

SUSTAINABILITY REPORT 2015

The Sustainability Report for Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the financial year 2015.

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The Sustainability Report is an integral part of Coor's Annual Report for 2015, which is available at the company's website. References to other sections of the Annual Report are included.

SUSTAINABLE PROGRESS

Coor aims to conduct responsible and long-term sustainable business operations. This is accomplished by the company remaining focused on creating value not only economically, but also environmentally and socially.

Sustainable and responsible enterprise is ultimately about assuming long-term responsibility for the activities conducted and the products/services offered, and for how they affect the environment and society. The link between the benefits to business and the benefits to society is, of course, an important issue and responsibility for Coor. The goal is to pursue sound and profitable business operations with consideration and respect for people and the environment.

OPTIONS AND PRIORITIES

Coor's operations are based on the recognition that the company impacts (and is impacted by) its environment in a number of ways both economically as well as environmentally and socially. These three dimensions, "the triple bottom line", are

the starting point for Coor's work on sustainability and sustainability reporting. Coor has formulated overall long-term goals and strategies within these three areas, along with specific focus areas.

FOCUS AREAS

Within each dimension of sustainability, there are a number of issues that the company perceives as vital to focus upon from a materiality perspective. The materiality analysis underlying the definition of the issues that are important to Coor is primarily based on the company's own perception of its relevance and strategic importance, but also on the studies and discussions held with its key stakeholders. Coor is scheduled to update its materiality analysis in 2016.

The sustainability issues that Coor

has defined as essential include customer satisfaction, innovation, occupational health and safety, employee development, supplier management and environmental consultancy. Given that Coor is a service company with operations based primarily in the Nordic countries, there are a number of sustainability aspects that are less relevant for the company, such as child labour, fundamental human rights and freedoms, anti-corruption and freedom of association. All of these issues are regulated by law in the Nordic countries, which means that there is a well-developed regulatory framework already in place for Coor.




SUSTAINABILITY WORK DURING THE YEAR

All aspects of sustainability are important but to make a difference, prioritizations are necessary. Based on an overall assessment of the feedback from discussions with the company's stakeholders, along with assessments from the company's auditors, and its own view concerning the progress made in various matters, an annual assessment is conducted regarding the need for special endeavours within certain areas.

The sustainability issues on which Coor was particularly focused in 2015 were increased profitability, measures to

“The starting point for the strategic platform is an integrated approach, where the company's capacity to create value for its customers and shareholders is combined with social and environmental aspects.”

SUSTAINABILITY AT COOR – AN OVERVIEW

AREA	BUSINESS RESPONSIBILITY 	SOCIAL RESPONSIBILITY 	ENVIRONMENTAL RESPONSIBILITY 
Overall objective	To achieve long term business sustainability by striving for stable and profitable progress over time and applying good business practice.	To strive for a better society by acting as a responsible employer offering employees professional and personal development, as well as actively influencing subcontractors to do the same.	To protect the environment by actively trying to reduce Coor's own, and it's customers', environmental impact.
Strategy	Coor aims for financial stability by providing a competitive, professional and value-creating service delivery that satisfies Coor's customers. This ensures good demand for the services provided and long-lasting collaborations which are the basis for the stable progress of the revenues. A sharp focus on results is also important, as well as respecting laws and ordinances and applying good business practice.	Coor aims to be a responsible employer by providing all employees with a good, safe, fair, non-discriminatory and stimulating environment and offering employees the potential for professional and personal development in line with ILO Declaration on Fundamental Principles and Rights at Work (1998). This means focusing on occupational health and safety as well as improving management and employee development. It also includes being active within supplier management.	Coor aims for improved environmental performance by acting as a green advisor to help clients reduce their environmental impact as well as actively trying to reduce the internal energy consumption and improve other environmental performance.



The image describes the issues underlying Coor's sustainability efforts. The way in which Coor works in these areas is described on pages 44–49, and a report of selected key ratios in each area is presented on pages 42–43.

STAKEHOLDERS DIALOGUE

STAKEHOLDER GROUP	MAIN AREAS OF INTEREST	COMMON TOOLS IN DISCUSSIONS
Customers	<ul style="list-style-type: none"> Customer insight Delivery monitoring Innovation/improvements Green advice Energy issues Life cycle perspective Safety/working environment 	<ul style="list-style-type: none"> Ongoing customer dialogue through customary channels (established for each customer) Operational, tactical and strategic meetings, based on a specific meeting structure Delivery monitoring (digital or hard copy format) Customer surveys Other customer relationship promoting activities
Investors and analysts	<ul style="list-style-type: none"> Earnings performance Risk management Corporate governance 	<ul style="list-style-type: none"> Annual General Meeting Capital market days Financial reports Open analyst meetings in conjunction with quarterly reports Meetings with analysts in smaller forums
Employees	<ul style="list-style-type: none"> Employee engagement and satisfaction Monitoring of performance Development opportunities (new roles, succession plans and training courses) Remuneration Corporate culture and policies Strategic and operational information on the company 	<ul style="list-style-type: none"> Ongoing employee dialogue through established channels Regular workplace meetings Performance appraisals Management Review Salary review Employee performance appraisals Training
Suppliers	<ul style="list-style-type: none"> Supplier management Business ethics Innovation/improvements Health and Safety 	<ul style="list-style-type: none"> Ongoing supplier dialogue Ongoing supplier monitoring Digital platforms Supplier control
Trade unions	<ul style="list-style-type: none"> Labour issues according to MBL (and its equivalent in other countries) 	<ul style="list-style-type: none"> Major trade union associations have Board representation Meetings with larger associations through a special meeting forum (G5) Meetings with local associations as necessary at a local level
Authorities	<ul style="list-style-type: none"> Laws, regulations, and rules 	<ul style="list-style-type: none"> Structured monitoring Specialist networks
Interest groups and specialist network, for example, IFMA, Vinnova, NMC	<ul style="list-style-type: none"> Relevant special issues 	<ul style="list-style-type: none"> Active membership/Board participation

