landfill</i>	0	0
<i>Other (mixed recycling and incineration)</i>	0	0
<i>Hazardous waste</i>		
<i>Recycling</i>	7,61	53,6
Total	750	822

Managing and resolving customer complaints are also key to improving our operations. We deal with customer complaints as quickly and efficiently as possible. We register and promptly follow up all customer complaints and then implement corrective actions to ensure the faults do not recur. We also measure the average time taken to resolve complaints.

Collaboration with suppliers

Relations with our suppliers are characterized by strict business ethics, objectivity and professionalism. Relacom's purchasing policy requires that all of our suppliers comply with our code of conduct. We only enter into collaboration with suppliers who meet the quality, environmental and ethical guidelines laid out in our policy documents. This means that all of Relacom's suppliers are evaluated before any collaboration commences. Evaluations are based on references and customer satisfaction, financial stability, business systems, delivery service and support. Should a supplier lack delivery capacity or experience other issues, a new evaluation is conducted.

At Relacom we believe that long-term and close cooperation with our suppliers ensures higher quality and profitability. Relacom regularly follows up our key supplier's performance to identify where improvements can be made. In all our agreements our suppliers sign that they will follow our code of conduct, comply and follow Norwegian and international laws and regulations regarding Human Rights, HSE and Child Labour to mention some.

Our Employees

Relacom sees our employees as a resource and a competitive advantage. As part of this approach, in 2014 we chose to be assessed through Great Place to Work. In January 2015 we carried out an employee survey, which revealed Relacom's strengths as an employer as well as areas for improvement. The results of the survey showed that our employees think Relacom's strengths are in creating a strong work environment, characterized by all-inclusiveness, collaboration and a good fellowship. The results also showed that our employees feel that management trusts them and gives them a lot of responsibility.

The areas for improvement identified in the survey were better internal communication and to continue the focus on further increasing and developing competence. These areas are being addressed both by senior management and by individual department managers.

A new employee survey will be carried out during 2017. Our goal is to see improvements in the identified areas in the survey performed in 2015 – on our way to becoming Norway's best place to work.

Development Of Skills And Competence

Our goal is for the organization and every single employee to be in a process of constant development. We effectively develop competence by involving on-the-job-training and internal courses. External courses are also held where necessary.

TABLE 13. TOTAL NUMBER AND RATES OF NEW EMPLOYEES HIRES AND EMPLOYEE TURNOVER BY AGE GROUP GENDER AND REGION

G4-LA1 a

2016	<30	31-50	>51	Total
<i>Women</i>	15	15	6	36
<i>Men</i>	105	124	62	291
TOTAL	120	139	68	327

TABLE 14. COMPOSITION OF GOVERNANCE BODIES

G4-LA12 a

	2016
<i>Women</i>	1
<i>Men</i>	11
<i><30</i>	0
<i>30-50</i>	4
<i>51-68</i>	8
Total	12

TABLE 15. STAFF MOBILITY [%]

G4-LA1 b

	2016	2015	2014
<i>Total staff turnover</i>	14,4	17,4	4,2

Health, Safety and Environment (HSE)

A vital part of having a great workplace means emphasizing a good work environment and safety.

Our long-term objective is to avoid any work accidents at Relacom at all. All near miss must be reported, and any required measures for improvement must be implemented. We also have the long-term objective of reducing sick-leave to a level below 5%. This places particularly stringent requirements on management and also means that every single employee must contribute to achieve these goals. During 2016 we have developed an app to ease the reporting of all near miss and work accidents. Based on all the incoming reports we follow up the results by having a quarterly HSE campaign for our employees based on the most reported accident type. We believe that this will help reduce near miss and work accidents.

If we achieve our goals in the fields of health, safety and environment, this will contribute to Relacom becoming an attractive partner for customers, suppliers and authorities.

Crisis Management

To deal with the development of potential crises, a steering group has been established consisting of some of the company's senior management under the leadership of the general manager. A permanent emergency responseteam has been identified and established. This team can be supplemented with additional resources, depending on the scope and degree of severity of the crisis.

The steering group becomes operational when there is either a potential or realized event that could have extremely adverse consequences for our customers and/or

TABLE 16. ACCIDENTS AND SICK LEAVE STATISTICS

G4-LA6 a

	2016	2015	2014
<i>Injuries*</i>	29	16	10
<i>Work-related accidents resulting in death</i>	1	0	0
<i>Days lost due to work-related accidents</i>	547	428	155
<i>Sick leave as a percentage of total work time**</i>	5,22	5,85	5,10

*Injuries include work-related accidents that led to sick leave

**Average for the entire year

employees. The head of the steering group activates the emergency response team when deemed necessary, and by agreement with the head of the emergency response team.

The head of the emergency response team takes operational lead of the situation, and also takes responsibility for debriefing the involved parties and for corrective measures where necessary.

The steering group becomes operational when there is either a potential or realized event that could have extremely adverse consequences for our customers and/or employees. The head of the steering group activates the emergency response team when deemed necessary, and by agreement with the head of the emergency response team.

The head of the emergency response team takes operational lead of the situation, and also takes responsibility for debriefing the involved parties and for corrective measures where necessary.

