

SUSTAINABILITY REPORT 2017

As a global provider of security solutions within Cash Management, Entrance Security, Safes & Vaults and Electronic Security the Gunnebo Group is engaged in sustainability. The Group manages its sustainability impact based on seven targets focusing on energy and climate, waste management, environmental management, compliance with the Code of Conduct in the supply chain, and health and safety.

The Group's work with sustainability is based on the Code of Conduct that supports sustainable activities across the value chain. The Code of Conduct's ethical guidelines are complementary to clear leadership, which aim to provide the Group's employees with the tools needed to manage the broad spectrum of opportunities and risks faced by a global business.

SUSTAINABILITY MANAGEMENT

In 2016, Gunnebo established seven non-financial targets, with 2016 as the base year. Prior to this, Gunnebo's management team had conducted an evaluation of sustainability aspects of the Group's overall operations to identify material aspects. The targets are based on this assessment and represent areas where Gunnebo has the greatest impact on society, the environment and employees, and what has the greatest influence on Gunnebo's results. The focus is on energy and climate, waste management, environmental management, compliance with the Code of Conduct in the supply chain, and health and safety.

The Group's sustainability reporting runs parallel with other reporting, and includes manufacturing units and major sales units alike. Energy consumption and waste recycling are among the parameters reported on a quarterly basis as well as accidents and status on suppliers' compliance with the Code of Conduct. The reporting procedures enable transparent, trustworthy documentation of Gunnebo's sustainability impact and form the basis of target follow-up.

The management of sustainability risks is an integral part of the Group's risk management process. Read more about the Group's Risk Management on page 40–41.

CODE OF CONDUCT

Gunnebo's Code of Conduct give employees clear guidelines, defining how they should act in an ethical manner in their jobs. The Code provides employees with clear guidelines on

ENVIRONMENTAL TARGETS

Energy & Climate

Reduce the use of electricity at manufacturing and major sales units by 8% from 2016 to 2020.

Outcome in 2017: Total electricity consumption 19,956 MWh (21,047), a decrease of 5.2%.



Reduce CO₂ emissions from production sites and sales units by 15% from 2016 to 2020.

Outcome in 2017: Total CO₂ emissions 21,744 tonnes CO₂ (22,401), a decrease of 2.9%.



Reduce CO₂ emissions from own fleet by 20% on average from 2016 to 2020.

Outcome in 2017: Average CO₂ 116.8 g/km (123), a decrease of 5%.



Waste

Increase recycling of non-hazardous waste in production by 8% from 2016 to 2020.

Outcome in 2017: 95.5% (97.5) of all non-hazardous waste was recycled. The total amount of non-hazardous waste decreased by 18%, the proportion of non-hazardous waste recycled decreased. Total amount recycled 2017 was 5,426 tonnes (6,769).

Environmental Management Systems

All manufacturing units ISO 14001 certified.

Outcome in 2017: At the end of 2017, nine out of ten sites had been certified, i.e. 90% (82).



SUPPLY CHAIN TARGETS

As a global organisation, Gunnebo's goal is to ensure that all major suppliers comply with the Group's Code of Conduct.

Outcome in 2017: Gunnebo has a system for self-assessments to ensure compliance with the Code of Conduct. For suppliers compliance with the Code is ensured through development activities and required self-assessments. If not possible, suppliers have been phased out. At the end of 2017, 85% of Gunnebo's suppliers comply with the Code of Conduct.



HEALTH AND SAFETY TARGETS

Gunnebo's goal is to create healthy, suitable working environments where employees can develop their full potential. In its work for a safe working environment, the aim is for all major manufacturing units to structure their health and safety work in line with OHSAS 18001.

