

CORPORATE
RESPONSIBILITY
REPORT 2019

Cinia







**DATA COMMUNICATIONS AND INFORMATION
TECHNOLOGY CONGLOMERATE**

General information about the company

Cinia is a Finnish data communications and information technology conglomerate providing a network and software services. Cinia acts as a telecommunications operator and produces wide range of IT expert and connectivity services, as well as development services for IT-intensive systems and software. Cinia operates its own networks and networks owned by its customers. As a rule, Cinia's customers are socially important service providers.

The group consists of the parent company Cinia Oy and three subsidiaries owned by the parent company: C-Lion1 Oy, Cinia Cloud GmbH and Netplaza Oy.

Owners and holdings of Cinia Oy: The Finnish State (through the Ministry of Transport and Communications, 77.528%), Ilmarinen Mutual Pension Insurance Company (11.236%), and OP Financial Group's Pohjola Insurance (11.236%).

This report applies to the fifth financial period of the Group.

Business model and operating environment

Cinia operates in the Finnish and international connectivity and telecommunications operator markets, as well as in the software and software solution services markets. Operationally and in terms of management, Cinia's business operations were divided for the financial year 2019 into the two business lines: Network Services, which provides connectivity and network services, and Software Solutions,

which provides software services and solution services. Cinia serves both private and public-sector customers.

Cinia owns and operates a 15 000 km backhaul network in northern Europe. International connectivity to central Europe runs through C-Lion1 subsea cable which became operational in 2016.

Customer segments

Cinia's customer base consists mainly of international companies that have a demand for high-capacity and national organisations that require reliable data transfer services and software services.

Cinia has special expertise for example, in the fields of transport, security, healthcare, finances, energy and industry, and it also serves data centre and telecom operator customers.

Cinia provides secure and redundant network services for transport and logistics companies to secure data transfers in transport solutions and technical operation and maintenance in road and railway traffic, at airports and in harbours, as well as for industry and special sites.

Cinia delivers customized solutions for quality monitoring, reporting, enterprise resource planning and self-care for the healthcare and wellbeing companies.

For data center business operations, secure and redundant network services are essential for creating unin-

terrupted service environments. Cinia's strong fibre-optic trunk network in Finland combined with its C-Lion1 subsea cable connection to Germany guarantees the fastest and most direct route to the rest of Europe from anywhere in Finland. Cinia's network traffic access points located on the Russian border enable fast connections to Asia.

In the fields of finance and financial administration, Cinia provides software and e-services product development by means of consulting and project deliveries by developing responsive web interfaces, API development and integration, and by resolving challenges related to system modernisation in software development and quality assurance.

Cinia is an industrial R&D in demanding software development and quality assurance tasks, helping industrial companies to take advantage of the opportunities of digitalisation and the industrial internet of things (IIoT).

Stakeholders and stakeholder interaction

Cinia's stakeholders include its customers, employees and partners, as well as public authorities that regulate the group's owners and industries.

Cinia's key tasks are to diversify Finland's international and national data connections, improve cybersecurity, and to develop digitalisation solutions, especially to help organisations that provide nationally critical services. Cinia's shareholders expect the company to carry out these tasks by increasing the shareholder value, following good governance and remuneration practices, and to demonstrate a high level of responsibility as a taxable organisation and corporate citizen. For con-

tact people of shareholders Cinia holds briefing events twice a year, in which the company presents its operations, particularly from the viewpoint of the shareholder's expectations.

Cinia works in close cooperation with various public authorities, for example in necessary permit processes required for Cinia's operations, and by providing advance information about its projects, including projects in progress.

For Cinia's national network, Finnish towns and cities, municipalities and ELY Centres (centres for economic



development, transport and the environment) are also key stakeholders.

Citizens, businesses and society are increasingly dependent on digital services and connections. Cinia's redundant and high level of availability network infrastructure enables innovation, growth and development.

In Finland, Cinia's network closely follows the railway and main electrical transmission networks.