Great Stories

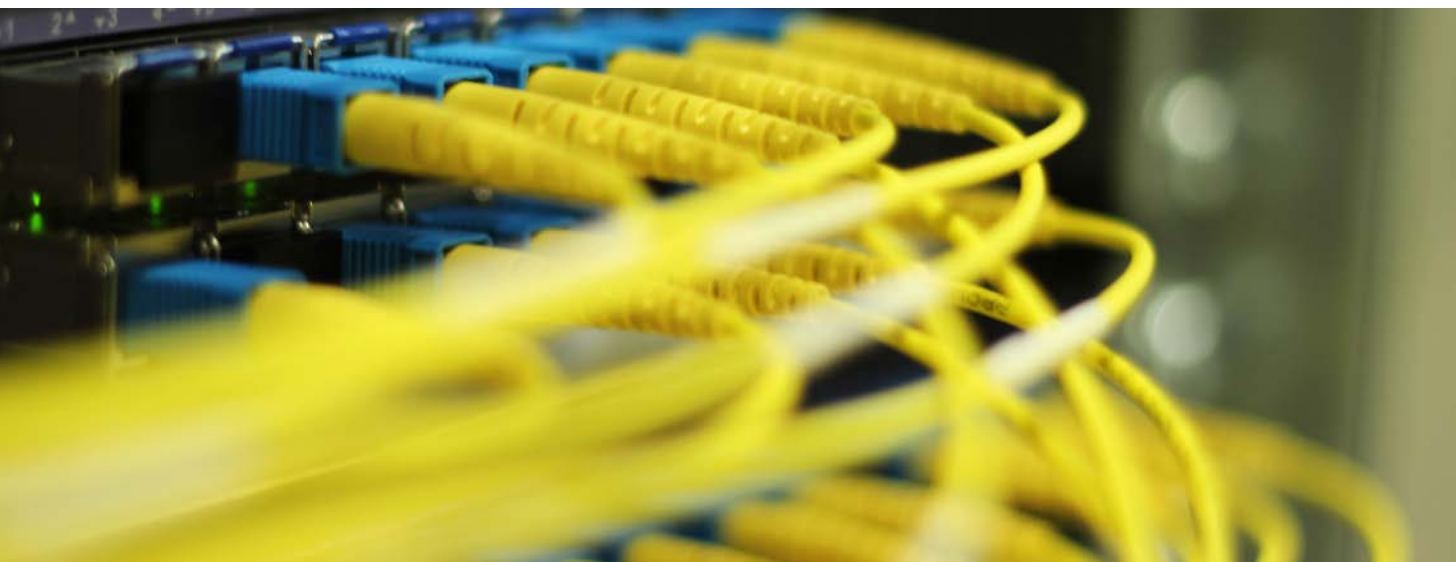
Our Apprenticeship System – guaranteeing skilled workers for the future

Relacom is a certified training organisation and has extensive experience in providing on-the-job-training. We offer apprenticeships for apprentices at secondary schools throughout the country. At any given time the company has 150–200 apprentices in the areas Telecommunications, Power and ICT. During apprenticeships, apprentices work alongside an experienced employee in the initial phase and are eventually assigned increasingly independent tasks. At the end of the apprenticeship, the basic aim is for the apprentice to be able to work independently. The apprenticeship training office is responsible for the remaining theoretical studies and tests after completion of the practical period. The apprenticeship system is an advantageously situation for apprentices, companies and society as a whole, and an area the company wants to continue to focus on.





Relacom Denmark



Relacom Denmark's operations are decidedly smaller than those in the other Nordic countries and also differ in nature. This involves working together to drive our core business through a challenging development process in which growth is of prime importance.

Customer Relations

To achieve and maintain world-class operations, customers' needs and expectations must be both understood and met. Relacom focuses on having a close dialogue with customers and suppliers through continuous meetings where needs and expectations are identified. At Relacom, we are aware of the importance our customers place on privacy. To this end, we have implemented procedures to ensure that customer data is handled in a safe manner.

Our Environmental Work

The goal of reducing the environmental impact of our products and services influence our entire operation. Our environmental work aims to find solutions that are both good for the environment and that benefit our customers and employees. Health and safety, energy and chemicals and waste are focus areas within our environmental work, and are continuously improved and followed by specific KPI's. By showcasing Relacom's efforts to promote sustainability, we believe that we are sending an important signal to the market, our customers, suppliers, contractors and, not least of all, to our employees.

Denmark's environmental and occupational safety and health objectives:

- » To reduce absence due to sickness
- » To reduce serious accidents
- » To increase employee satisfaction
- » To reduce the amount of overtime
- » To reduce energy use, as measured in kWh consumption
- » To reduce fuel consumption

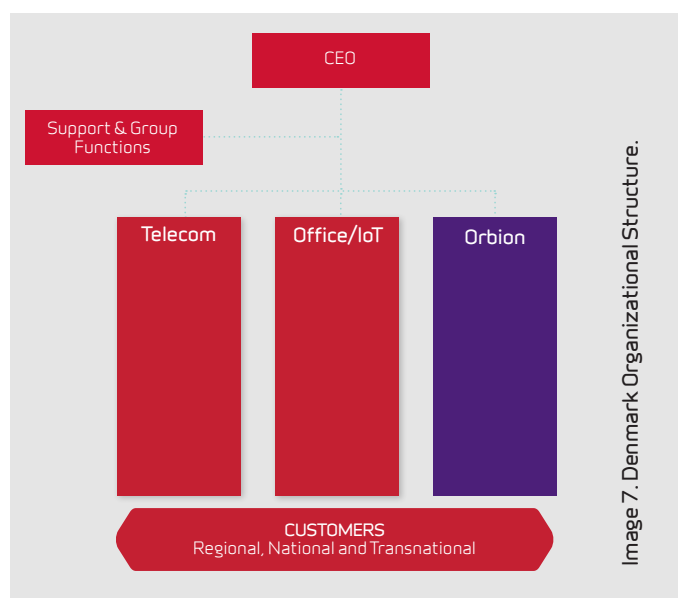


Image 7. Denmark Organizational Structure.