Outcome in 2017: At the end of 2017, five out of seven of Gunnebo's major manufacturing units were certified to OHSAS 18001, 70% (70).



how to act professionally in their interactions with all of the Group's stakeholders. Gunnebo's Code of Conduct is based on:

- UN Declaration of Human Rights
- UN Global Compact
- ILO Principles of Rights at Work
- OECD Guidelines for Multinational Enterprises

Employees in the Group take interactive training on the Code of Conduct, where they also learn to manage risks related to corruption and anti-competitive practices. The training activities are part of the introduction programme for new employees, and help to assure an understanding of Gunnebo's corporate culture. At the end of 2017, 90% of all new employees had taken the training. The Code of Conduct can be found in its entirety at www.gunnebogroup.com.

It is the responsibility of each manager within the Gunnebo organisation to ensure that employees are fully informed about the Group's Code of Conduct and to ensure that it is implemented and followed. Managers should act in such a way that their behaviour is an example of the Code of Conduct in practice.

SUPPLY CHAIN

Gunnebo's suppliers can be found worldwide, and the conditions for their employees and operations vary widely. The Group strives to ensure that all major suppliers adhere to the Code of Conduct, and uses the principles therein among the criteria for selecting new business partners. Compliance is secured with audits and required self-assessments. The Group's largest suppliers are obliged to submit a declaration of compliance with the Code of Conduct. Approximately 80% of Group's spending is covered by 20% of the suppliers.

REPORTING OF VIOLATION

All Gunnebo employees are informed about how to report any conduct that they believe to be a violation of law or of the Gunnebo's Code of Conduct to their immediate manager. If that manager is in any way involved in the situation being reported or has any other form of conflicting interests, the employee reports the situation to the manager's immediate superior. If, for any reason, neither of these reporting channels can be used, the alleged violation may be reported in accordance with Gunnebo's whistle-blowing procedure. There was no reported violation in accordance with the procedure during 2017.

MANUFACTURING UNITS

At the end of 2017, the Group had ten manufacturing units in nine countries worldwide. Based on their activities, seven of the units are considered to be major. Of these, 86% were certified to ISO 9001, all to ISO 14001 and 70% to OHSAS 18001.

REGION EMEA

BALDENHEIM*, France

Factory employees: 80
Production: Entrance Security, Electronic Security
Certification: ISO 14001, ISO 9001, OHSAS 18001

BAZANCOURT*, France

Factory employees: 130
Production: Safes & Vaults
Certification: ISO 14001, ISO 9001, OHSAS 18001

DOETINCHEM*, Netherlands

Factory employees: 256
Production: ATM safes
Certification: ISO 14001, ISO 9001, OHSAS 18001

LAVIS, Italy

Factory employees: 61
Production: Entrance Security
Certification: ISO 14001, ISO 9001

MARKERSDORF*, Germany

Factory employees: 39
Production: Safes & Vaults
Certification: ISO 14001, ISO 9001, OHSAS 18001

BINEFAR, Spain

Factory employees: 82
Production: Cash Management
Certification: ISO 9001

REGION ASIA-PACIFIC

HALOL*, India

Factory employees: 643
Production: Safes & Vaults, ATM safes
Certification: ISO 14001, ISO 9001

JAKARTA*, Indonesia

Factory employees: 313
Production: Safes, Cash Management
Certification: ISO 14001, ISO 9001, OHSAS 18001

KUNSHAN, China

Factory employees: 54
Production: Cash Management, Entrance Security
Certification: ISO 14001, ISO 9001

REGION AMERICAS

CINCINNATI*, USA

Factory employees: 162
Production: Safes & Vaults, Entrance Security, Cash Management
Certification: ISO 14001

*Defined as a major manufacturing unit

STAKEHOLDER DIALOGUE

Gunnebo's stakeholders can be found worldwide. The Group's business develops through open dialogue, with feedback from the market and the expectations and needs of stakeholders. Gunnebo's most important stakeholders are the groups that most greatly influence or are influenced by its business activities – shareholders, customers, employees, suppliers, creditors, and the local community in its immediate vicinity.

