

# SUSTAINABILITY REPORT 2017

## CONTENTS

### ● SUSTAINABILITY REPORT

- 25 Sustainable governance
- 26 Choices and priorities
- 28 External trends and challenges
- 29 Dialogue with stakeholders
- 30 Business sustainability
- 33 Social sustainability
- 37 Environmental sustainability
- 40 Sustainability indicators

This Sustainability Report is part of Coor's annual report 2017, which explains why the report starts on page 24. The Sustainability Report can be read on its own, but refers to other parts of the annual report.

### ABOUT THE SUSTAINABILITY REPORT

Coor Service Management Holding AB (corp. ID no. 556742-0806), publishes a Sustainability Report annually describing the business from a sustainability perspective. This report refers to the 2017 financial year. Data that is reported follows the relevant reporting and consolidating principles for financial reporting.

The Sustainability Report largely complies with the international GRI G4 Guidelines for sustainability reports, Core option. This means that the content of the Sustainability Report reflects the issues that the company and its stakeholders consider to be most important. The GRI index is available from April 2018 on the company's website under the About Coor/Sustainability tab. The report has been reviewed by Coor's auditors, from whom a statement is provided at the end of the report.

*The Sustainability Report for Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the financial year 2017.*



# EFFECTIVE MANAGEMENT OF SUSTAINABILITY

*During the year, a specially appointed committee worked with sustainability within Coor. With the aim of working with sustainability in a more integrated manner throughout the entire company, a new sustainability organization was established that will apply starting 2018.*

## ORGANIZATION IN CHANGE

The sustainability framework is comprised of Coor's Sustainability Policy, Code of Conduct and values/guiding stars. Coor's CEO and Executive Management Team have overall responsibility for the company's sustainability work. During the year, a Sustainability Committee, reporting directly to Group management, was responsible for the management and follow-up of the company's sustainability work. In order to ensure that sustainability issues permeate all of Coor's operations, a new sustainability organization and management model was established that will apply from 2018. The organization is led by Coor's Sustainability Manager.

Environmental and work environment issues are handled nationally within Coor as the regulatory framework and practice in this area sometimes differ between countries. The Group's sustainability network undertakes cross-functional work between the company's operating units in order to both standardize the work and to share experience throughout the operations.

## WORK DURING THE YEAR

The Committee's duties during the year included the preparation of a policy, overall goals and principles for managing sustainability work. In addition, the Committee worked with formulating and following up, on an ongoing basis, the sustainability indicators, and proposed special improvement measures within this area. The Committee also addressed new legal and practical developments arising within this field, followed up various sustainability issues, took initiatives and discussed priorities.

During the year, the sustainability committee met four times.

## LOW SUSTAINABILITY RISKS

From a sustainability perspective, the Nordic FM industry is understood to have a low risk profile due to two reasons: 1) legislation and regulatory requirements in the Nordic countries is extensive and similar between the countries, and 2) the nature of the work activities concerned is associated, largely, with a low level of risk.

At Coor, only one environmental per-

mit is necessary for the operations to be allowed to be undertaken. This permit refers to the process cooling in a small operation in Kotka, Finland. In general, Coor's personnel have the personal authority and competence required to be able to execute their work correctly and securely. Read more about the company's risks under the section, *Risks and risk management*.

## COOR'S CODE OF CONDUCT

In order to clarify what is ethically applicable within Coor, there is a common Code of Conduct for the entire company. The Code requires that all employees comply with the laws governing the business. It also includes principles for managing:

- Competition issues
- Conflicts of interest
- The environment
- Work environment and work conditions
- Confidential information
- Gifts and benefits in Coor's business relationships
- Behaviour towards customers and suppliers

## SUSTAINABILITY MANAGEMENT WITHIN COOR IN 2017



1) HSEQ stands for Health, Safety, Environment and Quality.

2) Not members of Group Management.

# AMBITIONS AND FOCUS AREAS

*Coor wants to develop its business from a long-term perspective. This involves doing profitable business today, without compromising on the possibility to continue doing so in the future.*

## THREE DIMENSIONS

The sustainability work at Coor is based on the *Triple Bottom Line*, which means that it covers business, social and environmental dimensions. Principal standpoints and goals for how the business is to be conducted have been established for each dimension. A sustainable business is ultimately about taking long-term responsibility for the activities being conducted. The obvious starting point is that the business should thrive and generate maximum economic return, with care and respect for people and the environment.

## FOCUS AREAS

A materiality analysis is carried out annually on the basis of external developments, taking into account the interests of different stakeholders. The analysis is used as a basis for possible changes in focus areas. In autumn 2017, Coor's Board of Directors adopted new long-term ambitions and focus areas for sustainability work.

## OPERATIONAL TARGETS

Group management sets internal operational targets that are monitored according to Coor internal target process. In accordance with the business plan, the company established internal operational targets for 2018 over a three-year period instead of the previous one-year period. The internal operational targets are determined within the respective sustainability dimension and are monitored continuously.

## SUSTAINABLE BUSINESS





# GLOBAL PERSPECTIVES AND AGREEMENTS

*Coor's sustainability work is based on established principles in the UN Global Compact and in recent years also on the UN's sustainability development goals, where five goals initially were identified as being relevant to the company.*

## GLOBAL CHALLENGES AND EXTERNAL PERSPECTIVES

There are a number of external trends and challenges at global, regional and national level that impact conditions for all operations.

Through 17 global sustainability goals, the UN addresses today's greatest challenges and Coor also connects its sustainability efforts to these goals.

Initially, five of the goals were selected as being most relevant to the company.