Cinia does not operate any commercial mobile networks. Cinia's backhaul network supports the device-independent provision of services.

The subsea cable connecting Finland and Germany has been one of the leading projects of the Finnish government and the European Union. The cable helps to

strengthen digital single markets in Europe by improving and securing data connections in northern regions of Europe. It provides an alternative, direct route to the route through Sweden. Because C-Lion1 is shorter and more direct, it offers benefits from a lower latency, for example transfer delays.

At the same time, the connection strengthens Finland's position as a hub between the eastern and western markets. C-Lion1 is part of Cinia's international backhaul network. The capacity of the subsea cable provides growth opportunities for both current and new services in Finland. The needs for additional capacity and new route options are continually increasing in international networks, and in this context Cinia has been active in enabling the development phase of the project for a subsea cable through the Northeast Passage.

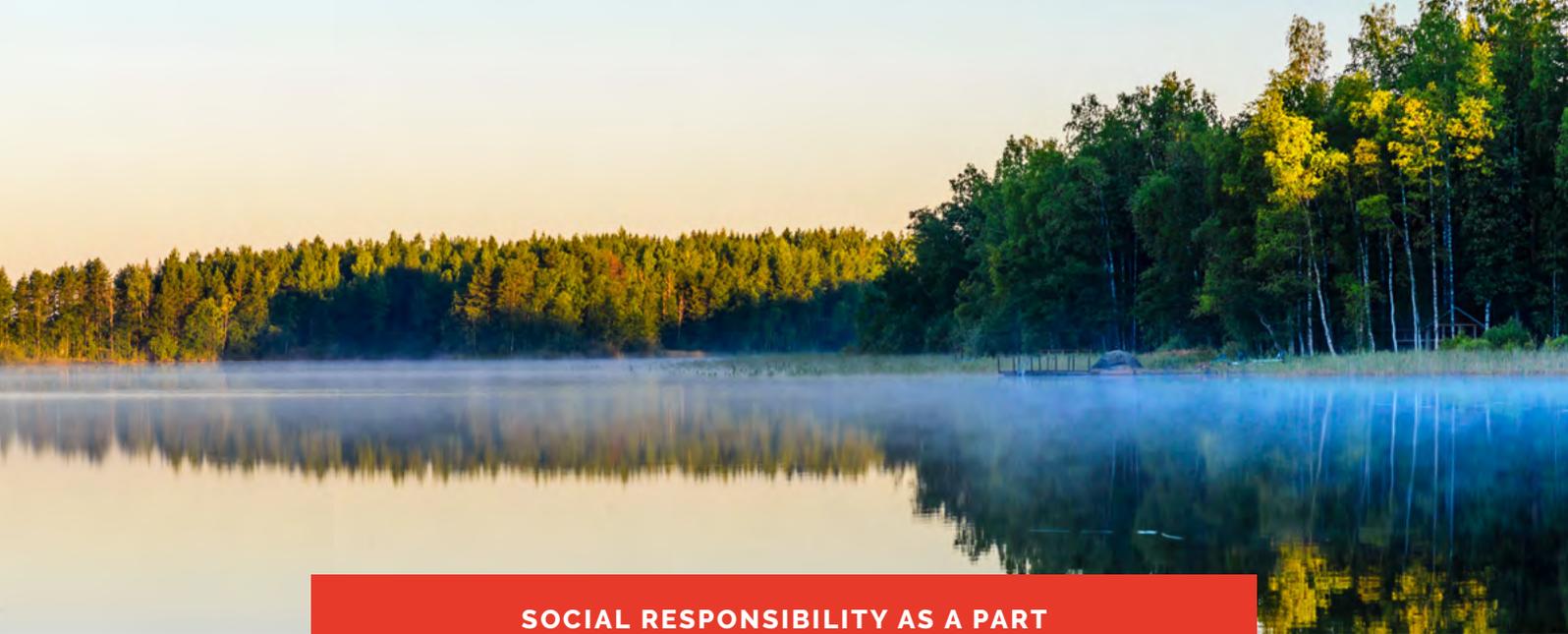
Key events during the financial period

Cinia continued to focus on expanding its business operations in international connectivity services. An important part of Cinia's international connectivity service operations was its investment in the 2015–2018 period in the C-Lion1 submarine cable system. The Hanko branching unit will be taken into production in the first half of 2020. During the financial year, Cinia expanded its international network and opened new route alternatives to Stockholm and a number of other locations in Northern Europe. As Europe and Russia grow, and as the connectivity needs between them continue to increase, the new connections will strengthen Cinia's position as a company operating between east and west

and between the Nordic countries and Central Europe.

In the year 2019, Cinia established a number of associated companies. In June, a joint project company was established with the Russian company Megafon to prepare for the construction of an Arctic subsea cable, and in October the company Adola was founded with the fund management company DIF for the development of the Finnish fibre-optic network.

The Finnish Cyber Security Certificate issued to Cinia in 2017 were renewed for the second time in November 2019.



**SOCIAL RESPONSIBILITY AS A PART
OF DAY-TO-DAY BUSINESS OPERATIONS**

Sustainable business at Cinia

Cinia's goal is to integrate social responsibility as a part of its day-to-day business operations, in its management, development and customer solutions. Cinia find it important to operate in an environmentally sustainable way, and continuously pay attention to its own energy consumption and the material efficiency.