improve risk awareness, greater diversity through a higher proportion of female managers and measures to reduce emissions from transport. All these areas were included in the company's group-wide internal operational goals for 2015, which are continuously monitored in line with Coor's management by objectives process.

AN ACTIVE STAKEHOLDER DIALOGUE CONTRIBUTES TO GROWTH

In order to understand the effects of the company's influence, and to capture the views, expectations and needs of the outside world, Coor conducts active and structured dialogues with its key stakeholders. This provides valuable information to be used when prioritizing and making decisions.

The company's most important stakeholders are its customers, shareholders and employees. Other important stakeholders include suppliers, union partners, the media, interest groups and authorities.

Personal meetings are crucial for stakeholder dialogues with prioritized target groups. For increased efficiency, direct dialogue is supplemented with other channels and regular measurements, among which the largest is Coor's regular customer survey and employee survey.

Responsibility for directing dialogue and communication to a specific target group is decentralized to the manager having the best target group awareness, which is clearly defined in the company's communication policy. The communication policy states that communication work in relation to Coor's target groups should be conducted in a structured and active manner, and should be characterized by a long-term perspective, clarity, objectivity and transparency (openness and honesty). In terms of financial

BASIC DESCRIPTION OF SUSTAINABILITY MANAGEMENT AT COOR



*HSEQ stands for Health, Safety, Environment and Quality.

accounting and reporting, generally accepted principles and standards are to be applied.

In connection with the company's listing on the Nasdaq Stockholm Stock Exchange in June 2015, a new communication policy was adopted with adjustments to adhere to the disclosure rules and the requirements of the stock exchange.

SUSTAINABILITY MANAGEMENT

The starting point for sustainability management at Coor is clearly defined principles and a structured follow-up.

Regulatory framework and general principles

Coor's head office is located in Sweden, which means that the basis for the gov-

ernance of sustainability efforts at Coor comprise of the applicable Swedish laws, rules and practices. Applicable local legislation is complied with in all countries in which Coor operates. Sustainability reporting at Coor is inspired by the international accounting standard GRI (Global Reporting Initiative), however the standard is not complied with in full.

In addition to this external regulatory framework, there is an internal framework of governing documents and principles, among which the most important is an overall sustainability policy, a common Code of Conduct and group-wide values ("guiding stars"). In 2015, the updated Code was implemented, which was adopted by the Board in late 2014. A special internal compliance control system is linked to the Code of Conduct which means that all employees can anonymously report any suspected violations to the Code (known as the "whistle-blower" system).

Work on Coor's guiding stars is conducted both locally and centrally. They are an important element of the company's extensive training programs, and are highlighted in the group-wide communication work. The company's Code of Conduct is annexed to all employment contracts and all managers must also review the contents of it in connection with their annual performance appraisal,

SUSTAINABILITY POLICY

The Coor group operates a joint sustainability policy, which describes the basic principles of Coors sustainability efforts and serves as a framework for all business operations. Coor's sustainability policy is available in its entirety on the company's website and contains the following main headings:

- Coor must conduct environmentally friendly, professional and safe operations.
- Coor must be a responsible and stimulating employer.
- Coor must develop steadily and profitably based on sound ethical and moral attitudes.
- Coor assumes responsibility for its suppliers.
- Coor must provide accurate and relevant information.

when employees also provide a written acknowledgement confirming that they have understood the contents of the Code. For more information about the company's Code of Conduct and guiding principles, please refer to pages 44 and 23.

Organization

As environmental and social issues are national and sometimes differ between countries, with varying regulations and practices, the responsibility for sustainability work lies with the respective countries. In order to ensure the necessary coordination and control, a Sustainability Committee is appointed to report directly to the Executive Management Team. The Sustainability Committee prepares proposals for policies, overall objectives and principles of sustainability governance for the entire group. The Sustainability Committee is also tasked with setting and monitoring the annual indicators and, based on a stakeholder and business intelligence perspective, propose specific measures in the area of sustainability on an annual basis.

The Committee is headed by the group's Communication and Sustainability Manager, who promotes and coordinates the company's sustainability

efforts. The Sustainability Committee gathers the heads of specialist functions with the responsibility for issues having a significant impact on sustainability. The Sustainability Committee is also working with the group's network for environmental issues (Nordic Environment Network) and social issues (part of the Nordic HR network). Those responsible for these networks are the reporting officers for the respective issues on the Sustainability Committee.