## WORK GUIDELINES






Coor is guided in its sustainability work by the following international agreements:

- The principals in the UN's Global Compact
- The UN's Universal Declaration of Human Rights

- ILO's core conventions on human rights in the workplace
- The OECD's anti-bribery convention

In addition, Coor also adheres to the principles of the *Swedish Code of Corporate Governance* and the gender equality principles described therein.

## THE UN'S SUSTAINABILITY DEVELOPMENT GOALS – THE 5 MOST RELEVANT FOR COOR

THE UN'S GOAL	THE UN'S DEFINITION	COOR'S WORK TOWARDS THE GOAL
 <p>3 HÄLSA OCH VÄLBEFINNADE</p>	Ensure healthy lives and promote wellbeing for all at all ages.	Coor focuses strongly on occupational health and safety. Within Coor there is a clear "zero tolerance" for work-related accidents. Coor undertakes various health-enhancing activities for its personnel in every country in which it operates.
 <p>5 JÄMSTÄLLHET</p>	Achieve gender equality and empower all women and girls.	Coor implements an annual payroll survey on a gender equality basis in accordance with Swedish law. The work towards an even distribution of female and male managers and employees is central to Coor. Coor's Code of Conduct and diversity policy clearly states that every employee should be treated respectfully and fairly, regardless of gender, age, ethnicity, religion, disability or sexual orientation.
 <p>8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT</p>	Promote inclusive and sustainable economic growth, employment and decent work for all.	Coor has great diversity among its employees. Coor sets fair wages based on market terms. All company employees must have a safe, non-discriminatory and stimulating workplace. Sustainable growth and stable earnings development are important for Coor and reflected in the financial goals.
 <p>12 HÅLLBAR KONSUMTION OCH PRODUKTION</p>	Ensure sustainable consumption and production patterns.	Coor continuously takes measures to minimize its environmental impact, and also gives its customers green advice to help them to improve their environmental performance. The company works continuously towards responsible consumption by controlling and following up purchases of goods and services.
 <p>13 BEKÄMPA KLIMATFÖRÄNDRINGEN</p>	Take urgent action to combat climate change and its impacts.	Coor carries out measures to reduce its carbon dioxide emissions from its own service vehicles, business travel and heating of its own premises. The company's long-term ambition is to become fossil-free.

<sup>\*)</sup> Read more on goals 3, 5 and 8 in the *Social Sustainability* section. Read more about economic growth, which is a part of goal 8, in the *Business Sustainability* section. Read more about Coor's work on goals 12 and 13 in the *Environmental Sustainability* section.

# ACTIVE STAKEHOLDER DIALOGUE

*The ability to interpret and understand both business opportunities and risks is crucial in working with sustainability. Coor works with an ongoing stakeholder dialogue and structured external environment monitoring.*

## ONGOING DIALOGUE

Coor's most important stakeholders are its employees, customers and owners. Other stakeholders include suppliers, trade unions, government authorities and associations. Coor continuously identifies which issues are most important to stakeholders to set the right priorities and establish standpoints. These are presented in the table below:

## SUPPLEMENTARY SURVEYS

Physical meetings are central to stakeholder dialogues. For increased efficiency, direct dialogue is supplemented by other channels and regular measurements, with the largest being Coor's annual customer and employee surveys.

## DECENTRALIZED RESPONSIBILITY

At Coor responsibility for dialogue and communication towards a particular target group is decentralized, so the person who has the best knowledge of the stakeholder group is responsible. This is clearly defined in the company's communication policy.

## STAKEHOLDER DIALOGUE

STAKEHOLDER GROUP	MAIN AREAS OF INTEREST	COMMON TOOLS IN DISCUSSIONS
<b>Employees</b>	Commitment and satisfaction Development opportunities Fair remuneration Corporate culture and ethics Work environment, health and safety Equal treatment: diversity and security	Regular workplace meetings Performance appraisals Management Review Salary revision Employee survey Training
<b>Customers</b>	Customer insight Delivery monitoring Innovations/improvements Green advice/energy issues Life-cycle perspective Work environment, health and safety Efficiency	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 and market research Other customer relationship promoting activities
<b>Investors and analysts</b>	Financial development Risk management Corporate governance Dividend policy Information security and transparency	AGM Financial reports Open analyst meetings in conjunction with the quarterly reports Analyst and investor meetings in smaller forums
<b>Suppliers</b>	Supplier management Business ethics Innovations/improvements Work environment, health and safety	Ongoing supplier dialogue Supplier monitoring Digital platforms Supplier checks
<b>Trade unions</b>	Labour issues according to MBL (and its equivalent in other countries) Work environment, health and safety	Major trade union associations have Board representation Meeting forum with larger associations centrally Local meetings with local associations
<b>Authorities</b>	Laws, regulations, and rules	Structured monitoring Specialist networks
<b>Associations and specialist networks, such as SWERMA, IFMA, Vinnova, SÄKU, NMC</b>	Relevant special issues	Active membership

# BUSINESS SUSTAINABILITY WORK

*For Coor, business sustainability means the ethically justifiable and profitable development of the company in the long-term. This is created through a clear focus on results, growth, quality and continuous improvement.*



7,722

SEK M  
NET SALES

67

SATISFIED CUSTOMER  
INDEX

## PRINCIPAL STANDPOINTS

- Coor will conduct professional business and deliver value-added and innovative solutions based on customer requirements as regards functionality, effectiveness and safety.
- Coor will develop in a stable and profitable manner, from an ethical and morally defensible approach.
- Coor will provide reliable and relevant information in a secure manner.

## STABLE AND STRONG FINANCIAL PERFORMANCE

The company's stakeholders should be able to rely on Coor to develop positively and profitably over time. The ability to attract new customers and employees, sign clear agreements and systematically monitor ongoing operations is central to this work.