Cinia's positive societal impact comes from its network services and software services that improve the energy and material efficiency. Consumption of electricity is key factor in assessing Cinia's environmental impact, and various digitalisation solutions that improve operating efficiency may also have significant impact on the efficiency of use materials in industry.

Cinia also takes responsibility and environmental values into account in its office solutions. Cinia's headquarters in Helsinki are located in a property that has been awarded the LEED platinum environmental certificate.

Customers have already achieved significant results in reducing their environmental footprint with Cinia's products and services.

Cinia's sustainable development programme has chosen themes in which the company can most effectively make progress through its own expertise, services and products. Within the scope of these themes, Cinia has set operational targets to increase the positive impact of its entire business operations in cooperation with its customers.

The focus areas of Cinia's approach to corporate responsibility are cyber security, safeguarding the reliable functioning of society, responsibility as an employer, financial responsibility and responsible communications. Another important focus area for developing operations in the coming years is the psychological and physical wellbeing of personnel. This entails demonstrating trust and appreciation.



Financial responsibility

Assessment of the financial position and key indicators

Consolidated financial statements include the following companies: Cinia Oy (the parent company), C-Lion1 Oy, Cinia Cloud GmbH and Netplaza Oy, and Cinia Oy's non-operating subsidiaries until 15 October 2019.

Net sales of the Cinia conglomerate was in 2019 of EUR 50.14 million. Operating profit was positive, at EUR 3.39 million.

Key figures representing the group's financial position and results:

Cinia group (EUR million)	2019	2018
Netsales	50.14	45.68
Operating profit/loss	+3.39	+2.21
Operating profit % of net sales	6,9 %	4,8 %
Return of equity % (ROE)	4,3 %	2,2 %
Return of investment % (ROI)	4,4 %	2,8 %
Equity ratio (%)	48,1 %	45,2 %

Investments in the financial year

Gross investments for the financial year were EUR 6.3 million (2018: EUR 10.9 million).

Work of the group's own personnel is included in investments to the amount of EUR 0.5 million.

Tax footprint

Key factors in Cinia's tax management are identifying and avoiding tax risks. The tax effects of business decisions are identified, but decisions are made on grounds of expediency. In matters of interpretation and in matters requiring special expertise in taxation, the company uses external experts to ensure correct operation methods. Taxes are paid to the applicable country based on the business operations in question.

In the financial year 2019, Cinia paid nearly all its income taxes in Finland. The company has no unpaid taxes.