The Sustainability Committee convened on two occasions in 2015. Key issues addressed included the monitoring of sustainability work in 2015, suggested areas of focus for 2016 and the position taken by the Committee on a number of standards in different areas. The Nordic Environmental Network had monthly telephone status updates and held four meetings in 2015. The Nordic HR Network had monthly telephone status updates and three physical meetings.

Each country has also dedicated HSEQ resources, responsible for coordinating and driving HSEQ efforts in the country. Company-wide initiatives and issues are driven at a group level.

Risks and risk management from a sustainability perspective

From a sustainability perspective, the FM industry in the Nordic countries is perceived as an industry with a relatively low risk profile as the legislation and regulations in the Nordic countries are relatively extensive and similar, and the nature of the work duties is for the most part, not associated with any major risks. For a description of the company's general risks, please refer to pages 34–36. At the present time, Coor only holds one environmental permit for its operations, a permit for process cooling at a smaller facility in Kotka (Finland). In other respects, Coor personnel has individual authorizations for carrying out its work in a correct and safe manner.

In order to manage operations in a controlled manner there is also a structured corporate governance system, as described on pages 34–36 of the annual report. To promote its sustainability efforts, Coor also utilises a number of control and support systems, such as the monitoring of changes to laws and regulations and for handling chemicals. In order to structure supplier monitoring, Coor uses digital monitoring tools.



REPORTING OF OUTCOME, SUSTAINABILITY INDICATORS

Coor is monitoring a number of key performance indicators within the sustainability segments and focus areas Coor has chosen to focus on, and which indicates the progress in the company's sustainability work. The outcome of these indicators generates vital input to the discussion on the company's yearly priorities.



OUTCOME, INDICATORS WITHIN BUSINESS RESPONSIBILITY*

	OUTCOME 2015	OUTCOME 2014
INCREASED CUSTOMER SATISFACTION THROUGH PROFESSIONAL AND VALUE-ADDING SERVICE DELIVERY		
Number of customers participating in the group-wide customer survey ¹⁾	807	n.d.
Outcome of the customer survey (CSI) ¹⁾	66	n.d.
Number of registered completed improvement initiative ²⁾	6 936	6 900
Proportion of operations certified acc. to ISO 9001 ³⁾	88%	89%
STABLE AND POSITIVE FINANCIAL RESULTS		
Net sales	7 482 SEK m	6 844 SEK m
Earnings (ajusterad EBITA) ⁴⁾	374 SEK m	354 SEK m
Salaries ⁵⁾	3 328 SEK m	2 919 SEK m
Operative cashflow ⁶⁾	274 SEK m	274 SEK m
GOD ETHICS AND MORALS THROUGHOUT OPERATIONS		
Shared Code of Conduct throughout operations ⁷⁾	100%	100%
Number of reported and investigated cases of suspected breaches of Code of Conduct ⁸⁾	5	4

*Data excluding the industrial services operations, which was sold in June 2015.



OUTCOME, INDICATORS WITHIN SOCIAL RESPONSIBILITY*

	OUTCOME 2015	OUTCOME 2014
Employee headcount ¹⁾	6 381	6 087
– Women (share of total amount)	53%	51%
– Men (share of total amount)	47%	49%
STRUCTURED SAFETY WORK		
Number of accidents ²⁾	203	203
Number of deaths	0	0
HEALTH-PROMOTION WORK		
Absenteeism ⁵⁾	5,9%	3,6%
INCREASED EMPLOYEE SATISFACTION		
Per centage of employees who responded in employee satisfaction survey ³⁾	69%	n.d.
Outcome of the employee satisfaction survey (EMI) ⁴⁾	68	n.d.
Personnel turnover, voluntary ⁵⁾	10,5%	9,7%
STRUCTURED COMPETENCE DEVELOPMENT FOR ALL STAFF		
Yearly appraisal interviews conducted including individual competence development plans for all employees ⁶⁾	71%	n.d.
Share of employees who are satisfied with their appraisal interviews ⁷⁾	98%	n.d.
No. of employees that took the Coor Service School basic training program during the year	331	942
No. of managers that took the Coor Business School basic training program during the year	68	76
EQUAL OPPORTUNITIES AND EQUAL RIGHTS		
Number of employees that have experienced discrimination ⁸⁾	3%	n.d.
Share of female managers ⁹⁾	41%	36%
ACTIVELY INFLUENCE SUPPLIERS TO ACT AS RESPONSIBLE EMPLOYERS		
Contract loyalty, annual average ¹⁰⁾	75%	62%
Apply Code of Conduct to all important suppliers ¹¹⁾	100%	100%

*Data excluding the industrial services operations, which was sold in June 2015.