Systematic Environmental Work

Relacom's environmental work corresponds and adheres to the requirements found in the ISO 14001 standard and is integrated into Relacom's business management system. All work related to environmental issues in everyday operations is managed by Relacom's management and supported centrally by Relacom's executive. Our executive makes sure that our environmental protection measures are being applied. Our environmental work does not only influence our own operations, but extends to our subcontractors and suppliers, too.

A great example is that we in 2016 have helped one of our Telecom customers with significantly reducing their power consumption on their mobile base stations for events, which are handled by Relacom.

Climate

We take climate change seriously and we work actively to reduce carbon dioxide emissions caused by our services and transports. The results of climate change, such as extreme weather, changes in rainfall, snowfall and ice, have a direct financial impact on our industry and our customers.

During 2015 we identified the largest energy consumers of electricity in all our domiciles, to make plan for reduce the energy consumption. In 2016 we started the execution of our plan to bring down our power consumption and CO2 emissions. We are changing all our lightning systems in our offices and warehouses to environmental friendly and power saving LED lightning. Together with our solar panels, the result is a major reducing of or power consumption and is a great benefit for the environment.

We have taken important steps to reduce travel related to

TABLE 17. ENERGY CONSUMPTION WITHIN THE ORGANIZATION [GJ]

G4-EN3 a

	2016	2015	2014
<i>Diesel</i>	4538	6126	5382
<i>Petrol</i>	3,57	6,19	11,9
Total	4542	6132	5394

TABLE 18. ENERGY CONSUMPTION WITHIN THE ORGANIZATION [GJ]

G4-EN3 c

	2016	2015	2014
<i>Electricity</i>	744	664	635
<i>Heating</i>	473	472	610
Total	1217	1136	1245

TABLE 19. DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) [T]

G4-EN15 a

	2016	2015	2014
Fuel (Diesel, Petrol)	338	461	388

TABLE 20. ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) [T]

G4-EN16 a

	2016	2015	2014
Electricity and heating	30,6	28,6	31,3

meetings, including installing solutions for online meetings with external parties, such as customers and suppliers.

For daily internal administrative work meetings, we use the online tool Microsoft Lync (video, instant messaging, telephony). These measures help to significantly reduce the number of trips we take and reduce our environmental impact.

Waste

Both waste minimization and responsible waste management are vital for reducing our environmental impact and ensuring sustainable development. Waste management procedures are an integrated part of our operations. Through our agreement with a waste contractor, we can both reuse and recycle waste generated by our operations. The same requirements and procedures for handling waste also apply to our subcontractors. Our ambition is to ensure that all waste from our own operations is recycled at as high a rate as possible. All our places of business have recycling stations for waste.

TABLE 21. TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD [T]

G4-EN23 a

	2016	2015	2014
Non-hazardous waste			
<i>Recycling</i>	73	88,7	123
<i>Composting</i>	0	0	0
<i>Incineration (mass burn)</i>	21	41,3	33,3
<i>Landfill</i>	0	0	0
<i>Other (mixed recycling and incineration)</i>	0	0	0
Hazardous waste			
<i>Recycling</i>	0	4,42	814
Total	94	134	970



Our Employees

Relacom is a service company and our employees are our company's most important asset. Our goal is to be an attractive employer that attracts skilled personnel and a company where employees feel at home and want to develop together.

Preventive Work Environment

TABLE 22. TOTAL NUMBER AND RATES OF NEW EMPLOYEES HIRES AND EMPLOYEE TURNOVER BY AGE GROUP GENDER AND REGION *

G4-LA1 a

2016	<30	31-50	>51	Total
Women	0	0	1	1
Men	2	4	2	8
Total	2	4	3	9

TABLE 23. STAFF MOBILITY [%]

G4-LA1 b

	2016	2015	2014
Total staff turnover	46	39	35

* Number who concluded their employment in 2014, based on total permanent

Relacom wants to be a leader in the industry when it comes to employee safety, enjoyment and dedication. In a safe and pleasant work environment, our employees are given the ability to develop and deliver high-quality services to our customers. Relacom always prioritizes our employees' and customers' health and safety. We strive to achieve Relacom's goal to reduce the number of accidents. Every single accident is one too much. The foundation for achieving this goal is following legislation and rules. Furthermore, Relacom is certified OHSAS 18001 with means that we constantly have a high focus on safety and work environment, and are obligated to keep on improving our working environment.