Taxes are presented on an accrual basis. Numeric data includes all the relevant tax types. The direct and accountable taxes payable for the financial year are based on accounting data. The amount of indirect taxes paid for the financial year has been calculated based on costs or consumption. Indirect excise duty is calculated using the estimated amount of electricity tax included in production-related electricity costs.



SUMMARY (EUR thousand)	2019	2018
Direct taxes paid for the financial period	3 727	3 715
Indirect taxes paid for the financial period	119	116
Taxes paid for the financial period	11 871	11 450
TOTAL TAX FOOTPRINT	15 716	15 281
NET SALES	50 140	45 675
PROFIT BEFORE TAXES	2 394	1 193
TAXES ON NET SALES	31 %	33 %

DIRECT TAXES PAID FOR THE FINANCIAL PERIOD (EUR thousand)	2019	2018
Income tax	420	249
Employer charges	3 225	3 337
Transfer taxes	19	86
Other taxes	63	43
TOTAL DIRECT TAXES PAID FOR THE FINANCIAL PERIOD	3 727	3 715

INDIRECT TAXES PAID FOR THE FINANCIAL PERIOD (EUR thousand)	2019	2018
Excise tax	40	42
Non-deductible value added tax	65	60
Other taxes	14	14
TOTAL INDIRECT TAXES PAID FOR THE FINANCIAL PERIOD	119	116

TAXES PAID FOR THE FINANCIAL PERIOD (EUR thousand)	2019	2018
Tax on wages and salaries	5 656	5 631
Value added tax	6 214	5 819
TOTAL TAXES PAID FOR THE FINANCIAL PERIOD	11 871	11 450

Reporting and control

The Board of Directors is responsible for the organisation of internal control, internal auditing and risk management. The internal auditing of Cinia companies is carried out under the supervision of Cinia Oy's Board of Directors and CEO. In 2019, the internal audit focus was on assessing economic right of use processes and instances of abuse.

Cinia's corporate governance defines the responsibilities of the Board of Directors and the executive team, approval procedures, procurement procedures