During the year, Coor reported improved results and strong cash flow. Sales grew by 6 per cent to SEK 7,722 (7,272) million and operating earnings (adjusted EBITA) rose to SEK 468 (435) million. Operating cash flow was SEK 492 (414) million. Read more about the company's economic development in the *Administration Report*.

For Coor, tax issues are naturally handled according to current legislation and prevailing practice in each country.

## LONG-TERM CUSTOMER RELATIONSHIPS

Satisfied customers and long-term customer relationships are a prerequisite for the stable and profitable develop-

ment of Coor over time. This is achieved through value creation and professional and reliable services which are tailored to suit the customers' needs.

Coor works proactively with development and innovation, and continuously proposes improvements to its customers.

In order to ensure a value-added, efficient and qualitative delivery, Coor's operations are certified according to the ISO 9001: 2015 standard, which is regularly monitored through internal and external audits. During the year, the certification company DNV GL conducted external audits in April and November. The number of minor deviations decreased compared with previous years and no serious deviations were reported. DNV GL stated that clear progress has been made since previous audits. One reason for this is the development of Coor's management system, as well as the forward-looking attitude towards external trends, such as technological developments, stakeholder demands, safety and information security.

In connection with the introduction of GDPR, a review of information classification has been carried out within Coor. In addition, a GAP analysis against the ISO 27001 standard on Information security has been initiated. The results of the analysis will provide the basis for the decision on certification in accordance to ISO 27001.

#### SOUND ETHICS AND MORALS

Coor has gathered its business ethics principles into a Code of Conduct, which guides employees in their daily work duties and decisions. Among other things, the Code deals with how Coor and its employees work to prevent corruption, conflicts of interest and discrimination. The Code is stricter than current legislation and concerns all of Coor.

The content of the Code is discussed during the annual performance appraisal which is offered to all employees. On this occasion, employees must confirm in writing that they have read, understood and agree to abide by the Code. At the end of the year, a web-based course on the Code of Conduct was introduced, which all employees are to take. New employees complete the course in connection with their introduction.

The Code of Conduct is available on the company's website, and is also a part of the employment terms and conditions for employees at Coor.

#### STRUCTURED COMMUNICATION

According to Coor's communication policy, communication work is to be conducted in a structured and proactive manner. It is to be characterized by a long-term view, clarity, impartiality and transparency, with the goal of laying the foundations for good, trustworthy relationships with the company's stakeholders.

In terms of financial accounting and reporting, the generally accepted principles and standards should be applied. Coor's external financial reporting complies with the international reporting standard IFRS, International Financial Reporting Standards. The external reporting is reviewed by the accounting firm PwC.

## WHISTLE-BLOWER PORTAL

All those who are involved in Coor's business should be well treated and feel safe and secure. That is why Coor has a whistle-blower portal, which makes it possible for employees, suppliers and customers to report suspected abuses anonymously.

To ensure anonymity, the service is managed by an external party, and all the reports are treated confidentially. The system is available in all of the Nordic languages, as well as in English, Estonian, French, Hungarian, Dutch and Polish. During the year, 13 cases were reported concerning violations of the Code of Conduct. All reported cases are thoroughly investigated. If a crime is found to be committed, it may result in termination of employment or contract, and/or reporting the matter to the police.







#### SUPPLIER MANAGEMENT

Coor is a major purchaser of goods and services, which means that procurement issues and supplier management are central.

Suppliers are classified as *significant* or *less significant* based on contract value and/or potential risk. It is crucial for Coor to collaborate with responsible business partners who can help find innovative and sustainable solutions for the company's customers.

During the year, Coor's purchasing organization was reviewed on the basis of supporting the company in the best possible way within the three sustainability dimensions. In addition, the existing purchasing organization with specialist competence was strengthened in a number of prioritized purchasing categories. On 1 January 2017, the new purchasing organization was launched with an updated strategy and new roles and responsibilities.

At the end of the year, work was started to review the purchasing process, work that continues in 2018. The focus will be on a number of different activities, such as integrating risk assessment into the process. The Group's joint procurement process describes how purchasing work is to be conducted with a clear ambition to reduce the number of suppliers and increase the use of framework agreements. Contractual loyalty is important in order to ensure the quality of delivery.

## MANAGEMENT OF MAJOR SUPPLIERS

At year-end, Coor had around 200 major suppliers with a framework agreement. Before signing a framework agreement, suppliers are evaluated based on overall delivery capability and sustainability. Suppliers must also prove that their business complies with the requirements of Coor's ethical guidelines for suppliers.

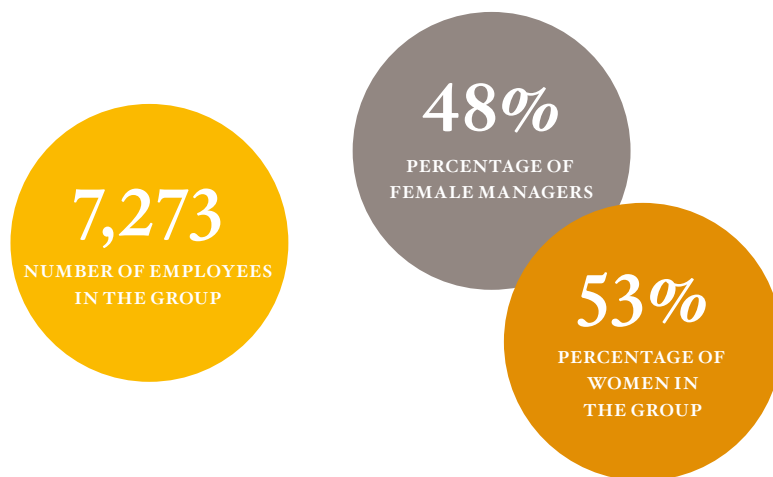
A breach of these guidelines is treated as a contractual breach and could lead to the collaboration being terminated.

