

A SUSTAINABLE COMPANY

Sustainability is important to Bravida. We have more than 50,000 customers and every day we help them contribute to a more sustainable society. But the issue of how we operate responsibly, sustainably and for the long term is wider than that. It relates to the choices and priorities we make in our day-to-day work, how we conduct business and how we cooperate with other entities.

Bravida's priority sustainability goals

Sustainable use of resources

EFFICIENT PRODUCTION AND ENERGY-EFFICIENT OFFERINGS

We aim to be an industry leader on energy and the environment. We aim to offer our customers energy-efficient and environmentally sustainable solutions, and to reduce our own environmental impact.

Intermediate goals

Reduce internal resource consumption and carbon footprint:
Fuel-related CO₂ emissions should decrease by three percent in terms of CO₂/km versus previous year.

Good business ethics

IN RELATION TO CUSTOMERS, EMPLOYEES AND SUPPLIERS

All our business relationships should be managed in a responsible and proper manner.

Intermediate goals

All our employees and suppliers must comply with our code of conduct, which is based on the UN Global Compact.

Good health and safety

EMPLOYEE SAFETY, AND PHYSICAL AND MENTAL HEALTH

No employee should suffer from work-related physical or mental ill health – our long-term aim is to eliminate this.

Intermediate goals

Occupational injury rate* < 7
Sickness absence < 4%

*Number of occupational injuries that lead to at least one day of sickness absence per million working hours.

Responsible business

Bravida aims to operate a responsible business and ensure efficient management of its own and others' resources. This includes the environmental, economic and social factors relating to our business. We take focused measures to achieve clear results. That's why we have prioritised our key sustainability issues and goals to identify the most important areas to improve over the next three years.

Bravida sustainability report

Bravida's first published a sustainability report for the 2015 financial year. Since 2016 the sustainability report is combined with our annual reporting. As of 2017 Bravida is subject to the Swedish Annual Reports Act's new requirements for large companies to publish sustainability reporting.

Our sustainability work encompasses all of our business

Bravida's priority sustainability goals relate to the sustainable use of resources, good health and safety and good business ethics. Environmental, economic and social factors are all part of Bravida's business and feature in all aspects of our day-to-day operations.

EMPLOYEES AND HEALTH AND SAFETY

Our success as a service company depends on the expertise of our employees – and on good leadership. We aim to offer a stimulating workplace with safe conditions and good opportunities for professional development.

WORKING METHODS

We work based on structured and efficient processes in implementing projects and assignments. This enables us to use our own resources and those of others in an efficient manner, generating customer value and profitability, and creating the conditions for a good working environment.

PURCHASING AND SUPPLIERS

Purchasing is an important part of our business. We place the same requirements on our business partners as we place on ourselves. This relates to our approach and actions concerning issues regarding human rights, labour conditions, product liability, environmental impact, health and safety, and business ethics.

ENERGY AND RESOURCE USAGE

Bravida has significant opportunities to help customers make good environmental choices and save energy in their properties and facilities. We take long-term, systematic measures to integrate energy and environmental issues in our own business and reduce our own environmental footprint.

DEVELOPMENT OF SOCIETY

Bravida is involved in helping develop society, both as an installation and service provider and as a large employer. We offer sustainable solutions for our customers, train future fitters, support research and technical developments, and contribute to the growth of our industry and society.

About Bravida's sustainability work

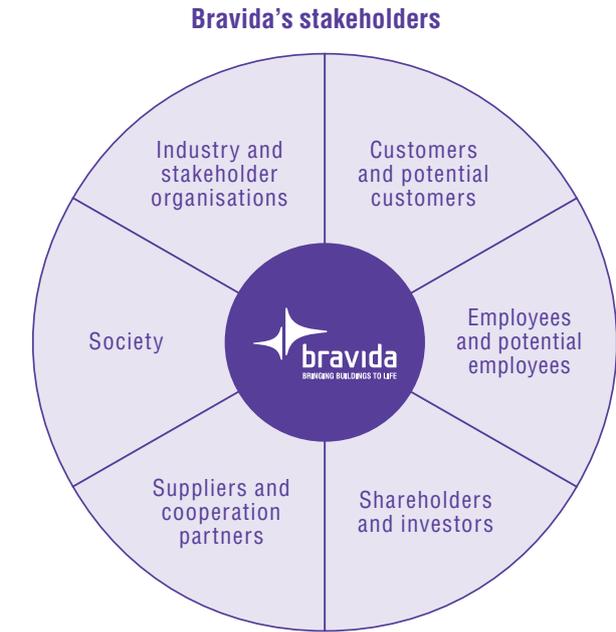
Bravida has structured its organisation in order to conduct long-term measures characterised by continuous improvement. This takes place in continual dialogue with our stakeholders.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

Bravida's business affects and is affected by a wide range of stakeholders. Stakeholder engagement provides an important basis for decisions about the focus and priorities of our business. The closest interaction takes place with customers, employees suppliers and shareholders. Day-to-day contact combined with regular surveys and forums are the main channels to understand needs and expectations.

In 2015, Bravida undertook a project to revise and create a structure for the company's sustainability work. Stakeholder engagement was part of this work. Through surveys and interviews, it involved a number of parties in Sweden, Norway and Denmark giving their views on what sustainability issues Bravida should prioritise in its work. Combined with the company's business intelligence, the assessment of opportunities to make a difference and applicable business plan targets and priorities, this engagement provided us with a basis to identify Bravida's key sustainability issues. This work continued in 2016 with the analysis and prioritisation of important issues to validate and provide a clear focus for our sustainability work in both the short and long term.