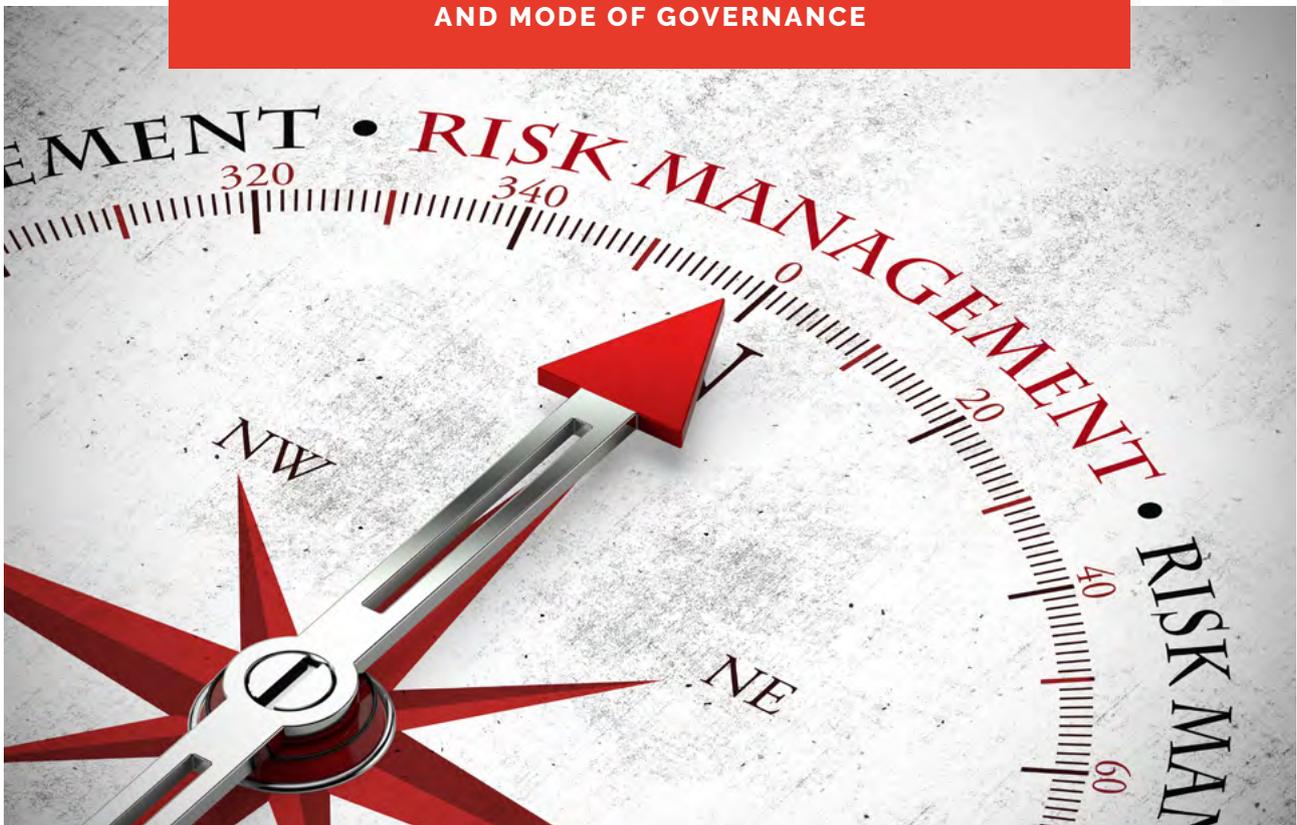
and protection of intellectual property rights. The corporate governance code is updated annually by the Board of Directors. The company maintains a related party register and introduced its code of conduct and anti-corruption principles (ethical operating guidelines). Mandatory online training for all personnel based on the code of conduct was organised in 2019. Online training is also part of every new Cinia employee's orientation. In 2019, Cinia introduced the WhistleB anonymous notification channel for the reporting of potential abuses.

Risks and risk management

Risk management is part of Cinia's strategy process and mode of governance. It is implemented according to the yearly calendar as described in the company's security policy. Based on the risk reports, action plans are prepared for managing the major risks, and their implementation is monitored by the executive team and the Board of Directors. The security and risk management team acts as a preparatory body for the group's executive team.

The main goal of risk management is to support the achievement of Cinia's strategic goals and other key goals by protecting them from unexpected risks. Comprehensive risk management supports the identification and exploitation of business opportunities, and strengthen Cinia's corporate image.

RISK MANAGEMENT IS PART OF CINIA'S STRATEGY PROCESS AND MODE OF GOVERNANCE



Cinia customer satisfaction

Cinia is an expert organisation conducting service and project business operations for the delivery and maintenance of a variety of services, such as network and software services. The increased significance of

service operations and customer service has boosted operational development at Cinia with the aim of creating the best possible customer experience.

The market research company Taloustutkimus carried out a customer survey on behalf of Cinia Oy at the end of 2019. The survey was conducted through telephone interviews, and it was responded a total of 104 Cinia customers.

This is the sixth year that such surveys have been carried out at the same time of year, and their results have been compared with each other to the extent appropriate. The survey was carried out using the Corporate 360° CUSTOMER research concept, which is a research product developed by Taloustutkimus for measuring customer satisfaction and customer loyalty. It is based on an international concept.