OUTCOME, INDICATORS WITHIN ENVIRONMENTAL RESPONSIBILITY*

	OUTCOME 2015	OUTCOME 2014
MAINTAIN STRUCTURED ENVIRONMENTAL WORK GROUP-WIDE		
ISO 14001 certification group-wide ¹⁾	100%	100%
REDUCE COOR'S ENVIRONMENTAL IMPACT		
Number of registered products in our chemical management systems ²⁾	2 893	2 936
Number of business trips by train or flight ³⁾	10 034	12 134
CO2 emissions from business trips and service cars (CO2 / ton) ³⁾	2 240,8	2 365,7
Vehicles: number of vehicles ⁴⁾	752	777
Vehicles: average emissions from leased vehicles ⁵⁾	160 g/km	168 g/km
Coor's national offices attaining Coor Green Services gold or silver level ⁶⁾	2	1
CONTRIBUTING TO IMPROVED ENVIRONMENTAL PERFORMANCE BY CUSTOMERS		
Average outcome after environmental audits conducted using Coor Green Services ⁷⁾	80,8%	81,5%
Cleaning: share of sites with less than 0.339 ml chemicals per square meter ⁸⁾	89%	76%
WORK ACTIVELY TO REDUCE CUSTOMERS' ENERGY CONSUMPTION		
Share of major energy improvement proposals reported ⁹⁾	35	47

*Data excluding the industrial services operations, which was sold in June 2015.

NOTES (BUSINESS RESPONSIBILITY)

- Coor conducts regularly an extensive, group-wide customer survey among contact persons at customers who have co-operated with Coor for more than 1 year. In 2015, the respond rate was 58%. In 2014, only local customer surveys were conducted. From 2015 and on, the group-wide survey will be conducted annually.
- Number of proposed improvements completed and registered in Coor's IT-based system Actio.
- Coor has group-wide umbrella certification. Parts of the operations have chosen not to participate, and the per centage indicates participating operations' sales in relation to group sales at year-end.
- For definitions, see note 1.26, pages 69-70.
- Salaries, social security contributions, and pensions.
- For definitions, see note 1.26, pages 69-70.
- Coor's Code of Conduct applies to all operations in all the countries where Coor is active.
- Reported and investigate cases of suspected breaches via the internal whistle blower system.

NOTES (SOCIAL RESPONSIBILITY)

- Employee head count at year-end. This number includes temporary and permanent hired employees. Employees without a guaranteed number of working hours are not included. In 2015, Coor harmonized the basis for calculating the employee headcount within the group.
- Our accident definition is a serious and sudden event that results in personal injury.
- Coor conducts regularly an extensive employee survey of all company personnel employed by Coor for more than three months. The latest major survey was conducted in 2015. Of the 5,846 employees invited to participate in the survey, 4,021 responded, representing a response rate of 69%.
- The result of the employee survey is reported as Employee Motivation Index, EMI, which is based on four important questions measuring satisfaction and motivation.
- For comments on absenteeism and personnel turnover see page 47.
- Response to the question whether the employee has had an appraisal interview in the past 12 months in the group-wide employee satisfaction survey (see note 3).
- In the extensive employee survey, employees graded the appraisal interviews conducted on a 5 point scale.
- Response to the question of whether the employee has experienced discrimination at any point in the group-wide employee satisfaction survey (see note 3).
- Includes all management levels.
- Share of purchases from central and local framework suppliers.
- "Code of Conduct for suppliers" is part of Coors general purchase conditions, and all contracts where these conditions are included, such as contracts with the framework suppliers, therefore apply them.

NOTES (ENVIRONMENTAL RESPONSIBILITY)

- Coor has group-wide umbrella certification. All operations more than one year old are affiliated to the certification.
- Coor uses a chemical system (iChemistry) in Sweden and Norway. The information is intended for product registration in this system.
- Reported train and flight trips are business related trips registered in the group's travel portal. Coor's guidelines state that all business trips should be ordered via the portal.
- Amount of leased company and service vehicles within Coor as of 31 December 2015.
- Average emissions for leased service vehicles is adjusted for the acquisition of the industrial service operations in June 2015.
- In 2015, Coors head office in Kista and regional office in Gothenburg were rewarded Coor Green Services Gold and Silver. The other national offices would probably reach Silver standard, but were not reviewed in 2015. In 2016, all national offices will be reviewed.
- Coor Green Services self-assessment should be conducted for major customers, and 86 sites were audited in the period April – September 2015.
- Reported chemicals use in the Coor Green Services tool.
- No. of improvement proposals designed to reduce customers' energy consumption and reported using Coor's system Actio.

BUSINESS RESPONSIBILITY

For Coor, economic sustainability means taking responsibility for stable and profitable development over time that is also ethically justifiable. For this reason, Coor is always looking to apply good business ethics and to create a competitive service offering coupled with long-term partnerships with its customers.

OVERALL OBJECTIVE AND STRATEGY

Coor has a long-term goal in the area of economic sustainability to have a stable and profitable development over time, while applying good business ethics at the same time. An important aspect in achieving this goal is establishing long-term partnerships with customers and in generating demand for the company's services through a competitive and value-added service delivery. Stable development of the company's revenue is ensured by maintaining a clear focus on earnings. This contributes to a robust social economy and allows Coor to continue driving its business forwards. It is also important to apply good business ethics and to respect laws and regulations.