During 2017 there have been several customer surveys on the Group's various markets, the results from which lead to continuous improvements.

The results of the employee survey conducted in 2015 have been used to

create an activity plan which has led to improvements in local workplaces. During 2017 Gunnebo launched the second employee survey, to compare the result and observe possible trends.

Relationships with the Group's suppliers are developed through regular communication and cooperation to ensure that the suppliers comply with Gunnebo's Code of Conduct.

The dialogue with shareholders is based on the Annual General Meeting, but also takes place throughout the year in meetings with shareholders, investors and analysts, and lectures at shareholder meetings, with a high level of ambition as regards accessibility.

HUMAN RIGHTS

As a global organisation, it is Gunnebo's ambition to comply with human rights principles in controllable aspects of its business. Gunnebo respects international conventions on human rights, which act as guidance for all of the Group's own operations.

Gunnebo's approach to human rights is stated in the Code of Conduct and stresses that all humans, whatever nationality, gender, ethnic origin, religion, language, or any other status are all equally entitled to human rights without discrimination.

Gunnebo does not tolerate any form of harassment or violence in the workplace, and the

use of forced labour and child labour is strictly prohibited in all company operations. This is important to state, as Group operations are conducted to a certain extent in high-risk countries in terms of child and forced labour.

The human right risk means risk of child labour, forced or compulsory labour but also risk of discrimination, prevention of freedom of association and collective bargaining as well as health and safety issues. Human right risk is not considered to be material for Gunnebo's direct operations, but as the Group does business with suppliers from high risk countries the Group strives to get all major suppliers to comply with the Code

of Conduct. The Group shall not do business with suppliers that do not uphold basic human rights. Working with human rights with regard to suppliers involves training activities and required self-assessments for compliance with the Code of Conduct. At the end of 2017, 90% of all new employees had taken the course in Gunnebo's Code of Conduct with the required 80% pass rate for certification.

ANTI-CORRUPTION

Gunnebo's approach to anticorruption is stated in the Group's Code of Conduct and in the Fraud and Corruption Policy. The Group applies zero tolerance to all cases of bribery

SUSTAINABILITY IMPACT ACROSS THE VALUE CHAIN

Gunnebo's sustainability impact across the value chain derives from both direct and indirect operations. Ability to manage impact starts with R&D activities, followed by purchasing, manufacturing, sales, delivery and installation, service and end of use. The table below summarises the Group's sustainability impact and how that impact is managed.



	R&D	Purchasing	Manufacturing
Description of impact	<p>Research and Development (R&D) is vital to Gunnebo's strategy of profitable growth. Sustainability concerns starts at the conception phase. Gunnebo creates new products, anticipating future needs, without compromising on quality, price or sustainability. The choice of materials can impact the environment and the people who make and use the products. It is important to consider the length of the products' lifecycle, their energy consumption and the disposal of used ones.</p> <p>Product development is an important step that will set in motion industrialisation, where one can control future costs, avoid unnecessary steps and waste.</p>	<p>To build a strong supply chain, Gunnebo chooses to work with the optimal suppliers. The Group invests in win-win relationships to assure the ultimate objective: to serve the needs of end customers and create value for the Group's stakeholders.</p> <p>When Gunnebo selects business partners for the Group, it is important to consider the impact on them and their impact on the environment. Gunnebo supports jobs creation beyond its operations, through building strategic partnerships. It is the Group's responsibility to make sure that business is carried out in accordance with Gunnebo's Code of Conduct throughout the supply chain with regard to environmental care, occupational health, human rights and anti-corruption.</p>	<p>Gunnebo operates ten manufacturing units worldwide with more than 2,000 employees. This workforce provides the input and flexibility the Group needs to meet customers' demands.</p> <p>Gunnebo works continuously at all these sites to reduce the environmental footprint while optimising performance, and maintaining high standards of quality and safe working conditions.</p>
Factors affecting impact	<ul style="list-style-type: none"> • Choice of materials (hazardous and non-hazardous) used in products • Length of product lifecycle • End of use, recycling and disposal • Efficiency in industrialisation 	<ul style="list-style-type: none"> • Economic, social and environmental impact on suppliers • The origin of parts and raw materials • Transportation and GHG emissions • Packaging waste 	<ul style="list-style-type: none"> • Energy consumption • Water consumption • Waste disposal and water discharge • Employment and working conditions
Tools to manage impact	<ul style="list-style-type: none"> • Proportion of different materials in products • Procedures to control the use of hazardous materials • Product certification • Industrialisation procedure 	<ul style="list-style-type: none"> • Group purchasing strategy • Supplier assessment • Code of Conduct • Local supplier policy • Development of suppliers 	<ul style="list-style-type: none"> • Environment and safety management system (ISO 14001 & OHSAS 18001) • Code of Conduct • Group non-financial targets