In May 2017, new, comprehensive stakeholder engagement was undertaken with surveys sent to employees and in-depth interviews conducted with customers, employees,

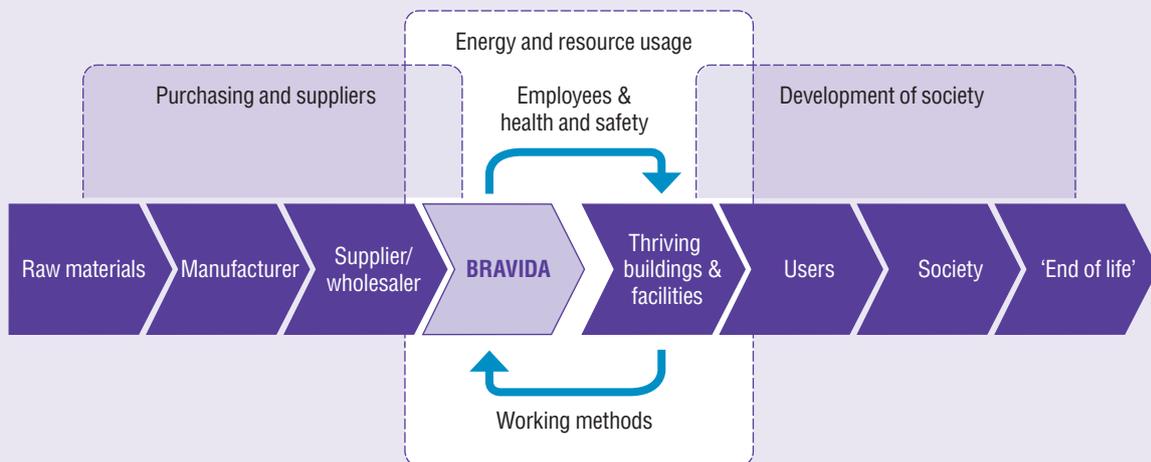


suppliers and shareholders. This time the aim was to validate Bravida's priority sustainability issues and receive feedback on how we are performing. The results support the perception that we are working on the right issues, but they also demonstrate that we have further to go. One example is to better understand and communicate how the environmental aspect of our installations can be improved through correct design and product selection.

Bravida's value chain and sustainability areas

Bravida's value chain stretches from the raw materials in the products, materials that we purchase from our suppliers to our own operations, and onward to our customers and out into the communities in which we operate. Our fittings are used for a long time in properties and facilities, they are serviced and maintained before finally being replaced and disposed of.

From a sustainability perspective, our greatest opportunities to make a difference are in those parts of the value chain concerning our own operations and our direct contact with our cooperation partners.



ORGANISATION, GOVERNANCE AND MONITORING OF SUSTAINABILITY WORK

Bravida aims to conduct long-term, responsible and sustainable business that integrates economic, environmental and social considerations into the company's business operations. The Board is responsible for the company's overall strategic focus. Strategies for our sustainability work are developed and set by Group management, and ultimate responsibility lies with the CEO. Operationally, sustainability work is led by the Head of Business Development, with day-to-day responsibility decentralised to the respective unit. Central Group departments for the environment, health and safety, legal services and HR provide practical support and create structures for this work.

Governance and monitoring of sustainability work take place via the well-established management process as part of Bravida's groupwide business management systems and follow the description in the Corporate Governance Report. Sustainability is also reported in a sustainability report.

Bravida's operations and our strategies for future development are governed by the Group's code of conduct, policies* and our values: professionalism, simplicity, competence and good conduct.

The code of conduct is consistent with the UN Global Compact, meaning the company takes a stand on issues con-

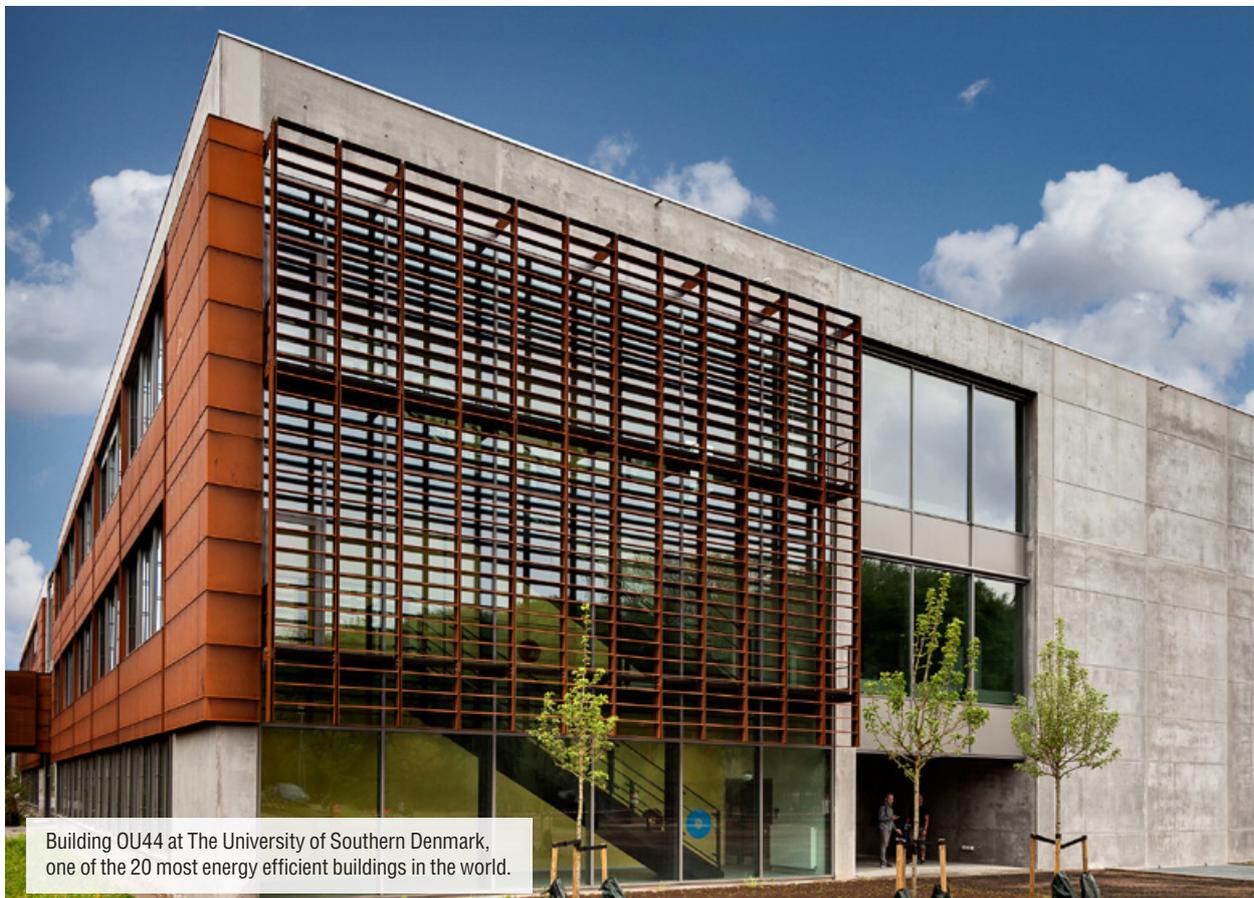
cerning human rights, labour conditions, the environment and corruption. Bravida also endeavours to comply with:

- The UN Declaration of Human Rights
- The ILO's Declaration on Fundamental Principles and Rights at Work
- The OECD's principles and standards for multinational enterprises
- The Rio Declaration on the Precautionary Approach.

The Rio Declaration on the Precautionary Approach means that Bravida commits to take a preventive approach and minimise risks in environmental issues. Additional references to laws, codes and regulations that are material to the company's governance can be found in the Corporate Governance Report.

The sustainability issues that Bravida has identified as most significant relate to the company's strategy and business plan. In 2017, work was undertaken by Group management to develop a new business plan. The new plan will be established and launched in the first quarter of 2018 and will cover the next three years. The monitoring of goals will be reviewed and revised in connection with the plan's launch. Further information about Bravida's targets can be found on pages 12-13.

*Including policies on the environment, health and safety and quality management.



Building OU44 at The University of Southern Denmark, one of the 20 most energy efficient buildings in the world.

Employees

Bravida is a large employer – the largest in electrical, heating & plumbing, and HVAC in the Nordics. But our aim is far greater than this. Our goal is to be the most attractive employer in the industry.

Bravida has around 10,600 employees working together. We are trade professionals, service technicians, project managers, service managers, cost accountants, business managers, administrators and economists who are all experts in their own areas.

SKILLS DEFICIENCY IN THE SERVICE AND INSTALLATION INDUSTRY

The service and installation sector is an industry of the future that is constantly evolving. The installations in demand today are increasingly complex and require clear coordination between different disciplines, such as electrical, heating & plumbing and HVAC. This increases demand for our knowledge and skills in the efficient management of projects. According to the trade association Installatörsföretagen, there is currently a skills gap of 10,000 trained fitters in Sweden. Denmark faces a similar situation. This deficiency makes it difficult to achieve housing construction targets and has a negative impact on growth and employment. The significant competition for labour is placing stringent requirements on our offering as an employer and on our work to retain, develop and attract the best skills.

RECRUITMENT IS A KEY ISSUE FOR BRAVIDA'S GROWTH

We aim to recruit the best skills in the sector and our need for capable fitters, technicians and engineers is increasing. Skills planning and recruitment take place locally at our branches. The Group provides support and tools to boost quality, efficiency and a long-term approach to planning.

We are raising the profile of and interest in the sector and of Bravida as an employer through a presence at institutes of technology, vocational colleges and other forums. Bravida's local branches regularly recruit apprentices across all areas of technology. Our apprentice programmes are strengthened by a number of cooperation initiatives with colleges.

We also have a trainee programme, known as 'BraIngenjör', in which talented young employees spend a year learning about Bravida's working practices and developing their leadership and business skills.

Bravida employees can choose from numerous career paths, as a specialist, a project or service manager or other form of manager. We try to fill management positions internally, which creates opportunities, stability and continuity in the organisation. With operations in about 150 locations throughout the Nordic region, employees also have the opportunity to gain experience from projects in different countries and places.

DEVELOPING AND RESPONSIBLE LEADERSHIP MAKES OUR ORGANISATION STRONGER

Under Bravida's decentralised structure, our local branch managers are responsible for the performance of their branch. Branch managers play an important role in the development of our employees and our business. Bravida has a Group management programme in place to strengthen the leadership skills of our managers and leaders. This programme also encourages networking and the transfer of experience that strengthens our collective capabilities and corporate culture.

THE BRAVIDA SCHOOL MAKES US BEST IN CLASS

The Bravida School, our in-house training organisation, plays a pivotal role in ensuring Bravida is at the forefront of the industry both in terms of working methods and technical solutions. The school creates an attractive range of courses for all groups of professions. Much of the programme consists of courses developed especially for Bravida, such as on leadership, entrepreneurship, and health and safety. But we also make use of external training, particularly for the certification of fitters and technicians.

WE CREATE GREAT RESULTS, TOGETHER

We have focused on our brand as an employer to strengthen our corporate culture and clarify what it means to be employed at Bravida. A number of our fitters, technicians and office-based staff across the Nordic region have contributed to this work. Under the motto 'We create great results, together' these employees' contributions have created a clear and attractive image of what it means to be a Bravida employee.