During the agreement period, Coor monitors both the delivery and the supplier to ensure that the agreements are enforced as far as possible. Digital tools are used as support for the ongoing

monitoring, where the supplier provides information on its activities from different aspects of sustainability among other things. Supplier monitoring is carried out at a local and central level. During the year, no suppliers were terminated due to breach of contract. The monitoring work will be further developed in 2018.

# SOCIAL SUSTAINABILITY WORK

*To Coor, social sustainability means significant responsibility as an employer, but also engagement in local society. Respect for all peoples' equal value and rights is fundamental for Coor.*



## PRINCIPAL STANDPOINTS

- Coor will actively work for the well-being of its employees and a safe working environment.
- Coor cares about diversity, equality and the advancement and commitment of the company's employees.
- Coor will contribute to social development through local community improvement initiatives.

### PREVENT RISKS IN THE WORK ENVIRONMENT

Coor works so that all employees can have a good and secure work environment. Due to the broad offering of services, with varying risks, safety work is adapted to local premises. Within Coor, there is a clear "zero tolerance" for work-related accidents. A clear focus during 2017 was the increase of risk awareness within the operations. Examples of Group-wide activities in this context are:

- General training for increased risk awareness
- Training adapted to the risk profile
- Increased focus on the importance of reporting
- Follow-up and analysis of results of focused risk prevention activities.

During the year, country-specific initiatives were also undertaken to increase risk awareness. Within the framework of the risk work, Group management also took part in a number of safety rounds in various parts of the operations – an important and appreciated activity.

### REPORTING AND CONTROL

The effect of an increased risk awareness and inclination to report in the operations is reflected in the increased number of risk observations and reported accidents.

The number of accidents requiring medical assistance decreased. On the other hand, the number of smaller accidents not requiring medical assistance increased. The most common accidents were cuts, slips and falls. During 2018, the focus will continue to be on increasing risk awareness and implementing preventive activities within the operations.

Coor's work environment and safety work is undertaken according to the occupational health and safety standard OHSAS 18001. At the end of the year, a GAP analysis was executed in the operations based on the requirements of the new ISO 45001:2018 Occupational Health & Safety. This certification will be carried out during 2018.

### HEALTH-PROMOTION WORK

Coor intensified its efforts to diminish absence due to illness – work which has made an impact. Absence due to illness decreased during the year in all countries and was, in total, 5.8 (6.2) per cent, which is relatively low compared with other service companies. In some occupations, such as cleaning services, absenteeism is higher. Absenteeism is measured, monitored and analysed in each country, and various measures to reduce absenteeism in occupations and units with high absenteeism were implemented. In addition, Coor undertakes health-enhancing activities for its personnel in every country in which it operates.

During the year, a *Flex-and-Stretch* film was produced with Group management as participants. Flex-and-Stretch is a light exercise programme that can be done anywhere. The film has been spread throughout Coor and is often used during meetings.

#### EMPLOYEE ENGAGEMENT

Coor annually undertakes an extensive employee survey. The survey, which is performed by an external research company, gives employees the opportunity to anonymously express their opinion on what it is like to work for Coor.

In order to increase employees' engagement, sense of belonging and pride in Coor, an initiative called *People Engagement* was started during the year. Employee engagement will be followed up via a new Engagement Index, which will be included as part of the employee survey.

Coor intensified its efforts to decrease the staff turnover rate and this has made an impact. Staff turnover, excluding retirements, decreased to 11.9(12.3) per cent which is relatively low compared with other service companies.

#### ONGOING COMPETENCE ENHANCEMENT

Coor's ambition is to be the most attractive employer in the Nordic FM industry. A premise for this is that employees are provided with clear possibilities

to develop. As a result, Coor works with training programmes and other development activities. In the annual performance appraisal with immediate superiors, which is an important starting point for competence development, individual development plans are produced for each employee.

At Coor there are a number of internal training programmes, such as *Coor Service School* for all personnel and *Coor Business School* for managers. These two programmes focus on Coor's vision, goals, values and success factors. Another important training programme within Coor is *Star Quality Service*, which is about service mindedness and dealing with people. During the year, 380 (270) employees took part in *Coor Service School*, 91 (67) managers in *Coor Business School* and 721 (651) employees in *Star Quality Service*.

In addition to these programmes, local and service-specific training is also offered, such as, training for Coors' cleaners, *Cleaning The Coor Way*.

#### DEVELOPMENT AND RECRUITMENT OF MANAGERS

There are major advantages with the internal recruitment of managers. Coor's policy is to work actively with identifying internal candidates in conjunction with the staffing of all managerial positions. This means that Coor must continually have a solid view of potential and existing managers, and must work consistently with the development and follow-up of the organization's leaders.

The evaluation and development of the company's managers is based on a number of key factors in Coor's leadership model. Both internal and external manager development programmes are used within Coor. The development of each manager is followed up each year via the employee survey, Leadership Index and *Management Review*.

## EMPLOYEE SURVEY 2017

Employee satisfaction at Coor increased in 2017. The result reached 73 (69), on a scale where 100 is the maximum score. The result improved in all countries. During the year, efforts were made to further increase the response rate. Among other things, the number of languages used in the employee survey was expanded.

The 2017 survey was answered by 76 (66) per cent of all employees, a clear improvement on the previous year.