and corruption. No employee of Gunnebo shall seek or accept any gift or personal favour that might reasonably be believed to have an influence on business transactions. Gifts that do not meet the above criteria should be reported to management. The negative impact of corruption affects both Gunnebo and its stakeholders. Business not conducted in an ethical manner might lead to imprisonment and financial penalties and affects both partners and their employees by unfair and uncontrolled terms, as well as Gunnebo by damage reputation and deteriorated result.

The corruption risk arises in both sales and purchasing situations. As the Group also does

business with partners from high-risk countries regarding corruption the Group strives to get all major suppliers to comply with the Group's Code of Conduct. As from 2018 all partners will be encouraged to comply with the Group's Code of Conduct.

TRAINING IN ETHICAL BUSINESS

From 2016 it was made compulsory for all employees to participate in two courses: one covering Gunnebo's Code of Conduct and the other dealing with corruption. These training sessions are now integrated into the Group's introduction process for new recruits and play an important role in communicating a key

facet of what it means to work for Gunnebo.

To ensure coverage across the whole Group, courses are available as both online and in-class training. The option to offer physical classes is important as a sizeable number of Gunnebo's employees are factory-based and do not have access to the Internet. At the end of 2017, 90% of all new employees had taken the course in anti-corruption with the required 80% pass rate for certification.



Sales

Gunnebo's work with sustainability is largely customer-driven. By providing high-quality security products, services and solutions, the Group aims to create value and build a safer future for customers around the world.

Split across three regions, Gunnebo has sales companies in 28 countries. The Group also has a channel partner network, giving it access to 100 additional markets.

Gunnebo focuses its customer offering on four major product areas addressing five major customer segments. Local knowledge in each market combined with a global presence allows Gunnebo to deliver to businesses of all sizes, helping them to create a safer world for their customers, their employees and society as a whole.

Throughout the sales process, regardless of channel, Gunnebo works to counter corruption.

- Financial performance of sales
- Employment and working conditions
- Product offering delivering sustainable solutions

- Group sales and marketing strategy
- Customer survey
- Code of Conduct
- Environment and safety management system (ISO 14001 & OHSAS 18001)



Delivery and Installation

In terms of logistics footprint, Gunnebo's manufacturing units are located in all three regions. A centralised logistics strategy is in place in Europe with a central warehouse based in the Netherlands. Its function is to deliver a high standard of service while taking into account cost and environmental impact. The Group also builds partnerships with selected logistics companies to optimise the transportation of products.

Once delivered, products are installed by either Gunnebo's own employees or sub-contractors. The Group works continuously to maintain high standards of quality and safe working conditions throughout the installation process.

- Transportation & GHG emissions
- Economic, social and environmental impact on transporters and sub-contractors
- Employment and working conditions
- Packaging waste

- Group logistics strategy
- Transportation optimisation
- Transporter and sub-contractor assessment
- Code of Conduct
- Environment and safety management system (ISO 14001 & OHSAS 18001)



Service and End of Use

Management of the complete lifecycle is important for Gunnebo. Gunnebo's products are meant to last and the Group's competitive advantage is based on total cost of ownership. It is the Group's ambition to ensure that all clients receive good service throughout the entire lifecycle of a product. Gunnebo offers services which are tailor-made to customer needs.