Improvements in 2017

Bravida is an attractive employer

Bravida is strengthening its employer brand and is continuing to rise up the Universum list of Sweden's best employers for office-based staff. In 2017 we were ranked 9th (12th).

Manager and leader development

An analysis of the duties and workload of Bravida's managers provides further insight into how we can create good working conditions together.

The Bravida School is growing

The number and range of courses is increasing. There is a particular focus on the service side of the business, with the launch of a service manager course. We are also strengthening our office-based staff with a new course on efficiency and self leadership.

We are developing our use of e-learning to improve the availability and effectiveness of our courses.

Follow-up

67 Employee motivation index 67 (66). Target: > 75, scale 0–100*.

30 'BraIngenjör' graduates received diplomas from our trainee programme.

1,354 apprentices worked at Bravida during the year.

*Bravida's employee survey is conducted every other year, and most recently in 2016.

#METOO

Bravida has zero tolerance of all forms of harassment and discrimination, but the #metoo movement of last autumn shows there is still lots to do in all industries. Bravida's leaders and managers have particular responsibility within the company, both in terms of setting an example and in terms of how they act.

#ME TOO

Our employer brand

Under the motto 'We create great results, together', employees' contributions have created a clear and attractive image of what it means to be a Bravida employee.



WE CREATE GREAT RESULTS, TOGETHER



Career opportunities

Bravida employees can choose from numerous career paths, as a specialist, a project or service manager or other form of manager. We try to fill management positions internally, which creates opportunities, stability and continuity in the organisation.



The Bravida School

Our in-house training organisation, the Bravida School, offers a range of courses based on the needs of the business. During the year we introduced a new service manager course with a significant focus on entrepreneurship and customer relations.

SUSTAINABILITY

A CORPORATE CULTURE THAT EVERYONE CONTRIBUTES TO

A fundamental aspect of Bravida's corporate culture is that we grow and learn from each other – we keep our commitments, we follow up and we constantly improve. We call it the Bravida Way. Together with Bravida's code of conduct and our core values, this forms the basis for how we act and how we develop in the future.

The code of conduct contains the ethical values that we believe should apply in our business on issues regarding human rights, labour relations, customers and quality management, the environment and sustainability, leadership and business ethics. Using practical examples concerning areas such as entertainment, gifts and events, it provides specific guidance about how we are expected to behave and act from day to day.

If anyone feels that we are not adhering to our values, suspects that something isn't right or if someone feels they have been wrongly treated, Bravida has a whistleblower function to report such issues anonymously.

To further increase understanding and widen the dialogue about business ethics we will educate our administrative personnel more in-depth during 2018.

A WELCOMING AND RESPECTFUL WORKPLACE

Bravida should be a workplace that welcomes and respects all employees. By promoting gender equality and diversity, we make the most of employees' differences, skills and experience. The Group maintains policies and plans for equal rights and opportunities, with measures and objectives designed to increase gender equality and diversity. We are working with employer organisations and training boards to increase the proportion of women in the industry.

Bravida has zero tolerance of all forms of harassment and discrimination. If there are suspicions or comes to our knowledge that harassment occurs, action should be taken swiftly in accordance with our anti-harassment action plan. Last autumn's #metoo movement shows there is still much to do throughout the society. Leaders and managers at Bravida have particular responsibility, both in terms of setting an example and in terms of taking action if anyone feels discriminated against. The HR department can provide further advice and support where necessary.

Our HR processes are structured in accordance with legislation and collective agreements to ensure that we live up to society requirements and our own code of conduct, not least in issues concerning human rights, the working environment and labour law. Internal audits, independent inspections and our employee survey help us to further follow up our compliance.

EMPLOYEE MOTIVATION INDEX

67 Bravida's target is 75.

NUMBER OF EMPLOYEES, AVERAGE	2016	2017
Total in Group	9,730	10,643
Of whom women	627	710
Sweden	5,399	5,626
Norway	2,349	2,718
Denmark	1,602	1,803
Finland	380	496

AGE STRUCTURE, %	2016	2017
Over 60 years	7.2	7.2
51–60 years	19.6	19.7
41–50 years	22.4	20.8
31–40 years	20.5	21.7
21–30 years	25.3	25.6
Under 20 years	5.0	4.8



Business ethics

Business ethics at Bravida



About Bravida's code of conduct

Bravida has shared values that create the corporate culture that brings us together and provides us with guidelines about what is right and wrong. We want our corporate culture to reflect or exceed the expectations of the society in which we live.

The basis for Bravida's ethical values is provided by our code of conduct. It lays the foundations for how we behave and act day to day. The code of conduct covers important issues such as gender equality and diversity, our view on health and safety and business ethics issues.

Our aim is for everyone at Bravida to be familiar with the code of conduct and comply with it. All new employees are required to read the code. It is also regularly discussed in internal information, training courses and meetings. It should be easy to both want to and be able to comply with Bravida's code of conduct.

We have to question our values

"Values need to be kept up to date. What is considered right or wrong varies over time and as a result of public response. Something that was accepted 10 years ago may now be deemed unacceptable. So we have to constantly question our values. The code of conduct should be a dynamic document that always reflects our values and how we behave. We have to constantly support the organisation in keeping the code relevant and up to date," says Magnus Liljefors, Chief Legal Officer at Bravida.