## HIWI KOLIANA MANSOUR

**Lives in:** Hässelby, Sweden

**Age:** 26 years

**Employed at Coor since:** 2017, was a trainee for three months.

**Work duties:** Educated within Business Management in Lebanon. Is stationed as a receptionist at the financial advisory firm, Söderberg & Partners, in central Stockholm. She receives and registers visitors, serves coffee, books meeting rooms, replies to e-mails, handles the post and various other administrative activities.

## A TRAINEE POSITION IN THE 100 CLUB LED TO A JOB

*Hiwi Koliانا Mansour from Lebanon was awarded a trainee position at Coor within the framework of the 100 Club, a cooperation between "Arbetsförmedlingen" (Swedish Public Employment Service) and employees with the aim of helping larger numbers of newly-arrived immigrants to obtain experience at Swedish workplaces. Hiwi's previous experience from similar work in her home country and good language skills contributed to her assuming the work duties in a quick and efficient manner. Hiwi is now employed at Coor and is very appreciated by her work colleagues.*

### What does working at Coor mean to you?

-It means a great deal to me; through Coor I got my first job in Sweden. Here I can learn more Swedish and meet very friendly colleagues.

*Through Coor  
I got my first job  
in Sweden*



### What did you do prior to coming to Coor?

-I came to Sweden in August 2015. Prior to being a trainee at Coor, I studied Swedish at SFI (Swedish lessons for immigrants).

### What has it been like to integrate into Swedish work life?

-It was a bit difficult in the beginning; I didn't dare to speak so much Swedish. But after a while, I got used to things. I have been received very well by Swedes in my work life.

### Any advice to employers considering joining the 100 Club?

-Dare to give a chance to other new arrivals to Sweden. I appreciate this opportunity so much.



## CARD GAME INSPIRES DIVERSITY IN SWEDEN

During the year, Coor in Sweden continued to focus on diversity and gender equality issues. As part of these efforts, a so-called inclusive card game was used which allows managers and employees to work more concretely with these issues in their daily lives. The card game provides knowledge and inspiration about how Coor can be even better at enhancing talents, knowledge, experiences and perspectives.



## EQUALITY, DIVERSITY AND INCLUSION

There is a strong conviction at Coor that a diversity of personalities, experiences and knowledge is enriching. The company's Code of Conduct and diversity policy clearly states that every employee should be treated respectfully and fairly, regardless of gender, age, ethnicity, religion, disability or sexual orientation.

Equal treatment, diversity and gender equality have had high priority at Coor in recent years. For example, there has been an increased focus on these issues during the recruitment process and workshops have been conducted with managers on diversity and gender equality issues. Work on increasing the proportion of female managers has continued to be central and resulted in the percentage of female managers increasing by 4 percentage points, from 44 to 48 per cent, in 2017.

The FM industry generally has good opportunities to offer young people and newly-arrived immigrants a first job. The proportion of people born abroad is also often higher in FM companies than in other companies. Great ethnic diversity means that it is important to have a tolerant and inclusive attitude. Although Coor sets basic requirements of relevant language skills, important information must be adapted so that all

employees understand it. Consequently, images and symbols can be helpful when describing working methods, especially in professional groups where ethnic diversity is especially great, such as in cleaning services.

All forms of harassment are unacceptable and there are clear procedures to monitor this. The annual employee survey specifically asks whether employees have experienced discrimination in the workplace. The 2017 results show that 3 (3) per cent of employees experienced some form of harassment. Furthermore, Coor's employees can report grievances via Coor's whistle-blower portal.

## HUMAN RIGHTS

Demonstrating respect for human rights is a fundamental part of Coor's responsibility as a company and is important from a sustainability perspective. This is integrated into the company's Code of Conduct and relevant processes.

## LOCAL COMMUNITY INVOLVEMENT

Coor's ambition is to engage in development in the communities in which the company operates. Activities vary from country to country. For example Coor has chosen to:

Continue its partnership in Denmark with the non-profit organization Hellebro, who run a drop-in centre in Copenhagen for young homeless people.

Coor's employees support Hellebro through a number of activities, such as collecting used clothes and taking other needs-appropriate initiatives.

Run a training program in Finland for newly-arrived young people together with the Helsinki Deaconess institute.

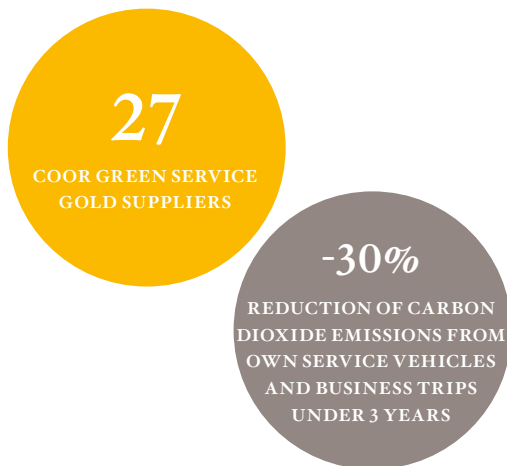
Participate in the 100 Club in Sweden, an initiative aimed at introducing more newly-arrived immigrants to the Swedish labour market.

Donate money in Norway to *Sykebusklovnene*, a group of professional clowns specializing in giving children and young people in demanding life situations positive experiences.

Donate money to *Doctors Without Borders* and local aid organizations in the various countries, instead of giving Christmas gifts to customers and employees.

# ENVIRONMENTAL SUSTAINABILITY WORK

*For Coor, environmental sustainability means protecting the environment by actively reducing environmental impact, primarily its own but also in customer's companies.*



## PRINCIPAL STANDPOINTS

- Coor will contribute actively to minimising our customers' environmental impact, especially their energy use.
- Coor will conduct structured and proactive internal environmental work.