Gunnebo can also be a preferred partner when it comes to finding a replacement for outdated materials and identifying recycling and disposal options.

- Economic performance in service sales
- End of use, recycling and disposal
- Electronic and metallic waste
- Technicians' transportation and GHG emissions

- Group after-sales and service strategy
- Portfolio of offering for service, replacement and disposal of products
- Route-planning for technicians

ENVIRONMENT

The activities of the Group should always be carried out with consideration for the environment. Environmental impact under the Group's direct control, is to be minimised in the day-to-day operation, and resources are to be used sparingly and efficiently. Environmental impacts primarily take place in production processes through material and energy consumption, emissions to air and water, or the creation of noise and waste. To restrict the environmental impact of production, the Group is aiming to have all of its manufacturing units certified in accordance with ISO 14001. Risk analyses are carried out in connection with such certification and through chemical analyses during, for example, REACH work (Registration, Evaluation, Authorisation and restriction of Chemicals). These risk analyses provide good information about the various risks at the manufacturing units and relevant action programmes can then be implemented.

Responsibilities for environmental care are shared throughout the Group – every employee is responsible for thinking of the world around them and has an important role to play in the Group's environmental work.

A lifecycle perspective has long been used in the Group's product development procedures. Efforts are made in areas such as reducing a product's energy consumption and simplifying source separation when a product can no longer be used.

Gunnebo has identified the areas where its environmental impact is greatest. The Group works with regularly updated information to make sure its environmental management remains relevant. This ensures that challenging, business oriented goals for improving the Group's environmental performance are set.

The Group has identified the following areas as having the greatest environmental impact: the use of electricity at manufacturing units and large sales units, carbon dioxide emissions from manufacturing and sales units as well as

from its own fleet of vehicles, and the recycling of non-hazardous waste in production. In 2016, new goals were set for all of these areas, while reporting procedures were improved and quality assured.

ENVIRONMENTAL MANAGEMENT SYSTEMS

Nine of Gunnebo's ten manufacturing units have implemented environmental management systems compliant with the ISO 14001 standard. This ensures an active, business oriented approach to environmental issues. The management systems identify and update environmental aspects on a regular basis. Within the management systems, programmes are established in order to meet targets on both Group and local level. The systems also include procedures for internal audits and the handling of non-conformities. Inspections are performed regularly by external certification bodies. During 2018 all manufacturing units will be certified to the ISO 14001-standard.

HAMILTON MAKES GREAT STRIDES WITH ENVIRONMENTAL AUDIT

Hamilton Safes is a major supplier of physical security products to banks and government authorities in the US and has been part of the Gunnebo Group since 2015.

In 2017, the Cincinnati-based company built on the progress it made in 2016 when its manufacturing units were awarded the ISO 14001 certification for environmental management systems. After having been assessed as part of the Group's audit programme, Hamilton's plants in Mason and Amelia registered much improved scores. Both factories originally underwent audits in 2013 and attained 57 points – a score which jumped to over 90 in 2017. These results render the effort the company has made in sustainability since joining Gunnebo.

"We have made great strides," says Don Wayne, Environment, Health & Safety Leader in the USA. "At Hamilton we are much better than we were in 2013, but we want to raise the bar even higher."

To achieve this, challenging targets have been set for 2018 which include 100% recycling of wooden pallets and cardboard, a 10% reduction in hazardous paint waste and a 10% reduction in the emission of volatile organic compounds.

"And as long as we maintain our strict standards governing the plant and the environment," concludes Don, "we will maintain our good reputation with our customers."



Don Wayne, Shane Borke and Gerald Hazelar at Hamilton Safes.