For a business with a decentralised organisation, as with Bravida, it is especially important for the organisation to discuss business ethics issues. This may relate to matters such as what a bribe is, how we organise a Christmas party or how sponsorship should be managed. It is important that we have a common understanding of these issues and an insight into the importance of following our

values. Anyone lacking an ethical compass and does not take on our code of conduct and rules may not only be exposing themselves but also all of Bravida to significant risks. Violation of the legislation can lead to severe penalties, fines and imprisonment, not to mention the deteriorating reputation that can affect Bravida.

"That's why we're proactive in constantly reminding employees and explaining our values. Our leaders set an important example. We establish our values with managers through regular training and discussions. But we're also reactive, through monitoring and internal controls to ensure that no one disregards our code of conduct, knowingly or unknowingly," says Magnus Liljefors.

"Training is not restricted to managers. All administrative staff involved with accounting and invoicing at departmental level gets trained. Through education we create an interest and a greater understanding of business ethics issues. As a result, we can proactively conduct a dialogue on values while improving the follow-up and tightening control further" adds Magnus Liljefors.

Values need to be kept up to date. What is considered right or wrong varies over time and as a result of public response.



Magnus Liljefors, Chief Legal Officer at Bravida

Work environment, health and safety

At Bravida our vision is to eliminate occupational injuries entirely. That includes both mental and physical health. Every employee should be healthy at the end of each day – and at the beginning of the next one. That is why we have systematic health and safety measures in place.

Bravida operates in an industry with significant health and safety challenges. Numerous operators, high-risk environments and tasks, a fast pace and a culture that doesn't always encourage a safety mindset are just a few of them. Yet we know that good health and safety generates productivity, quality and wellbeing, as well as making a positive contribution to our performance. We have resources and systems in place to promote health and prevent injuries, and we are continually working to improve efforts, including by planning work to ensure safety and good organisation. Everyone at Bravida has a collective responsibility to contribute to a pleasant and safe work environment.

SICKNESS ABSENCE AND OCCUPATIONAL INJURY RATE

Sickness absence declined in 2017 from 5.4 percent to 5.1 percent. Contributing factors to the lower level of sickness absence include the 'God bättring' initiative, which involved contact and support at an early stage for employees in Norway who are unwell, as well as the Finnish collective occupational healthcare initiative. We are continually working to understand the reasons behind sickness absence and to identify what needs to be done to improve employee health in the short and long term. Bravida's goal is to get sickness absence down to under 4 percent. Monitoring, discussions with employees

on sick leave and rehabilitation will continue to be important aspects of this work going forward.

The rate of occupational injuries has remained at the same level since 2015. The number of occupational injuries that lead to at least one day of sickness absence amounts to 11 per million working hours. Bravida's vision is to eliminate instances of occupational injury entirely, with an initial goal of getting the rate of accidents under 7 per million working hours. We work with integrated operational processes which include instructions for work environment, electrical safety and road safety. Achieving our goal requires regular leadership training and compliance with our shared procedures. We also need to highlight risks and risk areas. Our groupwide incident and risk management system, BIA, allows Bravida employees to easily report incidents, accidents, occupational injuries and preventive activities via a mobile app. Data from the system forms the basis for qualitative analyses, which in turn help us identify focus areas and come up with more targeted measures. Falls and electrical accidents are the most serious occupational injuries, which means we prioritise efforts to prevent and avoid such incidents.

WE SHARE THE SAME WORK ENVIRONMENT

Many high-risk situations and accidents are related to the fact that multiple contractors are operating in the same workplace. Bravida needs to improve within the area of health and safety, but we cannot achieve our vision of eliminating occupational injuries entirely on our own. We need to work together with everyone involved in the various phases of a construction project, including contractors and developers. That's why Bravida has chosen to become a founding member of the organisation 'Samverkan för noll olyckor i byggbranschen' (joint action for zero accidents in the construction industry) and the 'Håll Nollan' initiative. Bravida's President and CEO Mattias Johansson is a member of the organisation's Board. Bravida employees are members of working groups for some of the organisation's priority issues, including how to ensure the correct health and safety expertise for each operator and role, and the development of requirements specifications in the tendering and procurement process.

Improvements in 2017

Group Health and Safety Week

September 2017 saw Bravida's first groupwide Health and Safety Week. The focus was on common types of accident, Bravida's safety regulations and psychosocial work environments. One effect of the week was that it encouraged a greater number of reports of incidents using the BIA system.

Initiative to eliminate accidents

Bravida is a co-founder of the organisation 'Samverkan för noll olyckor i byggbranschen', which aims to eliminate accidents in construction work environments. The organisation covers the entire Swedish construction industry and works to ensure that no-one suffers an injury in the workplace.

Health promotion in Denmark

The 'KRAM' health survey, which focuses on diet, smoking, alcohol and fitness, gives employees and management in Denmark a health rating and suggestions on what action they can take to improve their health and wellbeing.

Follow-up

OCCUPATIONAL INJURIES, RATE*	2016	2017
Sweden	9.5	9.5
Norway	7.6	3.0
Denmark	17.6	19.0
Finland	41.3	33.8
Group	11.0	11.0

*Occupational injuries that lead to at least one day of sickness absence per million working hours.

SICKNESS ABSENCE*, %	2016	2017
Sweden	5.1	4.7
Norway	6.5	5.8
Denmark	4.1	4.8
Finland	6.7	4.5
Group	5.4	5.1

*Total hours of sickness absence in relation to planned working hours.

Health and Safety Week

Bravida in Nordic health and safety initiative



Nordic Health and Safety Week strengthens safety culture

In September 2017, Bravida held its first Health and Safety Week, which involved the entire Group. During the week, there was a particular focus on efforts to improve health and safety, and the work environment. Thousands of employees took part and hundreds of activities were carried out, including extra safety inspections, workplace visits, training, talks and health surveys.