To contribute to long-term sustainable economic development, Coor has focused in particular on four areas: customer satisfaction and proactive improvements, stable and good earnings performance, sound ethics and morals

throughout the business as well as good communication and reporting.

INCREASED CUSTOMER SATISFACTION AND PROACTIVE IMPROVEMENTS

Customer satisfaction is a prerequisite in order to ensure stable and profitable development over time. Through regular dialogue with its customers, Coor is endeavouring to capture their views and understand their changing needs. Coor compiles information from customers in a number of ways, mainly through ongoing discussions and through customer satisfaction surveys. A number of surveys are conducted at local level as necessary, as a way of supplementing the extensive group-wide customer survey, which has been undertaken annually from 2015. The large-scale survey measures service quality, the relationship with Coor's contacts and the perception of Coor as a service provider. The results of the surveys are carefully analyzed and plans

of action are formulated for the areas with weaker results.

In the 2015 major customer survey, some 800 customers participated from all countries, and the overall customer satisfaction grew compared to the survey conducted 2013. The results vary from customer to customer.

It is also crucial for Coor to work systematically and proactively to improve its service delivery. Coor is therefore pursuing a programme of proactive innovation and improvement. As part of this programme, all employees at Coor are given the opportunity to provide internal improvement proposals which are recorded in a special system. Over the full year 2015, a total of 10,295 (9,161) proposed improvements were received, of which 6,936 (6,900) were implemented at Coor's customers. For more information on Coor's development work, please refer to page 26.

Coor is also constantly endeavouring to showcase new innovations and service solutions. Coor has collected a number of service solutions for smart offices and properties under the Coor SmartSolutions concept. In 2015, Coor also introduced Coor SmartArchive, which digitizes and streamlines document management, and Coor SmartUtilization, a tool for a better and more efficient office (see



CODE OF CONDUCT

Coor has a corporate-wide Code of Conduct, which is a summary of the principles that guide all business operations. The purpose of the Code of Conduct is to clarify and enhance the ethical approach of the organization. Coor's Code of Conduct is available in all Nordic languages and contains the following main headings:

- It is incumbent on all employees at Coor to comply with all laws and regulations, and observe Coor's requirements for sound ethics and morals.
- Coor does not accept measures that distort competition (such as bribery, price-fixing, cartels). In order to prevent conflicts of interest, all related ancillary activities or partnerships are reported.
- Coor's employees may not give or accept gifts or other benefits in their business relationships in order to influence the recipient.
- Coor promotes a safe and healthy outdoor environment and working environment.
- Coor respects freedom of association and rejects all forms of discrimination.
- Coor's employees are bound to confidentiality concerning the company and its business secrets as well as other sensitive information.

The content of the Code also applies to Coor's suppliers as far as is possible. For suppliers, there is a special version of the Code of Conduct which is part of Coor's general purchasing terms and is available on the website.



more information on Coor's smart office solutions on pages 16–17).

STABLE AND GOOD EARNINGS PERFORMANCE

The criteria for Coor's business operations are specified in the agreements which Coor enters into with its customers. The ability to sign sound agreements combined with the systematic monitoring and analysis of the company's development and, where appropriate, measures are taken to respond to any changes, is a core component of Coor's aim of ensuring stable economic development over time. Every year, Coor prepares an annual budget which is continuously monitored. Every four months, a more comprehensive analysis of the results is carried out and any revision, to the budget is implemented.

In 2015, Coor reported very high growth, good earnings and a strong cash flow. Sales grew by 9 per cent to SEK 7,482 (6,844) million and operating earnings (adjusted EBITA) rose to SEK 374 (354) million. Cash flow was SEK 274 (274) million.

As a responsible corporate citizen, Coor handles tax issues in line with applicable legislation and practices in all countries.

SOUND ETHICS AND MORALS

The Group's Code of Conduct (the Code) is one of the most important tools for Coor in its pursuance of conducting sound business without any ethical violations. The Code applies to all employees in the Coor group and describes the fundamental ethical principles guiding the decisions and actions taken by Coor

employees, the management and the Board. The Code is available on the website and is also part of the employment terms and conditions at Coor. The Code is reviewed in conjunction with the mandatory annual performance appraisal which managers have with their employees. At the same time, employees must also confirm in writing that they have read, understood and agree to abide by the principles in the Code. Coor updated its Code of Conduct in 2015. The subject matter is essentially the same as before, but the wording is clearer and more instructive.

For Coor's suppliers, there is a specific code of conduct which is part of Coor's general purchasing terms. Coor's Code of Conduct for suppliers was also revised in 2015.

GOOD COMMUNICATION AND REPORTING

For Coor, transparency is a key element of business responsibility and enables an active dialogue with its stakeholders. The listing on Nasdaq Stockholm in June 2015 involved more stringent requirements for transparency, particularly regarding financial reporting. Among other things, Coor has started publishing quarterly reports and prepares an annual report that includes information on Coor's sustainability efforts, and Coor has updated its website to ensure that the relevant information is made available to its stakeholders. The listing has also meant increased scrutiny of Coor's business operations. In the summer of 2015, Swedbank Robur undertook a sustainability analysis of Coor's operations which showed that Coor has processes in place for monitoring and evaluating accidents, and has a systematic approach to occupational health and safety. In addition, the analysis also highlighted Coor's work on anti-corruption and whistle blowing systems. The review resulted in Coor being approved as a potential company to invest in Swedbank Robur's sustainability funds.