Systematic Efforts to Improve our Work Environment

A good working environment helps business development, encourages physical and psychological well-being, helps motivate employees, improves quality of life, encourages our employees' personal development and contributes to greater work safety. Relacom systematically improves our work environment through regular surveys, implementing improvement measures and following up the status of our operations. This helps us prevent illness and accidents at

the workplace and creates a better working environment for everyone.

Work environment considerations include physical, technical and psychosocial conditions that are important for creating a good working environment. Managers and leaders work together with staff to achieve well-functioning and satisfying solutions.

Our customers are very satisfied with the great effort we do, and Relacom Denmark A/S is in 2016 awarded the Huawei EHS Management prize for our work with environment and health and safety. Besides the award from Huawei, Eco-vadis have for Telia measured Relacom Denmark on our CSR. The excellent result was a gold recognition level and includes Relacom among the top 5% performers evaluated

TABLE 24. COMPOSITION OF GOVERNANCE BODIES

G4-LA12 a

Management Group	2016
Women	1
Men	4
<30	0
31-50	5
>51	0
Total	5

TABLE 25. ACCIDENTS AND SICK LEAVE STATISTICS

LA6 a

	2016	2015	2014
Injuries*	6	6	2
Work-related accidents resulting in death	0	0	0
Days lost due to work-related accidents	13,4	15	32
Sick leave as a percentage of total work time**	3,2	2,0	3,0

*Injuries include work-related accidents that led to sick leave

**Average for the entire year

Did you know?

ISO 9001, ISO 14001 and OHSAS 18001 certificates cover all Relacom Denmark's operations and locations.



Great Stories

Audits and awards

During 2016 our Telecom customers (Telenor, Telia and TDC/Huawei) performed audits regarding CSR, work environment and quality. All the auditors were very satisfied and the result of all audits was very good and ended with no remarks. We are extra proud to have received a high score from Huawei quality audit and being awarded Huawei's EHS Management prize.

LED lightning- green energy solutions

In the Relacom's office in Blommenslyst we are changing the lightning to LED to bring down Relacom's energy consumption and CO2 emissions.

Our Business area Power have a major focus on green energy solutions and more intelligent installations. One of the green energy solutions that really make sense is LED

lightning, which we promoted during 2016. LED lightning has longer lifetime (4-5 times longer than traditional T8 tubes) and they consume approximately half of the energy compared to traditional lightning systems. The development in LED lights is now on a level where the quality is better, or at least the same, as traditional lightning systems. Unfortunately a common misunderstanding of LED light is that it have a bad color and not gives enough light. However the problem is usually that the wrong products is chosen. Therefore we are installing different types of products in our office and warehouse in Blommenslyst, so the customers actually can see how it looks like.

Relacom Power DK will also use the case as a show room for new customers to show the quality of the LED lightning.



Relacom Finland



Our diverse expertise extends to telecommunication networks, energy networks, IT onsite services and device lifecycle solutions. Being part of the international Relacom Group, which operates in all of the Nordic countries, the company's accumulated experience and technical expertise is unique and has become a significant competitive advantage compared to other services providers. By creating transnational processes and operating models, combined with an unmatched geographical presence and an innovative approach to new solutions, Relacom has become a leading technology services partner in northern Europe.

Relacom Finland Oy is a technology service company that operates nationwide and helps its customers to benefit more from their investments in networks, systems and devices. We are a leading provider in Finland and the Nordic countries for the building, installation and maintenance of ICT networks and systems. Relacom provides a natural link between technology and its users.

Our services are extremely flexible: we can provide managed services with 4-hour service level agreements to nationwide or alternatively site resident resources for our clients to manage. We believe that Relacom's way of combining reliability and competency provides unique advantages for our customers. We provide service with a smile.

Simply put, a service-oriented mindset is part of the Relacom personality. When it comes to resourcing and providing managed services with different skill requirements, our goal is to find the most optimal solution for our clients and commit to develop the solution continuously.

The Relacom Way delivers quality for our customers and other stakeholders

The services we provide and the materials we deliver comply with the specifications agreed upon with the customer. Likewise, we are constantly developing our operations and products to meet our customers' future expectations and requirements. This also involves our quality system – the Relacom Way – being systematically developed together with our personnel.

Another critical aspect of the continuous development of our policies is the regular interaction and co-operation carried out in accordance with our agreed model for collaboration with the employee representatives.

All our major suppliers are screened via our procurement policy.

Percentage of
women in
management group
50%

Ensuring daily cutting-edge competence

Relacom is the natural choice for companies in which customer satisfaction and trouble-free operations are essential. The cost-benefit of outsourcing non-core activities has led to a growing demand for these services. Relacom meets this growing demand by employing people with diverse backgrounds and cutting-edge competence.

In our industry, skills requirements are continuously changing. At the same time as we adapt to meet these changes, we also need to ensure good management of earlier technologies. We are committed to maintaining adequate staffing levels and to upgrading our expertise to comply with the requirements imposed by ever-changing technology and our customers' requirements by means of annual training sessions and through work-based learning. We are committed to ensure that our employees work for customers in the agreed manner and thus promote the corporate image of our customers when carrying out assignments at end-customers' premises or homes. Our customers measure the quality of these encounters on a regular basis, including both technical and customer service skills on our technicians.