"Everyone at Bravida has a collective responsibility to contribute to a pleasant and safe workplace. That's why it's important that everyone gets involved – fitters, technicians, managers and other office-based staff. Health and Safety Week gives us a great opportunity to shine a light on this issue and the fact that health and safety is one of our most important areas, something we need to work on every day, all year round," says Anna Bergström, Health and Safety Manager, Bravida Sweden.

"During the week there was an increase in the use of Bravida's groupwide incident reporting system, BIA. It was primarily the number of risk observations that increased, which enables us to take a preventive approach."

Bravida's Health and Safety Week will be an annual event that will help reinforce our safety culture in the short and long term.

Everyone at Bravida has a collective responsibility to contribute to a pleasant and safe workplace.

Image: Bravida Drammen on a safety inspection at Orkla's new headquarters, Orkla City, during Health & Safety Week 2017.

Working methods

Bravida aims to contribute to sustainable production using efficient working methods and tools. We always work based on a structured process in our projects and assignments. This creates customer value and profitability, and builds the foundations for a good working environment.

GOOD ORGANISATION ENSURES EFFICIENT USE OF RESOURCES

We always aim to simplify the way we work and be more efficient. Clear planning and well-structured work processes allow us to achieve a high and consistent level of quality in our deliveries. Good organisation means efficient resource usage for customers, society and ourselves. It also promotes a good and safe working environment where our employees thrive and can do a good job.

GROUP SYSTEMS LAY FOUNDATIONS

Bravida has a groupwide business management system known as BravidaBas. The system is ISO 9001/14001-certified and guarantees that aspects such as quality, environment and health and safety are integrated into our customer projects and assignments, as well as in management of the company at all levels.

The Group also has shared systems for finance, HR, purchasing and administration. These systems support the operations of our branches and facilitate cooperation between different units.

DEVELOPING OUR WORKING METHODS

Over the past few years, extensive productivity programmes have helped develop our employees, our shared working methods and our tools. We are now building on this work by realising the full potential of the programmes throughout the entire business.

This will include training, follow-up and support in various forms. In purchasing, the focus is on increased use of Bravida's purchasing platform and central contracts, along-

side reducing the number of collection orders. In service operations, we are boosting customer value via service contracts, organisation and the strengthening of expertise, which simplifies customer contact and the transfer from emergency call-outs to planned service.

So far we have seen results in the form of more signed service contracts and opportunities for new recruitment. For our customers this means lower operating costs and fewer outages. In short, a more efficient use of resources and less environmental impact.

Improvements in 2017

Purchasing and service initiatives improve shared working methods

Our established improvement initiatives continue to strengthen the expertise of our employees and branches and their use of shared working methods.

New ISO versions boost quality and environmental efforts

Work began during the year to gain certification according to the new versions of the ISO standards for Quality and Environment from 2015. The focus has been on how we manage and include stakeholder requirements, life-cycle perspective, risks and opportunities. Sweden is the first to complete the transition of the countries in which Bravida operates.

Improved digital support

Several improvements have been made to streamline the service process for service technicians in the field and in the office. One such improvement is that more order details are being automatically transferred between work order and business systems, cutting administration for order management and invoicing.

Follow-up

62% of the service branches have completed training as part of the programme for improved working methods for service operations.

130 suggestions for improvements were received via our internal case management systems and were reviewed at Group level during the year.



Bravida in Finland

Improved working methods

When Bravida was established in Finland, extensive efforts were initiated to integrate the business into the Group's shared systems and working methods. All regions in Finland have now received training in our basic systems and tools.

The implementation of our improvement initiatives is conducted according to the same models that have proved successful in the other countries. Firstly, a pilot is carried out to adapt the content of the training to local needs and conditions. Then management receives training and subsequently the rest of the organisation. This way they can assist

with implementation and both trainers and participants can receive support from their line manager. But the training itself is just the first step. It is followed by monitoring, development and in-depth training out in the regions. The objective is for productivity to continue to improve and for the business to be developed and grow within both service and installation.

Purchasing and suppliers

Bravida's purchases of materials, components and services constitute an important part of our customer offering. Bravida supports the purchasing activities of its local branches and develops cooperation with suppliers, wholesalers and subcontractors.

Purchasing in the installation and service industry is highly complex. There is a wide range of materials and components from various suppliers that have to be selected for each individual project and assignment. In 2017, Bravida's total purchasing amounted to SEK 9,5 billion.

GROUP PURCHASING PROVIDES STRENGTH

The purchasing expertise and skills of the branches are crucial to ensure customers receive good end-products and to support the profitability of our projects and assignments. To support this work, Bravida has purchasing coordinators and groupwide buyer portal, which includes systems and tools for procurement. The Bravis groupwide purchasing platform and coordination of branches' purchasing help us create larger order volumes and achieve lower prices and efficiency benefits. The purchasing platform increases transparency and facilitates quality assurance and sustainable selection of suppliers, services and products. Bravida has also developed a standardised range of products, known as the Bravida Assortment, used by all our branches. The range is an important part of our purchasing and our customer offering.

CODE OF CONDUCT FOR SUPPLIERS

We place the same requirements on our business partners as we place on ourselves. Our code of conduct for suppliers focuses on the values and approaches that we believe should apply to issues such as human rights, employment conditions, product responsibility, environmental impact, health and safety and business ethics. Our goal is to establish a dynamic

supplier register in which key suppliers and subcontractors are regularly rated. So far, 41 percent of our key suppliers and subcontractors in Sweden have committed to follow our code of conduct. Planning is under way to launch similar working methods throughout the rest of the Nordic region.