Coor's external financial reporting complies with IFRS, International Financial Reporting Standards. The external reporting is reviewed annually by the accounting firm PwC.

SOCIAL RESPONSIBILITY

For Coor, it is crucial to contribute to a better society and to influence its surroundings by acting responsibly. As an employer, Coor strives to be responsible and to offer employees a stimulating and challenging working environment.

OVERALL OBJECTIVE AND STRATEGY

Coor's long-term goal for maintaining social sustainability is to contribute to a better society by acting as a responsible and stimulating employer, and to actively influence suppliers to do likewise. To achieve this, Coor provides a positive, safe, fair, non-discriminatory and stimulating workplace in accordance with the UN Declaration on Fundamental rights and freedoms in the workplace.

Coor has opted to focus on six areas of Social responsibility: workplace safety, health, employee satisfaction, competence development, equal treatment and to encourage partners/suppliers to act responsibly.

OCCUPATIONAL HEALTH AND SAFETY

Coor is working on cultivating a good working environment for all of its employees by promoting a safe workplace where the environment is represented by good leadership that encourages participation and transparency, and dedicated employees who are given the opportunity to develop on a continuous basis.

As Coor offers a wide range of services with varying risks to customers in a number of environments, safety work needs adapting to suit local conditions. However, there is a clear zero vision relating to work-related accidents for the entire Coor organization.

In 2015, Coor continued its efforts to raise awareness among both employees and managers at a group-wide level. A number of activities have been implemented, which includes preparing local plans of action for the various activities and notifying and training managers in risk awareness in every business operation. Targeted campaigns for specific areas of risk have also been implemented, including in the restaurant operations.

Coor has also worked actively in 2015 on documenting any potential hazards, incidents and work-related accidents. This is detailed in a database that is available to all employees on the company's Intranet. Submitted notifications are carefully reviewed and analyzed to allow Coor to constantly improve safety at the workplace. In 2015, 765 notifications and 203 accidents were reported into the database. None of these accidents gave rise to any serious injuries.

In 2015, work also continued on preparing the organization for certification in 2016 to the new version of ISO 45000 (former OHSAS 18001) international standard. A GAP analysis was also undertaken for the year.

HEALTH

Coor's health work focuses on preventive health measures and on reducing absenteeism. Absenteeism is measured systematically on a global level and plans of action have been developed for each country or unit. Health promotion activities within Coor are implemented primarily at a local level. A number of different initiatives concerning Coor's range of business operations were conducted in 2015. The programs vary and are based on each business area as a way of adapting in line with its nature and the needs of employees.

Coor continued to work with its wellness program in 2015 that was initiated in the autumn of 2014, with the introduction of an Internet based application. The Internet based application was designed as a means for employees to promote positive habits in everyday life, and addressed factors such as exercise, diet, alcohol, tobacco, stress, job satisfaction and sleep. The program was rolled out across all the Nordic countries in 2015. The purpose of the group-wide initiative was to encourage employees to take more

care of their own health. The wellness programme was well received in all countries and a total of 1,107 employees joined some kind of activity. Over 120,000 activities were carried out by employees up to November 2015, when the program ended.

Absenteeism is an important metric that is followed up locally by each manager. The level of absenteeism at Coor as a group is relatively low and the differences between countries and units is great. In 2015, absenteeism was 5.9 (3.6) per cent. The change was most in Sweden and Norway, which depends on the increased proportion of employees in professions with high absenteeism.

EMPLOYEE SATISFACTION

Satisfied employees are essential to ensure a good service, and Coor conducts regular employee surveys. This year's employee survey revealed an improvement in employee satisfaction among Coor's employees compared to the survey conducted in 2013. In 2015 the result was 68. The survey contains about fifty questions and covers a number of areas. The survey gives employees the opportunity to anonymously express their personal opinion on what it is like to work for Coor. Generally, Coor as an employer enjoys high ratings when it comes to the capability of employees to perform their work.

In 2015, personnel turnover increased slightly from 9.7 to 10.5 per cent. Compared with other service companies, personnel turnover is considered as relatively low, and varies between countries. In Finland and Denmark it is highest, which is explained by a high proportion of employees in professions with high turnover.

COMPETENCE DEVELOPMENT

Coor is striving to become the leading employer in the service industry. A prerequisite for this is to offer employees the opportunity to develop. Coor is therefore working with a variety of professional development initiatives and programs.

Performance appraisals are an important and mandatory activity for all

employees. The appraisal will result in a development plan for each individual as the starting point for employee skill developments at Coor. Coor also has specially designed leadership programs for executives and works actively on recruiting, training and retaining the best managers on the market.

Within the framework of Coor Service School and Coor Business School, Coor offers training programs for employees and managers that consist of a mandatory basic training course and additional optional programs. The aim of the training courses is to explain basic and critical business issues pertinent to Coor. 2015 saw 331 employees complete training courses at Coor Service School and 68 managers complete training courses at Coor Business School.