### GREEN ADVICE

In order to identify environmental improvement, Coor's customers use the self-developed evaluation tool, Coor Green Services. The tool is based on other known environmental standards, such as the Swan Ecolabel, and it is used to identify the environmental performance of Coor's various services. With the help of the tool, Coor can provide concrete improvement proposals to reduce environmental impact, which is appreciated by environmentally conscious customers.

Coor uses Coor Green Services when the company performs an annual audit of its deliveries to customers. Customers meeting 85 per cent of the established criteria achieve *Coor Green Services Gold*, and those who meet 69 per cent achieve *Coor Green Services Silver*. In 2017, a total of 69 customer sites were inspected, and 27 of these achieved the gold level, while 33 achieved the silver level. Coor's own offices in Sweden were also audited and the offices in Kista and Gothenburg were both awarded gold certificates.

Every year, a review of the criteria for Coor Green Services is performed to ensure a high environmental standard. During the year, a further level, *Coor Green Services Platinum*, was introduced to further challenge the customers' environmental work in collaboration with Coor.

In addition, Coor in Sweden annually grants the *Environmental Star of the Year* award to a customer who has excelled in the environmental field. The aim is to encourage customers to engage in active environmental work.

## ENVIRONMENTAL STAR OF THE YEAR – WSP

The Environmental Star of the Year is an annual prize that Coor in Sweden awards to a customer who has particularly distinguished itself in the environmental field. The award is based on the results of a comprehensive environmental review using Coor Green Services.

The award was presented to WSP at a prize ceremony on 29 November 2017. The prize consists of money that the winner can donate to the charitable organization of their choice. WSP chose

to donate the money to Solvatten, an organization that developed a 10-litre portable water purifier that purifies water through sunlight.

Previous years' winners are Länsförsäkringar, ICA, NCC, Vasakronan and Skanska.



### ENERGY CONSULTANCY

Since 2016, energy audits are mandatory for all large EU companies and qualified energy consulting is increasingly being demanded by Coor's customers. Through energy audits combined with systematic energy work, Coor can help customers to reduce energy consumption.

In addition to the ongoing work to optimize existing equipment in customer facilities, Coor has also performed many energy projects. Some examples:

- Design, planning, installation and operation of a photovoltaic plant for a research centre.
- Installation of advanced solution for energy monitoring for several customers to allow the collection of energy data in real time. The aggregate data compares and identifies deviations in the plants, which results in energy saving projects.
- Installation of heat pumps to recycle waste heat in internal heating systems at a plant.

### OWN ENVIRONMENTAL IMPACT

Coor's own operations have a significant environmental impact through energy use, emissions from transport, chemical handling, and waste and raw materials management.

#### Energy use & emissions

Coor's operations generate carbon dioxide emissions from own service vehicles, business travel and office heating. Coor's long-term goal is to phase out fossil fuels.

During the year, the company focused primarily on reducing CO<sub>2</sub> emissions from service vehicles by increasing the proportion of electric cars. The number of electric cars more than doubled in 2017.

Within Coor's property services, transport has the single biggest environmental impact. Several projects were initiated during the year to reduce transport in connection with daily deliveries, such as mobility solutions for more efficient planning and work, and to avoid unnecessary travel for Coor's technicians.

In recent years, Coor's carbon dioxide emissions from own service vehicles and business trips have fallen by 30 per cent. At our head office, green electricity is used and skype, video and phone meetings are used to reduce travel.

#### Chemical handling

During the year, Coor worked in a structured manner to phase out the company's chemicals and replace them with more environmentally-friendly alternatives.

Within Coor there is a common chemical management system, iChemistry, which provides good guidance on the environmental impact of different products. At the end of 2017, a total of 3,456 (3,288) products were registered in the system. This increase compared with the previous year is a result of more units joining the system. Coor focuses heavily on chemical management and this work will intensify in 2018.

## ENERGY CONSULTANCY SAVED SEK 5 MILLION

"Coors diligent work and extensive understanding of how the property system can run energy-efficiently has been enormously important to our energy efficiency efforts," says one of Coor's customers.

Since 2013, Coor has implemented measures in their work with a customer amounting to cumulative savings of almost SEK 5 million per year. During

a twelve-month period, Coor implemented 40 different measures including customized ventilation (airflow and operating hours), heat recovery from air compressors, and a reduction in power consumption to support systems in computer suites. The computer suites were also streamlined to make better use of remote cooling.



### Waste management

All of Coor's larger offices have recycled waste for several years. Waste is recycled to a high degree. Even discarded work computers are handled by specialists to ensure that they are reused or recycled in a responsible manner.

Food waste has a significant environmental impact, and therefore needs to be reduced at all stages of the food chain. During the year, Coor continued its efforts to reduce food waste from its own restaurants. As part of this work, all restaurants have begun to measure their waste daily with the aim of a 20 per cent reduction. The results of these measurements provide important information to optimize food production.

### Raw materials management

In 2017, Coor was responsible for over 160 restaurants and cafes under the brand name *FOOD by Coor*. This makes Coor a major purchaser of raw materials and has made raw materials management a major issue for the company. In order to improve the control of raw materials purchases, a joint purchasing and food planning system was introduced during the year.

FOOD by Coor's customer promise includes promoting reduced environmental impact and providing modern, healthy meal solutions.