Overall customer satisfaction with Cinia has developed positively

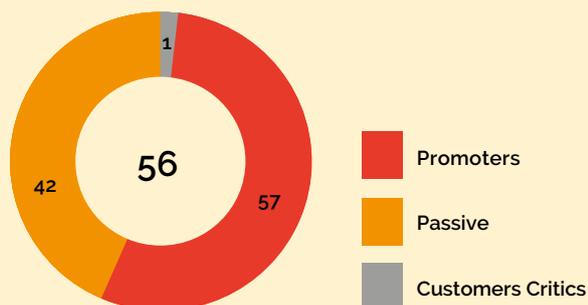
Overall customer satisfaction with Cinia is very high, being higher than in previous years. The total customer satisfaction – that is, the combined number of "satisfied" and "very satisfied" responses – on the customer satisfaction index was 91. This clearly exceeds the target of 65 of the Corporate 360 ° CUSTOMER research concept, and exceeds the average rating of the Taloustutkimus data bank, which is 68. Customers are most satisfied with Cinias project-/service managers performance. Customer satisfaction assessments for sales, deliveries, and solutions and services all clearly exceed the target level, and in each case more clearly than before.

Cinia's net promoter score (NPS) – a measure of the likelihood that a customer will recommend a company's products or services to others – is excellent, and has developed positively. The NPS for 2019 was 56, up from 48 in 2018.

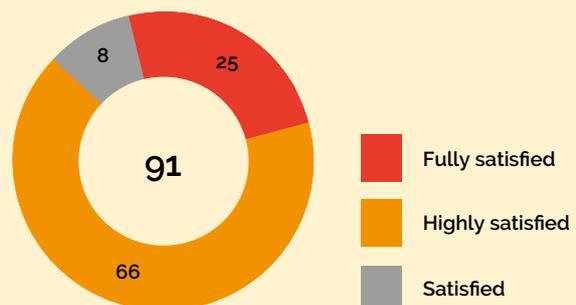
CINIA'S IMAGE DEVELOPING POSITIVELY

According to the survey, Cinia's overall corporate image among its customers is very good, and has developed positively each year. As a business partner, customers find Cinia a safe, credible, reputable, trustworthy, flexible and customer-oriented company that can be relied on to deliver as required.

NPS
NET PROMOTER SCORE: PROMOTERS – CRITICALS



CSI
CSI CUSTOMER SATISFACTION INDE: TOP2BOX



Customer satisfaction of Cinia's subsidiary Netplaza Oy

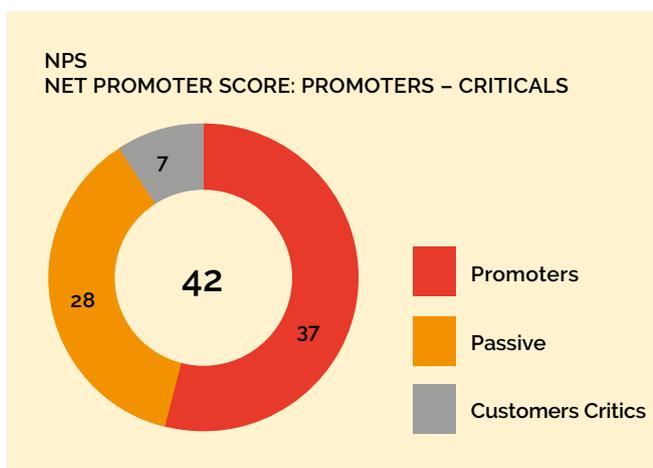
Netplaza has primarily profiled itself as an operator. Its main products have been corporate subscriptions, delivery of server solutions and web hosting services, telecommunication solutions for housing companies, and regional operator services for network companies around Finland with fibre-optic operations. Since 2018, Netplaza has also offered a comprehensive partnership to operators that are starting or already running fibre-optic business operations in accordance with the life cycle model.

Netplaza has been at the forefront of its industry in customer satisfaction surveys for years. In 2019, the survey was conducted by Onway Oy and 73 Netplaza customers responded. The survey was conducted as an online survey in November–December 2019.

Netplaza received a customer satisfaction score of 4.95 on a scale of 1 to 6. Although the score fell slightly from last year, Netplaza still ranks among the top 12 companies in its industry. Overall, 154 industry companies were involved in the survey.