EQUAL TREATMENT

For Coor, it is important that everyone is treated equally, regardless of gender, ethnicity, religion, sexual orientation, disability or age. In order to ensure equal treatment, Coor addresses a number of issues in Coor's employee survey concerning discrimination at the workplace. It provides employees with the opportunity to anonymously provide information about whether they are experiencing any discrimination at the workplace. In 2015 the result was 3 per cent, which is in line with 2014.

The aim is that the number of women in executive positions reflects the number of women working in the group. Coor is actively working to increase the proportion of female senior executives over time. In 2015, the proportion of women in senior positions increased

from 36 to 41 per cent. A number of activities were carried out in 2015 which have been linked to the case. Among other things, an analysis to understand what the lack of female managers was due to, requirements for the distribution of final candidates in a recruitment context and discussions on inclusion in leadership programs were all implemented during the year.

INFLUENCING PARTNERS AND SUPPLIERS

Social responsibility extends throughout the value chain for Coor. It is consequently important to influence partners and suppliers to encourage them to act responsibly towards employees and society in general. The Code of Conduct for suppliers is an important supplier management tool, and lists a number of principles and core values that obliges

suppliers to comply with when they enter into a contract with Coor. If a supplier violates the Code of Conduct and fails to show any interest in changing its behaviour, Coor can choose to break the relationship with the supplier. In 2015, Coor opted to end cooperation with a subcontractor after it failed to comply with the Code of Conduct. Coor's supplier management is described in more detail on page 29.

SOCIAL RESPONSIBILITY

For Coor, it is important to assume social responsibility and contribute to society at large. In 2015, Coor in Sweden has been involved in the refugee situation and has helped with logistics and resources at various fund-raisers. In Sweden, Coor has also entered into a partnership with Peritos to help disabled at work.



SAFETY ALERT SYSTEM

In 2015, Coor initiated a pilot project that aims to raise awareness internally about the prevention of accidents. The Safety Alert system includes a new procedure for the dissemination of information if an accident should occur. A description of when the accident happened and why is written into an established template along with information about what might prevent the accident from happening again. The information is subsequently sent to similar operations in the organization.

NUMBER OF EMPLOYEES, DECEMBER 31, 2015, AND PERSONNEL TURNOVER IN 2015

	COOR TOTAL	GROUP STAFF	SWEDEN	NORWAY	DENMARK	FINLAND
Number of employees (head count)	6,852 (6,604)	77 (75)	3,507 (3,598)	1,465 (1,173)	949 (747)	854 (1,011)
number of full time employees (FTE)	6,381 (6,087)	76 (74)	3,294 (3,393)	1,384 (1,090)	821 (699)	807 (830)
Personnel turnover total, %	10.5 (9.7)	6.6 (7.9)	9.0 (8.0)	6.1 (10.9)	16.3 (4.5)	17.1 (18.1)
voluntary resignation, %	9.2 (8.9)	6.6 (7.9)	7.3 (6.9)	5.6 (10.3)	14.9 (4.5)	16.1 (17.5)
retired, %	1.3 (0.8)	0 (0)	1.6 (1.1)	0.6 (0.6)	1.5 (0)	1.0 (0.6)

The increased amount of employees in 2015 was chiefly due to new contracts, primarily in Norway. The change in Denmark is partly explained by harmonized principles for calculating employee head count within Coor. Numbers in Sweden include operations in Poland, Hungary and Belgium. Numbers in Finland include the operation in Estonia.

ENVIRONMENTAL RESPONSIBILITY

Coor works actively with its responsibility for environmentally sustainable development. This work is mainly conducted by assuming responsibility for its own operations and undertaking systematic environmental management work, but also by acting as a green advisor to the company's customer base.

OVERALL OBJECTIVE AND STRATEGY

Coor's long-term objective for its environmental sustainability efforts is actively trying to reduce its own impact on the environment and by helping customers reduce their environmental impact through qualified green advisory services. This environmental work is based on Coor's sustainability policy and focuses primarily on four areas: acting as a green advisor using Coor Green Services, actively trying to reduce customers' energy consumption, mitigating the company's environmental impact and engaging in structured environmental work.

Internal environmental activities are focused on a number of environmental indicators that are regularly monitored and evaluated. All of Coor's operations are certified according to the ISO 14001 environmental standard, which is an important component and controlling mechanism in the systematic environmental work.

To help reduce the environmental impact of the customers, Coor is also endeavouring to be an active partner and provide suggestions for climate-friendly alternatives. This work is based on Coor Green Services, an evaluation tool designed to identify the environmental impact of maintenance services.

COOR GREEN SERVICES – AN ESSENTIAL COMPONENT OF COOR'S ROLE AS A GREEN ADVISOR

The eco-labelling, Coor Green Services, is appreciated by Coor's customers and facilitates for those opting for environmentally conscious and climate friendly alternatives. The evaluation tool includes all the services that Coor delivers and helps reduce the environmental impact of customers on the basis of an annual environmental audit.