To ensure we meet our customers' demands for competence, our managers engage in annual assessment, planning and development discussions with their subordinates. The combined performance appraisals rating for 2016 was 82 per cent overall. Similarly, our customer satisfaction rating for 2016 was excellent.

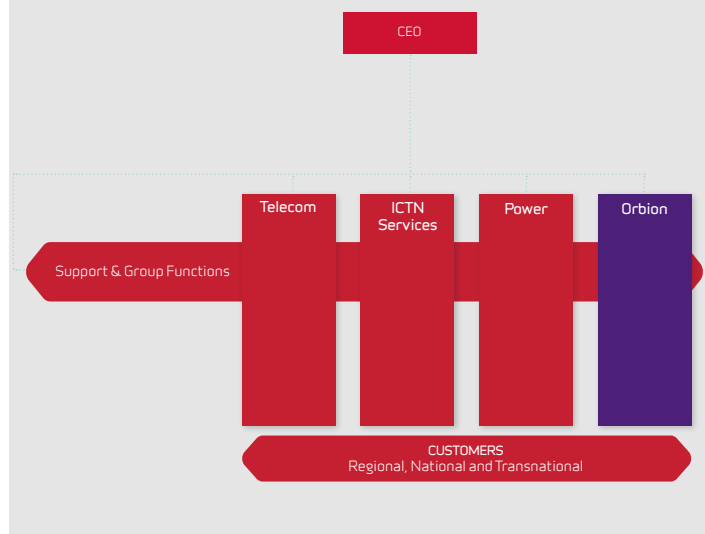
Building the Future with EFQM self-assessments

Relacom introduced an EFQM self-assessment concept in 2012. The objective was to involve employees widely across the organization in the development of our operations. All our business unit organize regularly EFQM-themed workshops for managers, specialists and technicians involving each year around 100 employees.

In 2016 we organized across the organization eight EFQM-workshops generating a total of 176 development measures related to our business units. During the workshops our personnel identified and prioritized development areas, but also brought up things that are already in a good shape. As the result of the workshops we generated a concrete list to be followed and adapted. Total 96 % of the listed measures were successfully implemented in 2016.

One major reason for the success was the continuous monitoring of development measures. EFQM has strengthened the collaboration within the company. It has enabled our employees both to understand our business better and to

Image 8. Finland Organizational Structure.



develop our operations in a more holistic way. Workshops have had also a positive effect on job satisfaction.

Environment

During the year 2016 we updated our ISO 14001 and ISO 9001 certificate to meet the latest standard requirements. Later the same year an external partner conducted a thorough Quality, Security and Code of Conduct audit including also environmental aspects. We identified no failures to comply with environmental requirements.

Together with our waste recycling supplier we executed environmental audits in 4 locations. The proposed changes were discussed through with our property and line managers. The audit results were reported on our intranet.

We continued our activities to reduce the amount of purchased paper throughout the organization. We have instructed our personnel to avoid unnecessary printing and to favor two-sided printing by highlighting the environmental aspects and impacts. We have also set the goal to reduce the amount of unsorted waste from total amount of waste compared to previous year by recycling even more systematically.

Did you know?

ISO 9001, ISO 14001 and OHSAS 18001 certificates cover all Relacom Finland's operations and locations. We've continued to work closely with The Finnish Quality Association to improve our total quality even further.





In addition to our own environmental work we also instruct all our contractors based on the environmental requirements and encourage them to operate more environmental friendly.

We continued to increase our personnel's environmental awareness by training our property managers in matters of waste management. New employees are introduced to our Environmental Policy already during general orientation meeting.

Climate

Preventing climate change is one of the main priorities of the modern world. Extreme weather phenomena such as rainstorms, strong snowfalls and formation of ice and frost have a direct impact also on our industry. Because of this we actively strive to reduce the effect of our operations on climate.

We are constantly considering new ways to reduce the carbon dioxide emissions caused by our services and transports.

We encourage our personnel to use video conferencing services and online tools for meetings. We also promote opportunities for remote working. All these measures have helped us to cut the number of trips we take and reduce our environmental impact. In 2016 we managed to reduce the number of travel days from 11,455 (2015) down to 10,769.

In 2016 we continued to optimize the use of space in all our offices. Despite the steady increase of our turnover by 16 % during the latest three years, we have succeeded to reduce our total occupancy costs by 7 %.

TABLE 26. ENERGY CONSUMPTION WITHIN THE ORGANIZATION [GJ]

G4-EN3 a

	2016	2015	2014
Diesel	34415	34016	33813
Petrol	356	356	382
Total	34771	34372	34195

TABLE 27. DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) [T]

G4-EN15 a

	2016	2015	2014
<i>Fuel (Diesel, Petrol)</i>	2600	2570	2559

TABLE 28. TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD [T]

G4-EN23 a

	2016	2015	2014
Non-hazardous waste			
<i>Recycling</i>	169	92,8	95,9
<i>Composting</i>	1,28	0,8	1,23
<i>Incineration (mass burn)</i>	60,0	21,5	14,8
<i>Landfill</i>	0	38,8	33,3
<i>Other (mixed recycling and incineration)</i>	28,3	15,6	22,7
Hazardous waste			
<i>Recycling</i>	16,6	19,6	17,7
Total	275	189	186

Waste

Both waste minimization and responsible waste management are vital for reducing our environmental impact and ensuring sustainable development. Waste management procedures are an integrated part of our operations. Through our agreement with a waste contractor, we can both reuse and recycle waste generated by our operations.