TOOLS TO REDUCE SUPPLIER RISKS

The substantial number of suppliers we use presents a challenge when it comes to ensuring compliance with Bravida's requirements. The supplier portal and tools for supplier assessment are our most important instrument in this respect. In a supplier assessment, suppliers and subcontractors carry out a self-assessment which indicates how well they satisfy requirements within the areas covered by the code of conduct. To further reduce the risks and increase efficiency, purchasing is largely focused on established operators on the Nordic market. In cases where Bravida imports items, the supplier assessment is conducted centrally. The area that is most difficult to monitor is local subcontractors. Although the risks are primarily local, it underlines the importance of continual training, follow-up and support to ensure our tools and working methods are used.

PARTNERSHIPS FUEL DEVELOPMENT

Bravida's partnerships with selected suppliers create the conditions for pursuing development and finding better solutions. Through closer partnerships we aim to improve our control of purchasing and promote those processes that lead to efficient purchases, less transportation and a reduced carbon footprint.

INTEGRATION OF ACQUIRED COMPANIES

When Bravida acquires companies they gain access to our purchasing platform, including contracts, systems and product assortment. This enables the company to reduce its purchasing costs while maintaining or increasing quality.

Improvements in 2017

Coordinated purchasing

Over the year, Bravida continued to strength its purchasing organisation by appointing more purchasing coordinators, who support the purchasing work of local branches. This is leading to larger purchasing volumes, fewer suppliers and lower costs.

Imports

We are becoming increasingly better at carrying out quality-assured international purchasing to improve our competitiveness and our customer offering.

Best purchasing

Our 'Best Purchasing' programme aimed at developing the company's purchasing had an even greater impact in 2017. When our working methods are improved, the organisation is able to benefit more from Bravida's size and purchasing power, while ensuring high-quality and sustainable purchasing.

Follow-up

94% of branches have undergone Best Purchasing training.

41% of key suppliers in Sweden have so far carried out a self-assessment on sustainability using our supplier assessment tool*.

59% of products sold are included in our own recommended range, known as the Bravida Assortment.

-0.4% reduction in the number of orders requiring collection (visits to wholesalers).

*As of 2017, the calculation only includes suppliers who have submitted comprehensive responses to the self-assessment.

Energy and resource usage

Every day, Bravida's employees provide installation and service of new, energy-efficient technology in our customers' properties and facilities. Our aim is to be an industry leader on energy and the environment. This imposes high standards for our customer offering and our efforts regarding our own environmental impact.

WE CAN MAKE A DIFFERENCE

We endeavour to strengthen our expertise and increase customers' awareness of how we can create energy- and resource-efficient solutions. Bravida has significant opportunities in its service business to optimise customers' properties and facilities in terms of energy efficiency.

Training strengthens the involvement and capabilities of our service managers and fitters. The aim is to provide more tools to enable them to proactively identify, suggest and carry out improvement measures at customers' properties. Important areas include energy audits, energy-efficient pumps and HVAC, as well as continuing the transition to LED lighting and increased lighting control.

REDUCED ENVIRONMENTAL IMPACT IN OUR INSTALLATIONS

The construction and installation industry has various systems that assess the energy consumption and environmental impact of the products we install, such as 'BASTA', 'SundaHus' and 'BVB'. There are also a number of certification systems for buildings that impose requirements regarding traceability and checks on the products and materials being installed. BREEAM, LEED, Nordic Ecolabel, Sweden

Green Building and EU Green Building are just a few examples. Choosing environmentally evaluated products enables greater control of energy and environmental performance. Bravida works with suppliers and assessment systems to make it easier to access information about environmentally evaluated products. This facilitates the choice of energy-efficient and environmentally superior installations.

OUR OWN ENVIRONMENTAL IMPACT

Bravida's own environmental impact comes from travel, transportation and waste. The Group has over 6,000 leased vehicles, which creates both dependency on fossil fuels and carbon emissions. Our most important goal in this area is therefore to reduce fuel-related CO₂ emissions per kilometre by a minimum of 3 percent annually. Measures range from central to individual level, and include reducing mileage, modifying or replacing vehicles and fuel-efficient driving. Carbon dioxide emissions* from domestic transportation in Sweden, Norway and Denmark in 2017 totalled 20,989 tonnes and average emissions per vehicle were 188g CO₂/km. In 2016, the corresponding figures were 18,589 tonnes and 181g CO₂/km, which means carbon dioxide emissions per km from Bravida's vehicle fleet have risen by 3.9 percent and we are not achieving our target. As regards the Swedish vehicle fleet, it is being modernised and made more efficient. Manufacturers' stated emissions have declined from 162g CO₂/km to 155g CO₂/km, however the reduction is not reflected in actual emissions. In order to work more consistently with the vehicle issue and improve at monitoring the emissions trend, two fleet managers have been appointed within the Group.

At Bravida we conduct operations in accordance with national laws, requirements and regulations. Our management system and our groupwide working methods are designed to reduce the risk of pollution or other detriment to human health or the environment. Bravida's operations are not subject to notification or licence requirements for environmentally hazardous activities.

Improvements in 2017

Electric vehicles

The pilot study involving electrically powered service vehicles in Sweden and Norway is continuing. To date the feasibility of using electric vehicles has been limited by factors such as uncertainty regarding the actual range and charging opportunities, as well as the fact that the vehicles cannot be fitted with a tow bar. Hopefully the next generation of electric vehicles will reduce some of these challenges.

Bravida builds charging infrastructure

Norway has the largest fleet of electric vehicles per capita in the world,

which demands a developed and well-functioning charging infrastructure. Bravida Norway has adopted a leading position within installation and service of charging stations and charging points, and conducts preventive annual maintenance checks on more than 1,000 chargers.