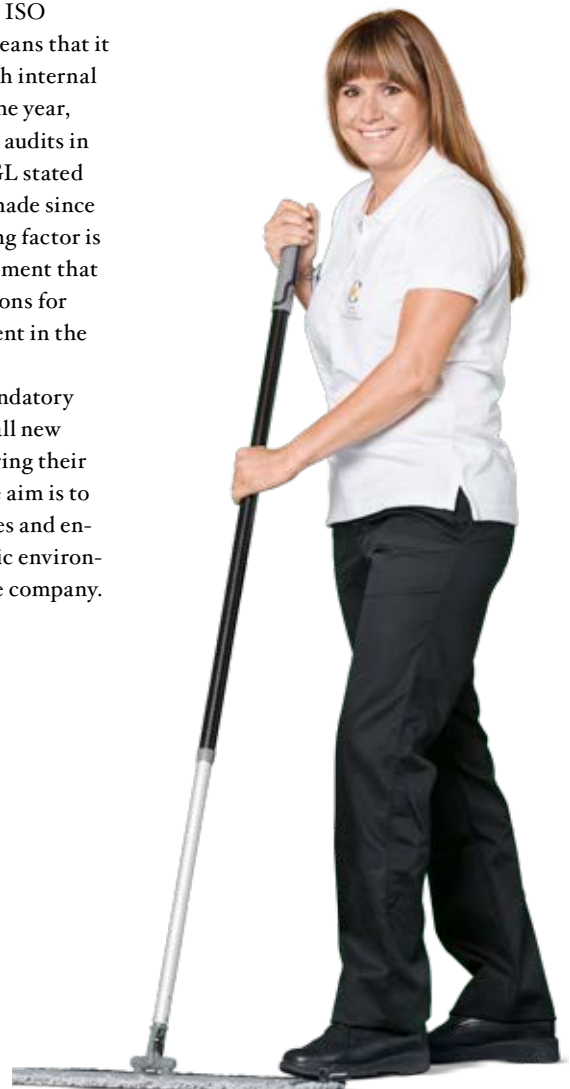
Specifically, red-listed fish are forbidden in all restaurants, fair trade coffee is served and the proportion of organic products and vegetarian options is to increase.

In Sweden, the majority of restaurants are KRAV organic label certified, and in Denmark one of the restaurants has a bronze diploma in ecology, which means that at least 30 per cent of the ingredients are organic. The work on getting more restaurants certified is ongoing.

### SYSTEMATIC ENVIRONMENTAL WORK

Coor's environmental work is ISO 14001:2015 certified, which means that it is regularly monitored through internal and external audits. During the year, DNV GL conducted external audits in April and November. DNV GL stated that clear progress has been made since previous audits. A contributing factor is the committed group management that gives Coor favourable conditions for continued positive development in the environmental area.

At Coor there is basic, mandatory environmental training that all new employees must complete during their first year of employment. The aim is to highlight environmental issues and ensure qualitative and systematic environmental efforts throughout the company.





# SUSTAINABILITY DATA

*Coor reports on a number of indicators annually, which together provide an overview of the progress of the company's sustainability work.*

## MONITORING OF SUSTAINABILITY INDICATORS

BUSINESS SUSTAINABILITY	OUTCOME 2017	OUTCOME 2016	OUTCOME 2015
Net sales, SEK million	7,722	7,272	7,086
Adjusted EBITA margin, % <sup>1)</sup>	6.1	6.0	5.1
Cash conversion, % <sup>2)</sup>	103	91	115
Paid taxes, SEK billion <sup>3)</sup>	2.4	2.3	2.1
Number of reported and investigated cases of suspected violations of the Code of Conduct <sup>4)</sup>	13	6	5
Number of registered and implemented improvement initiatives <sup>5)</sup>	8,302	8,103	6,936
Outcome of the customer survey <sup>6)</sup>	67	68	66
Percentage of customer contracts extended <sup>7)</sup>	98	80	90
Contractual loyalty relating to purchases, annual average, % <sup>8)</sup>	81	80	75
SOCIAL SUSTAINABILITY	OUTCOME 2017	OUTCOME 2016	OUTCOME 2015
Number of managers <sup>9)</sup>	679	659	635
... of which women (share of total amount), %	48	41	41
Voluntary employee turnover, % <sup>10)</sup>	11.9	12.3	9.2
Absenteeism, % <sup>11)</sup>	5.8	6.2	5.9
Number of risk observations <sup>12)</sup>	4,170	1,168	433
Number of incidents	736	710	332
Number of fatalities	0	0	0
TRIF <sup>13)</sup>	10.7	21.3	N.A.
LTIF <sup>14)</sup>	6.9	8.4	N.A.
Outcome of the employee survey <sup>15)</sup>	73	69	68
Leadership index <sup>16)</sup>	76	74	73
Number of major local social development projects	7	5	N.A.
ENVIRONMENTAL SUSTAINABILITY	OUTCOME 2017	OUTCOME 2016	OUTCOME 2015
Number of products registered in the chemical handling system <sup>17)</sup>	3,456	3,288	2,893
Energy use in larger offices, kWh/m <sup>2</sup> <sup>18)</sup>	43.3	52.9	N.A.
Vehicle fleet: average emissions for leased service vehicles, g/km <sup>19)</sup>	137	161	163
Carbon dioxide emissions from business travel (by train or plane) per employee <sup>20)</sup>	0.084	0.095	0.070
Average outcome after environmental audits conducted using Coor Green Services, % <sup>21)</sup>	83.8	83.2	80.8

### NOTES

<sup>1)</sup> For definition, see *Definitions*

<sup>2)</sup> For definition, see *Definitions*

<sup>3)</sup> Refers to all paid taxes (corporate tax, VAT and employee-related taxes) to the tax authorities in the respective years.