Customers were most satisfied with the service-oriented focus of Netplaza's customer service staff and the security of supply and reliability of the company's products and services. The various aspects of customer service were rated 5.11 overall, which is 0.67 units more than the average in the sector.

The customer satisfaction survey also measured the willingness of customers to recommend the company, i.e. the net promoter score (NPS). Netplaza's NPS is currently 42, which is a very good result.





CUSTOMER CASE

The Radiation and Nuclear Safety Authority

The Radiation and Nuclear Safety Authority, a branch of the Ministry of Social Affairs and Health, has the all-important goal of protecting people, society and the environment from the harmful effects of radiation. The task also extends to future generations, as the Radial and Nuclear Safety Authority ensures the best possible conditions for life in Finland.

Because the Radiation and Nuclear Safety Authority operates as a supervisory authority and is responsible for work that is essential for safety in Finland, the monitoring of ICT systems requires the very highest standards of reliability, flexibility and versatility. System Manager Mikko Kettunen explains what this means in practice, and how Cinia has responded to the challenge.

A STATE-OF-THE-ART CONTROL SYSTEM REACTS IMMEDIATELY TO IRREGULARITIES

The Radiation and Nuclear Safety Authority monitors the major risk factors of our built environment, including nuclear power, mining operations, waste treatment and the use and removal of various equipment that makes use of radiation.

As a supervisory authority, it is important for the Radiation and Nuclear Safety Authority to be able to monitor its own activities.

“We could not outsource our responsibilities to anyone else even if we wanted to. The final responsibility is always with us, so in order for us to do our work well we need to have informa-

tion about what is happening in different areas through monitoring", Kettunen explains.

"All our systems must be top-quality. Due to the nature of the work, we must be able to react to situations immediately. So we cannot afford to be without control systems, and this also applies to telecommunications".

Having worked as a system manager for years, Kettunen knows well that the main benefit of control solutions is that problems can be responded to before they materialise. As a consequence, repairs can also be tackled proactively and quickly.

"If we receive a night-time SMS alert from one of our systems, we may initiate repairs immediately if necessary rather than waiting until normal working hours. Without a control system, many faults would simply be overlooked. In addition, our system provides an alert if interruptions occur in any of the processes within its scope. This also helps in maintaining logs of events. If we have conflicting information on how some service has operated on a given day, for example, we can check the situation afterwards", says Kettunen.