In year 2016 we removed majority of workstation specific mixed waste bins. This had a positive effect on the recycling of materials. We also promoted the recycling of metals by purveying metal collection bins to many of our offices. The significant growth of recycling is mainly due to increased share of scrap metal. The amount of scrap metal recycled in 2015 increased from 23 tons in 2015 to 89 tons in 2016.

Environmental Goals: reduce the volumes of unsorted waste and paper

Unsorted waste requires considerably management and has a long-term environmental impact. Over the past few years, we have continued successfully to reduce our unsorted waste volumes by providing clearer recycling instructions, training and by auditing our offices. For 2016, our goal was to reduce the non-recyclable waste compared to total amount of waste even more than in previous year. In 2015 the amount of mixed and combustible waste of total waste was 28 %. In 2016 we succeeded to decrease its share to 23 %.

As for paper, our on-going goal is to reduce the amount of needed paper. As of today, we have managed to cut the consumption of paper from 8,6 tons down to 2,9 tons since 2011. We continue to reduce the usage of paper for example with the help of mobile tools that enable the acceptance of work while on site, without printing it on paper.

Mission to reduce CO2 emissions

We are focused on optimizing our existing vehicle fleet to improve the overall operations. We believe that scaling down our fleet even more goal-oriented has led to it being used more effectively and with greater consideration. We have started to renew half of our vehicle fleet and will complete this project in first half of 2017. All our new vehicles will be Euro 6 compliant delivering reduced pollution and fuel consumption. In 2017 we will have 80 vehicles less in our fleet than year 2016.

To reduce fuel consumption in 2016 we replaced the flash lightning and roof railings of our vehicles with more streamlined ones.

Additionally, we are using a vehicle- positioning technique that reduces unnecessary mileage, helps the production planner better optimize driving routes and improves occupational safety for our employees.

A holistic approach to occupational well-being

We aim to be an attractive employer that interests skilled personnel. For us it is important that in our company our employees feel motivated while developing together.

A good working environment helps business development, encourages physical and psychological well-being, motivates employees, reinforces our employees' personal development, contributes to greater work and traffic safety

and improves overall quality of life.

We have adopted a holistic approach to occupational well-being, which includes the competence, structure, conditions and work community. We have agreed on a number of the well-being policies and practices together with our work representatives. We have launched, for example, Relacom Way for preventing inappropriate behavior and harassment. Together with a local Whistle blower function it ensures all our employees are able to raise any kind of grievances or failures they might notice.

We are using regular surveys, implementing improvement measures and following up the status of our operations to develop the working environment. This helps us prevent illness and accidents at the workplace and creates a better working environment for everyone. It is important to communicate and comprehend that every employee has a valuable role to play in building the common occupational well-being.

In 2016 we promoted occupational wellbeing by organizing online sessions related to well-being and open for all employees. For the managers, we also offered an additional resource discussion model with company health care supplier. This gives them an opportunity to discuss preventively and confidentially any concerns about their team members' well-being at work with health care specialists.



Relacom Finland supported international summer camp of Scouts. Photo: Harri Halmejärvi



TABLE 29. TOTAL NUMBER AND RATES OF NEW EMPLOYEES HIRES AND EMPLOYEE TURNOVER BY AGE GROUP GENDER AND REGION *

G4-LA1 a

2016	<30	31-50	>51	TOTAL
<i>Women</i>	1	6	0	7
<i>Men</i>	42	12	17	71
TOTAL	43	18	17	78

TABLE 30. STAFF MOBILITY [%]

G4-LA1 b

	2016	2015	2014
<i>Total staff turnover</i>	1,9	1	0,8

TABLE 31. ACCIDENTS AND SICK LEAVE STATISTICS

G4-LA6 a

	2016	2015	2014
Injuries*	22	14	14
Work-related accidents resulting in death	0	0	0
Days lost due to work-related accidents	109	238	577
Sick leave as a percentage of total work time**	3,6	3,7	4,8

*Injuries include work-related accidents that led to sick leave

**Average for the entire year

Relacom's all operations in Finland are run in accordance with OHSAS 18001 - an international occupational health and safety management system specification

A new intranet orientation tool launched

Orientation of the new recruits is a vital part of our development of employees. In 2016 we introduced a new intranet orientation tool. It helps managers in planning and implementing the comprehensive orientation of the new recruits. It will also encourage them to take advantage of the expertise of our various specialists. At the same time it supports the monitoring of progression of orientation practices. All managers are now making orientation plans online. Each orientation program includes four compulsory trainings and it will be complemented according to each person's needs. However, the online orientation tool is not intended only for the benefit of new employees. It is also worth taking advantage of, when a person moves to another job or returns to work after a longer absence, for example from a study leave.

During the year we introduced a renewed personal development plan that is a part of our ASK-discussion model for performance appraisals. The personal objectives of each employee should be linked strongly to company's year plan and be based on the modified Balance Score Card of each employee.

Our various experts and specialists train regularly our employees and managers internally in different processes, work approach, systems, instructions and guidelines. Managers and others are also kept informed by means of short briefing sessions relating to employment matters, safety and wellbeing at work. In year 2016 we organized a total of 1,646 training days.