“ We have achieved a 60% improvement in four years

EMPLOYEES

Gunnebo is working purposefully to create a common culture, with dedicated employees who take responsibility, work together and have an inclusive approach. An important aspect of a successful business is that the Group's 5,210 (5,556) employees at year-end reflect the diversity of its customers and society.

The Gunnebo Group's overriding goal is to be an employer that offers equal opportunities for all employees, and fosters differences and potential in an endeavour to meet customers' needs and build a long-term profitable business. This goal is put into practice through a number of activities in diversity and equality, and various development programmes. By offering safe, healthy working environments, the Group strives to create workplaces where employees can develop.

A material sustainability risk regarding employees is occupational health and safety. Focus on this matter prevents negative impact for the employees in form of accidents at the workplace and it will also effect Gunnebo's reputation as a responsible employer.

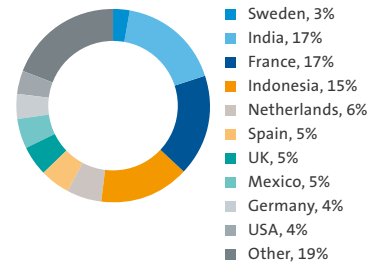
OCCUPATIONAL HEALTH AND SAFETY

It is Gunnebo's responsibility to make sure that the Group provides safe working environment. Gunnebo cannot accept any event that could result in a worker being seriously injured. Gunnebo attaches great importance to maintaining and improving the conditions for employee health and safety at its manufacturing units. Key parameters are measured in order to achieve Gunnebo's level of ambition in this area, and these parameters are defined in OHSAS 18001. Gunnebo's aim is that all manufacturing units should be certified to the OHSAS 18001 management system for health and safety. At the end of 2017, the proportion of major manufacturing units having done so was 70% (70).

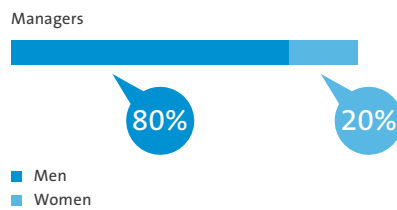
Efforts to prevent accidents in the workplace are conducted locally based on local labour law, and on Gunnebo's guidelines and policies for accidents at work. Occupational health is also adapted to local and national norms and conditions. During 2017, 147 accidents were reported, 66 in Gunnebo's manufacturing units and 81 in the Group's sales companies.

Risk assessments are conducted for every activity of the Group generating prevention

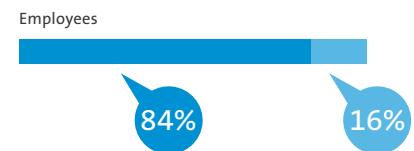
Employees by Country



Gender Distribution



Employees by Region



action plan adapted to each local situation. The Group is also starting to implement Group Safety Standards in order to go further than regulations and put under control its high risks activities.

DEVELOPMENT OF LEADERS

Collaboration and capitalising on internal strengths and resources are prioritised areas in Gunnebo's leader development programmes. It is therefore the aim of the Group that all managers should at least participate in one of the below programmes.

During 2017 investments were conducted in the development programme ACE (Action, Communication, Engagement). To reach as many people as possible, the programme is based on a train-the-trainer concept. The aim of ACE is to ensure that all managers in the Group have the right conditions to be a good manager, with focus on communication and building effective teams. ACE will supply managers with different tools to achieve this capability, to develop and communicate with their teams. The goal is for all managers in the Group to have completed the programme by 2018. In 2017, 115 (144) managers became certified ACE managers.

Newly launched Road to Growth is a leadership programme intended for middle managers with potential to grow in Gunnebo. The programme is aimed at developing skills to drive the business towards its strategic goals. The first programme was launched during

2017, with 20 people from 13 countries attending. Road to Growth is an investment in middle managers with mixed roles, tasks and background.