Ongoing research collaboration with KTH Royal Institute of Technology

The research project relating to heat recovery in apartment blocks and adaptation of radiators is progressing, and the project attracted some attention in the Swedish industry press during the year.

Follow-up

3.9% increase in CO₂ emissions/km* from Bravida's vehicle fleet in Sweden.

20,989 tonnes – total carbon dioxide emissions from Bravida's own transport*.

*Carbon dioxide emissions calculated under Greenhouse Gas Protocol Scope 1. Actual emissions are lower than those reported as emissions factors for fuel under the European standard excluding biofuel blends were used. In practice, a significant percentage of fuel includes a small amount of bioethanol/biodiesel, which produces lower carbon dioxide emissions. Bravida has chosen this reporting method to make it easier to see our own impact on carbon dioxide emissions over time. Emissions calculations have been made for operations in Denmark, Norway and Sweden. There is no comparative data for Finland. The data collection system is currently being established and is expected to be in place this year.

Energy

Energy efficiency strengthens Induflex

Plastics manufacturer Induflex has been working with Bravida to implement significant energy savings.

Induflex in Denmark is endeavouring to upgrade its production and make it more environmentally sustainable. The company has carried out several energy efficiency projects in collaboration with Bravida Denmark. At Induflex's factory in Støvring near Ålborg, Service Manager Poul Bjerre Jensen from Bravida's gas branch and Bravida's energy consult-

ants have proposed and implemented energy optimisation measures on the technical installations. Together they have conducted a comprehensive review of the ventilation and heating system and replaced outdated solutions with modern and more energy-efficient technology. The installations have beneficial pay-back periods and have so far resulted in annual energy savings of 272,200 kWh, a reduced carbon footprint and a better work environment for the company's employees.

"We have achieved savings on a number of levels. First and foremost we are making

the desired savings for the investments we have carried out. Furthermore, the energy efficiency project means substantial production and work environment benefits for us. The new ventilation system uses plate heat exchangers on the ceiling, allowing us to harness surplus heat while solving the problem of downtimes in production," says Induflex CEO, Rico Larsen.

Development of society

Bravida wants to be the best in the Nordic region for sustainable installation and service. This means we are also contributing towards developing society both today and for the future.

Bravida's aim is to create a long-term healthy return for its shareholders by operating our business in a way that is profitable, responsible and transparent. We want to offer our staff secure employment and to develop our business, and make a positive contribution to the rest of society.

HOW WE CREATE ADDED VALUE FOR OUR STAKEHOLDERS

Society

Bravida contributes to the development of society by paying taxes and other public fees, as well as through our employees paying income tax. Bravida has a transfer pricing policy that clearly sets out the rules for financial transfers between the Group's companies. We comply with national tax legislation in all countries in which we operate and we pay the requisite tax on our earnings in each country.

Employees

Bravida employs just over 10,600 people in four countries. With businesses in around 150 locations throughout the Nordic region, we are a significant local employer. We provide professional development for employees and offer a range of career opportunities, as well as investing in health and safety and job satisfaction

Suppliers and business partners

We purchase materials, products and services from both large and small suppliers. Our branches purchase significant



amounts of services, creating job opportunities and generating new business opportunities in the locations where they operate. We look to sign long-term cooperation agreements that give our suppliers and partners the opportunity to develop their businesses over the long term.

Shareholders and debtors

Bravida pays a dividend to its shareholders. We endeavour to increase shareholder value by operating a business that has long-term profitability. We ensure our position as a reliable debtor by meeting our payment obligations.



In September 2017, four Bravida employees travelled to India to find out about and follow up how WaterAid works in some of the most deprived areas around the city of Hyderabad.

For the past few years, Bravida has been working with the global organisation WaterAid. We install vital functions across the Nordic region. Access to clean water is a human right. This access is taken for granted in places like the Nordic region, but that's not the case everywhere in the world.

That's why we work with WaterAid, which provides training and support for people and communities in some of the most vulnerable parts of the world. Supporting their work means we are also contributing to vital functions in society in countries where we do not operate.

Apprentices



BRAVIDA INVESTS IN APPRENTICES

The installation and service industry must be able to attract young employees and train apprentices in all areas of technology in order to continue to grow.

By giving young people the opportunity to gain their first experience of professional life, Bravida is contributing towards their development, while future-proofing our own expertise.

In 2017, 1,354 apprentices were given the opportunity work at Bravida in the Nordic region.

153 new apprentices in Norway

In the autumn, 153 new apprentices joined Bravida Norway within electricity, heating & plumbing and HVAC. During their first working week, the apprentices received training in areas such as safety. Each apprentice was also given their own tools and protective equipment.

Ajab Gul Shinwari from Trondheim was given the opportunity to work as an apprentice in autumn 2017. As an apprentice electrician, Ajab has to pass three tests in electricity, electronics and automation before he can be an approved and fully certified professional.

"Bravida works within all three areas, and I get excellent training in all of them. I will get to do lots of different things and will also have the chance to do two of the three tests that I need to pass to gain certifica-

tion," said Ajab before starting as an apprentice. Ajab has also tried out working at Bravida on a previous occasion for a brief period. Deciding which company to apply for an apprenticeship at was easy. "As an apprentice, I think it's important to get good training, and that also requires a good work environment. That's why I applied to Bravida."

An increasing number of customers value and require Bravida to offer apprenticeships. On a visit to the apprentices during

their first week, Tore Bakke, Head of Division in Norway, commented: "By offering apprenticeships we guarantee quality in their professional training while also ensuring we have access to the skills we need. The idea is to offer employment to those apprentices that pass their tests."

Tore also believes there should be tougher requirements on all operators in the industry to recruit and introduce more apprentices, as they are the future of the industry.

I think it's important to get good training, and that also requires a good work environment.