For the team meetings, the Support Functions produced short presentations from different current topics important to our personnel, such as warehouse operations. The aim was both to strengthen the expertise of our employees and to increase communications and awareness of our company's different operations.

In 2016 Support Functions' specialists introduced also a new support service for managers. The so-called Clinic Model offered tailor-made support and training for managers challenged to meet the goals set. The manager was advised by a multidisciplinary team helping him to develop a concrete action plan. The idea behind Clinic Model is to share the best practices and increase the feeling of facing challenges together.

TABLE 32. PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS [%]

G4-LA11

	2016	2015	2014
<i>Women</i>	6	6	6
<i>Men</i>	76	84	77
TOTAL	82	90	83

Did you know?

Relacom's cable ship, Telepaatti has managed to reduce notably its fuel consumption by reducing speed 0,3 knots. This has not however impacted the agreed schedules.

Preventive Work

Relacom wants to be a leader in the industry when it comes to employee safety, satisfaction and dedication. In a safe work environment, our employees will have an ability to develop and deliver high-quality service to our customers. Relacom always prioritizes our employees' and customers' health and safety.

Relacom has a far-sighted model for occupational health and safety. The company's occupational health and safety organization includes 18 employees. Our Occupational Health and Safety Committee met four times during 2016.

Also, the Occupational Health and Safety Group has met eight times and actively monitored the development of absence due to illness and the frequency of accidents. The Occupational Health and Safety Group also had held nine occupational health and safety briefings for managers. The purpose of these briefings is to highlight important areas related to occupational health and safety that managers should take into consideration with respect to their own group. The briefings always address general reports on sick leaves and work-related accidents, occupational safety instructions and topical issues related to occupational health services. Managers are also offered an opportunity to discuss and ask questions about concerns they have related to occupational health and safety.

During 2016 we launched a new alternative work arrangement model. The new model enables the employee to work temporarily in different tasks adapted to his current condition.

A concrete example of our preventive work in 2016 is the renewal of working cloths of our field workers. The new clothing will ensure the better visibility of our coworkers in all conditions.

As a qualifying measure of work related injuries we use Lost Time Injury Frequency (LTIF), which is the standard method in Europe. The measurement period is a rolling 12 months, in which the number of accidents leading to three or more days of sick leave are considered. In 2016 we managed to decrease LTIF rate from 21 (2015) down to 16. Our ultimate goal is to have zero accidents for every million hours of work.

Did you know?

Telecom Construction Business Unit used the EFQM Excellence Model to develop its operations and processes, and received in 2016 The Finnish Quality Association's Recognition for Excellence with three stars.

Lost Working Hours

We monitor working hours lost in proportion to the number of total working hours on monthly basis. Annual holiday days are not included in total working hours in the calculation. The total number of working hours in 2016 was 1,107,200, while sick leaves total was 39,557 (2015: 41,041 hours). The rate of absence at the end of the year in 2016 was 3,6 percent average rate of 2015 being 3,7 percent.



Great Stories

Contributing to the well-being of society

Since 2014 Relacom has enabled its personnel to use half a work day for charity work. Relacom's staff members experienced the joy of giving by e.g. donating blood, helping their neighbors or elderly citizens or collecting money for charity organizations. For many years we have also donated the funds reserved for customers' Christmas compliments for charity organizations for example promoting a cleaner Baltic Sea. In 2016 we chose a campaign supporting indigent families. **Value: Reliable**

Relacom Finland supported international summer camp of Scouts

Roihu 2016 was the 7th International Finnjamboree organized by the Guides and Scouts of Finland. It was held in Southern Finland, near the town of Hämeenlinna and gathered 16,000 scouts from more than 45 countries. Relacom Finland was one of summer camp's partners, and we supported the building of tele and data communication network in the area with materials and through offering our know-how for the organization. We were also responsible for the occupational safety card. **Value: Reliable and Competent**

Rauli storm affected 200,000 Finns

Southern and Central part of Finland experienced a severe storm in the late August 2016. The storm caused major damages and cut the electricity from almost 200,000 Finns. Relacom employees worked during the most critical phase of the crisis 24/7 carving damages and restoring the electricity to people. Relacom's attitude and ability to quickly restore the connections got a lot of positive feedback in the Finnish media and from the customers.

Relacom is a member of the national disruption co-operation group that aims to improve national readiness for disruptions in key communication and deployment networks and also recovery from such incidents. **Values: Reliable and Competent.**

New Life for End-of-Life (EOL) equipment

In 2016 Relacom carried out a major computer replacement within the company. As the computers replaced still had technical life cycle left, even if they no longer met our needs, our partner searched new users for the computers and took care of the logistics and delivery. With the help of the Reuse service, the life span of disposed computers were extended. This tremendously reduced the environmental impact of the old equipment. **Value: Competent.**



About this Report

This sustainability report encompasses all companies and markets within the Relacom Group. The report aims to provide a transparent account of our sustainability work during 2016.

Organizationally, the Relacom Group is to a certain extent decentralized, which means that its various companies operate according to national and local circumstances and with some measures of independence. Some of our core areas are managed centrally (Relacom Group). As a result, this report is organized into the following chapters: Relacom Group, Relacom Sweden, Relacom Norway, Relacom Finland and Relacom Denmark.