Customers can attain either the silver or gold level based on the results of the annual environmental audit. To become certified, the customer's services are

evaluated using a number of environmental criteria based on other environmental standards, such as the Swedish Swan eco-label. Environmental criteria are adjusted annually as a way of monitoring progress over time and ensuring that eco-labelling is a genuine guarantee of a high level of environmental ambition.

In 2015, a total of 86 customer sites were evaluated, of which 38 attained the gold level and 39 the silver level compared with 2014, where 136 sites were reviewed and 34 reached gold and 58 silver level. Since 2015, the number of evaluated customer sites has dropped due to the evaluation tool only being used in service deliveries to customers who have requested the evaluation.

Coor in Sweden also awards a prize for "Eco-Star of the Year" every year. The prize is awarded to the company's customers who have distinguished themselves in the environmental field. In 2015 the award was presented to ICA. Previous years' winners have included NCC, Vasakronan and Skanska.

To further improve Coor Green Services, Coor has decided to update the tool in 2016, thereby, making it more customer-based and has also decided to set up a platinum level. It is hoped that this will encourage further environmental measures among Coor's customers.

CUSTOMERS' ENERGY CONSUMPTION – A QUESTION OF PRIORITY

Contributing to reduced energy consumption on behalf of the company's customers is the single issue that can have the greatest impact on the environment for Coor. In 2015, Coor continued its efforts to systematically measure its customers' energy consumption to analyze the results and work actively to reduce energy use. An important component of this work is the gathering of information and the transfer of knowledge that takes place through Coor's improvement system, Actio. Energy-saving improvement proposals and solutions are particularly evident here, facilitating knowledge accumulation and information sharing among Coor's customers. In 2015, there were 35 measures reported in the improvement system, in comparison with 47 in 2014.



"I believe we won because we have a structured environment and sustainability program. The things we do together with Coor have meant that we are constantly taking steps forward to improve ourselves", Madeleine Andersson from ICA, winner of Eco-Star of the Year in 2015.



CONTINUED EFFORTS TO REDUCE THE ENVIRONMENTAL IMPACT OF COORS

Coor has worked actively with transports in 2015. An extensive inventory program has been undertaken over the year in order to reduce carbon dioxide emissions from Coor's own fleet of vehicles and from business trips. The internal inventory program will continue in 2016 and is vital for determining Coor's long-term goals for the phasing out of fossil fuels. As part of the work with transport, Coor drafted a new vehicle policy in 2015. The policy is intended to guide the process by replacing vehicles powered by fossil fuels with sustainable alternatives.

Chemicals are another important issue for Coor and this represents part of Coor's main environmental impact. In 2015, Coor continued to focus on reducing the use of chemicals by taking better control of chemicals management and risk analysis. This work has yielded results in the form of further reductions in the amount of chemicals used in Coor's various fields of operation. A Nordic procurement project was implemented in 2015, which resulted in all of the countries now working with the same products and procedures. This has resulted in a shift to highly concentrated chemicals, but also in reduced shipments and improved performance in machinery with new

environmentally friendly innovations. Over the year, cleaning operations were certified in Sweden according to the Swan eco-label, which decreased the use of additional chemicals. Other initiatives taken in 2015 to further reduce Coor's environmental impact include the introduction of new procedures for the recycling of computers.

CONDUCTING SYSTEMATIC ENVIRONMENTAL WORK

Coor's environmental work is ISO 14001 certified and is therewith regularly monitored through internal and external audits. The environmental work is audited externally by Det Norske Veritas. The entire group has been certified according to the standard since 2000. In 2013, the group started to be covered by what is known as global certification, which is a common certification for the whole group.

In 2015, an extensive inventory program was implemented to identify the environmental work internally. The internal survey was designed to ensure that Coor is also able to conduct qualitative environmental work in the future as well. Inventory work was also an important element of Coor's preparations for the 2016 re-certification process in line with the new version of ISO 14001:2015.

In 2015, internal environmental audits

were conducted at Coor's local headquarters in Stockholm and Gothenburg using the Coor Green Services tool. The audit is important in ensuring that Coor operates in compliance with the guidelines developed for the customers, and to make sure impacts on the internal environment continues to decline. The result of the audit showed that the head office in Kista attained the Coor Green Services Gold standard. Efforts to audit the local offices will continue in 2016.

An important aspect in ensuring qualitative and systematic environmental work is to educate the entire organization on environmental issues. Knowledge is key to ensuring that environmental issues are taken into account and become a relevant question for everyone in the group. Among other things, it is mandatory for all new employees to take a digital environment training course about Coor's internal environmental work in their first year of employment. In 2015, this environmental training course was updated to ensure relevance and that the training was in line with the environmental work.



FOOD BY COOR

FOOD by Coor is Coor's own restaurant chain and is based on food appreciation, knowledge, and employee and customer commitment. The restaurants actively work with sustainability issues and are constantly striving to reduce their environmental impacts. In order to offer customers healthy and environmentally friendly alternatives, Coor is attempting to grow the share of organic products and offer vegetarian options. All restaurants also purchase Fair Trade beans for their coffee machines.