<sup>4)</sup> Cases notified via Coor's whistle-blower system, through which employees, suppliers and customers can anonymously report suspected violations of Coor's Code of Conduct.

<sup>5)</sup> Number of improvement suggestions, registered in Coor's IT-based system Actio.

<sup>6)</sup> Coor conducts a comprehensive annual customer

survey with the help of an external survey company.

<sup>7)</sup> Customer renegotiation rates are commented on in the *Customers and customer contracts* section

<sup>8)</sup> Share of purchases from central and local framework suppliers.

<sup>9)</sup> A foreman responsible for staff is defined as a manager.

<sup>10)</sup> Staff turnover is commented on in the *Social sustainability* section.

<sup>11)</sup> Absenteeism is commented on in the *Social sustainability* section.

<sup>12)</sup> The increase during 2017 is explained by an

enhanced risk awareness and expanded interest and involvement in reporting, see the *Social sustainability* section.

<sup>13)</sup> TRIF (total recorded injury frequency) measures the total number of accidents that have occurred in the period. For the calculation of TRIF the following formula was used: total number of accidents x 1,000,000/number of hours worked. Accidents on the journey to and from work are excluded. Definition adopted in 2017.

<sup>14)</sup> LTIF (lost time injury frequency) measures the number of accidents which have caused an absence

EMPLOYEE RELATED KEY PERFORMANCE INDICATORS	GROUP TOTAL	GROUP FUNCTIONS	SWEDEN <sup>23)</sup>	NORWAY	DENMARK	FINLAND <sup>24)</sup>
<b>Personnel 2017, (2016)</b>						
Number of employees in total, FTE <sup>22)</sup>	6,695 (6,108)	84 (75)	3,843 (3,420)	1,163 (1,090)	777 (746)	829 (778)
Number of employees in total, HC	7,273 (6,626)	84 (75)	4,121 (3,692)	1,250 (1,168)	912 (865)	905 (826)
Share of managers, %	9.3 (9.6)	27.4 (30.7)	7.9 (9.7)	13.9 (12.6)	9.3 (4.2)	7.1 (8.0)
Average age, total	43 (43)	43 (43)	42 (43)	45 (44)	45 (45)	42 (40)
<b>Personnel turnover 2017 (2016)</b>						
Personnel turnover total, %	13.6 (13.7)	7.4 (12.0)	13.3 (12.3)	9.1 (14.5)	18.4 (14.8)	17.0 (17.4)
.... of which voluntary resignation, %	11.9 (12.3)	7.4 (12.0)	13.3 (10.8)	4.8 (13.0)	17.6 (13.8)	16.3 (16.6)
...of which pension, %	1.0 (1.4)	0 (0)	1.2 (1.5)	0.8 (1.5)	0.8 (1.5)	0.7 (0.8)
<b>Equality 2017 (2016)</b>						
Percentage of women total, %	53 (53)	36 (37)	54 (52)	45 (50)	51 (52)	61 (62)
Share of female managers, %	48 (44)	18 (39)	51 (47)	49 (43)	44 (38)	44 (39)
<b>Wellness work 2017 (2016)</b>						
Absenteeism	5.8 (6.2)	2.0 (1.7)	5.1 (5.7)	8.5 (8.6)	5.3 (5.5)	4.9 (5.8)

#### NOTES CONT.

from work of over 8 hours. For the calculation of LTIF per million hours worked, the following formula was used: number of accidents that have caused absenteeism (8 hours) x 1,000,000 / number of hours worked. Accidents on the journey to and from work are excluded. Definition adopted in 2017.

<sup>15)</sup> Coor conducts a comprehensive annual employee survey with the help of an external survey company. More information about this result can be found in the section entitled *Social Sustainability*.

<sup>16)</sup> There are a number of leadership-related questions in Coor's annual employee survey, which are summarized in a special leadership index.

<sup>17)</sup> Coor uses a chemical management system (iChemistry), and the information relates to products registered in this system. The increase compared with 2016 was entirely due to more units having joined the system during 2017.

<sup>18)</sup> This includes Coor's offices in Espoo (Finland), Kista (Sweden) and Birkeröd (Denmark). The decrease in comparison with 2016 is largely due to the fact that Birkeröd is included in 2017.

<sup>19)</sup> Average emissions from the number of leased service vehicles at Coor.

<sup>20)</sup> Reported emissions are calculated at a flat rate by the number of business trips by train and air travel booked through the Group's common travel portal. Coor's guidelines state that all business trips should be ordered via the portal.

<sup>21)</sup> A self-inspection under Coor Green Services will be implemented after talking to the customer. In 2017 76 sites were audited

<sup>22)</sup> Number of employees (FTE) means number of employees calculated as full-time positions. This number includes temporary and permanent hired employees. Employees without a guaranteed number of working hours are not included.

<sup>23)</sup> Including Belgium, Poland and Hungary

<sup>24)</sup> Including Estonia

## AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of the shareholders of Coor Service Management Holding AB (publ), Corporate Identity Number 556742-0806

### ASSIGNMENT AND DIVISION OF RESPONSIBILITY

The Board of Directors are responsible for the Sustainability Report for the year 2017, found on pages 24-41 and that it has been prepared in accordance with the Annual Accounts Act.

### AUDIT'S FOCUS AND SCOPE

Our audit has been conducted in accordance with FAR's statement RevR 12 Auditor's opinion on the statutory Sustainability Report This means that our audit of the Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We consider that this audit provides us adequate grounds for our statement.

### STATEMENT

A Sustainability Report has been prepared.

Stockholm, 19 March 2018  
Öhrlings PricewaterhouseCoopers AB

Magnus Brändström  
Authorised Public Accountant