The Group's programme for employees in senior positions who usually report to a member of the Group Executive Team is called Challenger. In this programme, the focus is on developing personal leadership qualities, and gaining an in depth insight into Gunnebo's overriding strategy and strategic agenda. Since the beginning in 2015, 40 employees have completed the programme. There was no Challenger start-up during 2017.

E-PLATFORM FOR TRAINING

To facilitate the dissemination of knowledge and increase accessibility to training, the Group uses the interactive Gunnebo Training Center (GTC). The GTC continued to grow during the year and had a 10% increase in active employees and 8% more e-course completions. GTC covers a range of topics from strategy and product functionality to maintenance procedures and certification methodology. In 2017 Gunnebo invested in increased trainability by broaden the scope for GTC with more generic skills courses as Project Management, Communication, Sales training etc. During 2017, the platform had 3,549 active users who jointly completed 19,440 hours of training. Taking courses online also contributes to reducing the costs and environmental impact associated with travelling.

PERSONAL DEVELOPMENT

The human capital risk is material for Gunnebo. The Group strives to recruit and retain the right people. The risk is handled by clearly defined wanted behaviours stated in the Performance Cornerstones. The Performance Cornerstones are used in the recruitment process for profile mapping as well as in Performance management.

It is clearly understood that Gunnebo's success depends on its employees. Therefore, the Group has touched into to foster a true performance related culture. IMPACT is Gunnebo's updated process for performance management, launched in December 2017. Gunnebo's focus is to plan for its employees' development, so that it goes hand in hand with the Group's business goals. The aim is to give all employees opportunities to develop to their full potential, and to know what is expected of them in the short and long term. Structured personal development reviews are therefore conducted every year with all employees in the Group. The aim of these reviews is to set individual goals and formalise the assessment of personal progress. They are also an important tool in ensuring that all employees work towards the same goals, i.e. full implementation of the Group's strategy.

There is an ongoing assessment of employees in the Group, supporting the global succession planning process.

During 2018 Gunnebo will launch a method for assessment and implementation of HR processes and policies regarding compensation, performance, succession planning, recruitment, work environment and diversity. A pilot was conducted in 2016, which is now ready to go global.

EMPLOYEE SURVEY

Employee surveys are important tools for understanding what is working well and identifying where further efforts are needed. The global employee survey conducted in late 2015 disclosed areas of improvements and resulted in different local activities as well as general actions as an investment in the development programme ACE (see above).

During 2017 Gunnebo launched its second employee survey, following a similar structure to the survey conducted in 2015, to compare the result and observe possible trends. There were also open questions for employees to fill in. The aim of the survey was to follow up improvements from actions derived from the previous survey, and identify new improvement areas. During 2018 the result from the 2017 survey will be analysed and actions taken.



Road to Growth brought together employees from 13 countries

PREPARING GUNNEBO'S FUTURE LEADERS

In 2017 Gunnebo launched a new leadership training programme called Road to Growth. Its goal is to develop the management skills necessary to drive the business forward and achieve the Group's strategic targets.

"Leadership training is essential to delivering growth," says Christian Carlsson, SVP Human Resources & Sustainability. "We need to equip our employees with new insights if we are to maintain a long-term competitive edge in the market."

The programme uses a mix of theory, case studies and practical exercises to relate learning to current business challenges and opportunities within Gunnebo. Role playing provides practical examples of leadership challenges faced by senior managers inside the Group.

The first Road to Growth sessions took place in Sweden in 2017 and brought together 20 employees from 13 countries. As well as being culturally diverse, the group represented a variety of business disciplines including sales, operations, engineering and finance.

All business and financial topics covered as part of the programme were led by internal Gunnebo experts to ensure that the content is as relevant as possible.

"We want to foster a dynamic environment founded on regular feedback, coaching and exchanging individual experiences," adds Christian Carlsson. "By doing so, Road to Growth will create stronger networks and a more open dialogue within the Group."