The report is based on the guidelines for sustainability reporting issued by the Global Reporting Initiative (GRI).

This is the Relacom Group's fifth report issued in accordance with the framework of GRI's guidelines.

Our first report was published in 2012 and followed the GRI G3 guidelines. Our previously report according to GRI G4 was published in November 2016.

Explanations and limitations

Work environment: includes health and safety.

ICT: Information and Communication Technology

IoT: The Internet of Things is the inter-networking of physical devices, vehicles, buildings and other items

OHSAS: Occupational Health and Safety

ISO 9001: International Standard Organization for Quality Management

ISO 14001: International Standard Organization for Environmental Management

G4-10 Reports according to our annual report. All employees who work more than 60% count as full-time employees. Relacom has no employees working less than 60%.

G4-EC1a For the economic value distributed see our annual report.

G4-LA1b We only report employee turnover in percentage and not by gender and age, we report in accordance with internal procedures.

G4-LA6a We do not publish statistics on the gender distribution due to high male representation in the workforce.

G4-33 We do not seek external assurance for this report.

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Index

#	GROUP
Indicators	Page
Strategy and analysis	
G4-1 Statement from- CEO	3
Organizational Profile	
G4-3 Name of the organization	5
G4-4 Primary brands, products, and services	4
G4-5 Location of the organization's headquarters	5
G4-6 Countries where the organization operates	4
G4-7 Nature of ownership and legal form	4
G4-8 Markets served	4
G4-9 Scale of the organization	5
G4-10 Employee data	5
G4-11 Percentage of total employees covered by collective bargaining agreements	100%
G4-12 Describe the organization's supply chain	9
G4-13 Significant changes during the reporting period	8, 38
G4-14 Report whether and how the precautionary approach or principle is addressed by the organization	8
G4-15 Externally developed economic, environmental and social charters, principles endorsed	34
G4-16 Memberships of associations and national or international advocacy organizations	9
Identified Material Aspects and Boundaries	
G4-17 Entities included in the organization's consolidated financial statements or equivalent documents	38
G4-18 Process for defining the report content and the Aspect Boundaries	10
G4-19 Material Aspects identified in the process for defining report content.	10
G4-20 For each material Aspect, report the Aspect Boundary within the organization	10
G4-21 For each material Aspect, report the Aspect Boundary outside the organization	10
G4-22 Report the effect of any restatements of information provided in previous reports	38
G4-23 Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	38
Stakeholder Engagement	
G4-24 Provide a list of stakeholder groups engaged by the organization.	10
G4-25 Report the basis for identification and selection of stakeholders with whom to engage	10
G4-26 Report the organization's approach to stakeholder engagement	10
G4-27 Report key topics and concerns that have been raised through stakeholder engagement	11
Report Profile	
G4-28 Reporting period (such as fiscal or calendar year) for information provided	38
G4-29 Date of most recent previous report (if any)	38
G4-30 Reporting cycle (such as annual, biennial)	38
G4-31 Provide the contact point for questions regarding the report or its contents	39
G4-32 GRI Content Index	40
G4-33 Policy and current practice with regard to seeking external assurance for the report	38
Governance	
G4-34 Governance structure of the organization	5
Ethics and Integrity	
G4-56 The organization's values, principles, standards and norms of behavior	6

	#	GROUP	SWE	NOR	DEN	FIN
Category/Aspect	Indicators	Page				
Economic						
Economic Performance, DMA and Results	EC1 Direct Economic Value Generated and Distributed	5	n/a	n/a	n/a	n/a
Environmental						
Energy, DMA and Results	EN3 Energy consumption within the organization	9	15	21	27	32
Emissions, DMA and Results	EN15 Direct greenhouse gas (GHG) emissions (scope 1)	9	15	21	27	32
Emissions	EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)		15	n/a	27	n/a
Effluents and Waste	EN23 Total weight of waste by type and disposal method.		15	22	27	32
Compliance	EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	8	n/a	n/a	n/a	n/a
Grievance	"Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms"	8	n/a	n/a	n/a	n/a
Supplier Environmental Assessment, DMA and Results	EN32 Percentage of new suppliers that were screened using environmental criteria	8	16	22	n/a	32
Social						
Employment, DMA and Results	LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	9	17	22	28	34
Occupational Health and Safety, DMA and Results	LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	9	17	23	28	34
Training and Education	LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		n/a	n/a	n/a	34
Diversity and Equal Opportunity	LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity		17	n/a	28	n/a
Supplier Assessment for Labor Practice, DMA and Results	LA14 Percentage of new suppliers that were screened using labor practices criteria	9	16	22	n/a	n/a
Labor Practices Grievance Mechanisms, DMA and Results	LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	8	n/a	n/a	n/a	n/a
Anti-Corruption	SO4 Communication and training on anti-corruption policies	9	n/a	n/a	n/a	n/a
Anti-Corruption	SO5 Confirmed incidents of corruption and actions taken	9	n/a	n/a	n/a	n/a
Compliance	"SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations"	8	n/a	n/a	n/a	n/a
Overall						
Customer privacy	PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		16	21	26	n/a
Compliance	PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	8	n/a	n/a	n/a	n/a