SOCIAL CONDITIONS

Gunnebo strives to be an organisation characterised by equality and diversity, traits which contribute to creativity and breed new ideas, which in turn are a prerequisite for business success. Gunnebo continuously has several global projects under way to ensure that the company fosters the Group's diversity and develops equal workplaces.

The risk regarding social conditions is not being able to secure that employees are affected by discriminatory actions. The Group's recruitment tool supports an objective recruitment process as it measures 32 different personality traits that are relevant to occupational settings. Ultimately the test measures traits with the purpose of determining behavioural styles of work. This enables Gunnebo to as objectively as possible determine the best candidate for the job posted. Social conditions are not considered to be material for Gunnebo's direct operations. Gunnebo manages this sustainability risk with support from the Group's Code of Conduct, its recruitment and remuneration policy as well as global system for pay structure. Well managed it can strengthen Gunnebo's reputation and ability to recruit and retain employees.

DIVERSITY

One of Gunnebo's strategic goals is to increase insight into and harness the benefits of the Group's diversity. For a global company, having an understanding of local market conditions, cultural and employee needs, is pivotal to develop the business. Diversity is encouraged at all levels in the Group and Gunnebo strives to represent as many dimensions of diversity as possible and to meet customer demands in a global market. This work considers gender, origin, industry background and other indicators of diversity. At year-end 2017, Gunnebo had 212 company managers and members of management teams, representing 30 nationalities.

EQUALITY

Gunnebo's employees are recruited and promoted solely based on their qualifications for the job. Equal opportunities and treatment apply for all the Group's employees irrespective of gender, marital status, ethnic or national background, etc. Each employee shall be rewarded in a correct and fair manner in accordance with their individual performance and contribution to the success of the company.

Equality is an important element of the Group's work with diversity. Gunnebo operates in a male-dominated sector and this is reflected in the gender distribution of staff across the



Gunnebo is backing an initiative for job creation

SUPPORTING YOUTH DEVELOPMENT IN INDIA

In 2017, Gunnebo began its support of a skills development programme for young people in India.

Together with a partner approved by the Indian government's National Skill Development Centre (NSDC), Gunnebo hopes to make it easier for young jobseekers from poorer sections of the commu-

nity to find opportunities in the security industry. The initiative will also focus on creating more openings for young women.

The initiative will provide 150 young men and women with new skills and knowledge to increase their employability and give them access to careers previously closed off to them.

HANDBALL FOR EVERYONE

During 2017, the Gunnebo Group began supporting an inclusive initiative in Sweden which gives children with learning disabilities the opportunity to play handball. Handball for Everyone is run by the IK Sävahof handball club. Through the initiative, around 30 young people with learning disabilities can train together to improve at handball, develop physically, and feel part of a wider community.



IK Sävahof handball club

Group as a whole. Among the staff the proportion is 16% women. At management level, however, the ratio is more balanced. 20% of the Group Executive Team is made up of women, and in management the proportion is 20%. Gunnebo's aim is to ensure that women and men are treated equally and provided with the same conditions to develop. The Group works actively to improve the proportion of female employees and to achieve a more balanced long-term gender distribution. The inclusion of female employees in the succession planning process and the participation of women in leadership development programmes is promoted. As a result, 30% of participants in the 2017 Road to Growth development programme were women. Since the Group's pay structure is based on a global system, it sup-

ports the ambition of equal pay for equal work, where any differences in pay levels are driven by local conditions.

LOCAL ACTIVITIES

The Gunnebo Code of Conduct helps ensure that the Group runs its business ethically and that potentially negative social impact is understood and avoided.

In addition to social issues in purchasing and production, Gunnebo also plays an active role in the communities where it operates, creating additional positive social impact and strengthening the local communities where the Group operates. Its local companies are encouraged to support politically and religiously unaffiliated grass root projects in their vicinity which lead to greater equality, and a higher level of education and general standard of living.