"CINIA'S CONTROL SOLUTIONS CAN BE RECOMMENDED FOR ALL COMPANIES" ENVIRONMENTAL RESPONSIBILITY

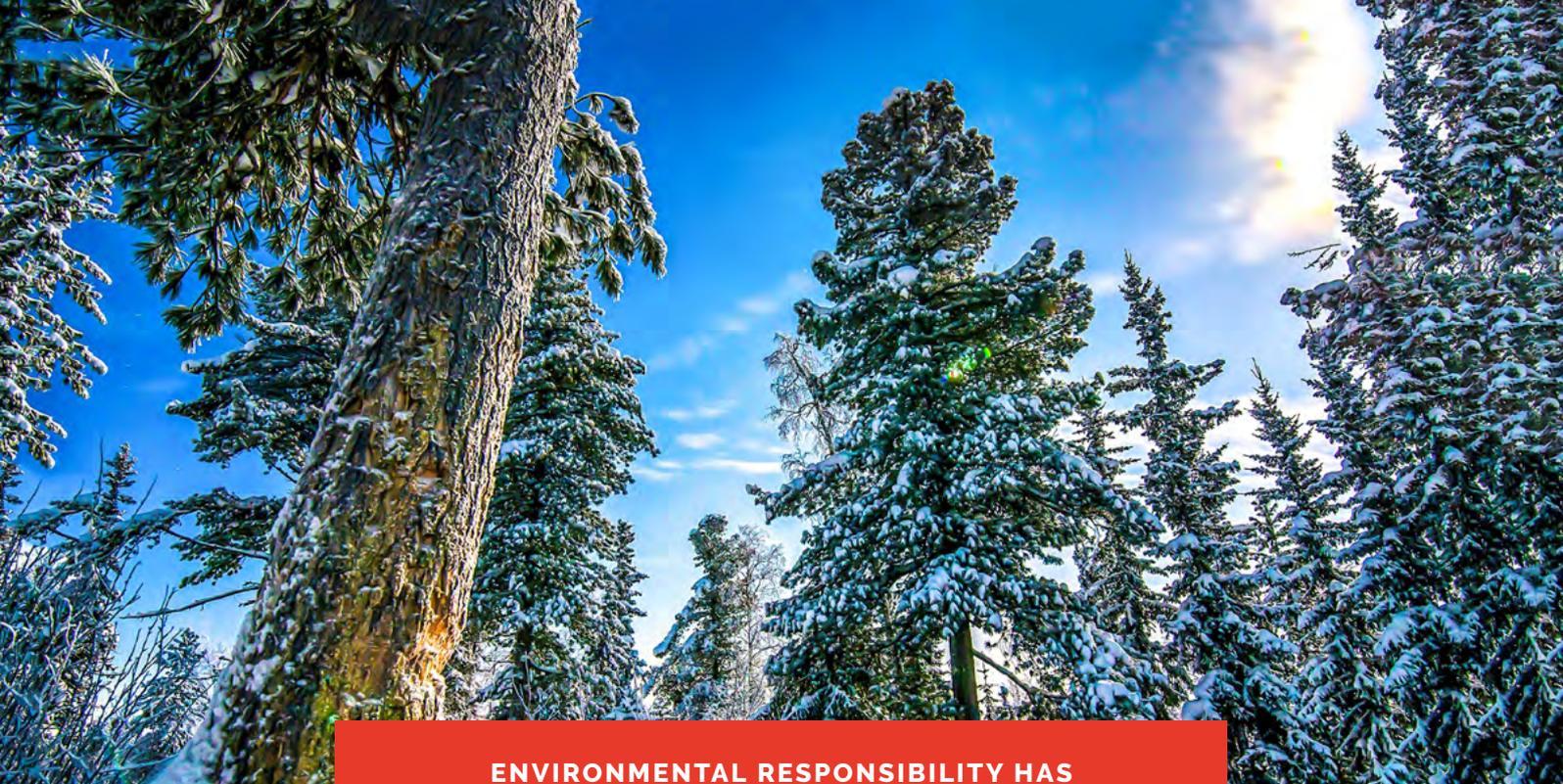
The Radiation and Nuclear Safety Authority has been using the control solution provided by Cinia for several years. The solution is used to monitor their servers and services, in addition to monitoring the quality of services provided by external suppliers.

Kettunen also points out that, as their long-term partner, Cinia understands the finer points of the authority's operating environment. He also appreciates Cinia's proactive approach to developing the control system.

"There have been times where we have been thinking about some additional functionality ourselves. Before we have even mentioned it to Cinia, they have already been working on incorporating it into the overall monitoring solution. As a whole, things have worked really well and I am confident that this will continue in the future", Kettunen adds.

One advantage of Cinia's control solution is that its introduction does not require a great deal of know-how. Although The Radiation and Nuclear Safety Authority's ten-person information management team has a highly extensive technical background, Kettunen understands that this is not the case with all organisations.

"This is why I would have no hesitation in recommending Cinia's control solution to any company. Today, monitoring systems are essential for everyone. If there is no monitoring, there's something wrong".



**ENVIRONMENTAL RESPONSIBILITY HAS
A SIGNIFICANT ROLE**

Environmental responsibility

Cinia operates in a business field where environmental responsibility has a significant role. Cinia's owners, customers, partners and suppliers place a high value on sustainable development. Cinia's investments (such as data communication infrastructure) and the services it provides (software, cloud and connectivity services) can improve and develop the environmental performance of companies and society, for example through lower emissions, solutions that improve mobility and logistics, and technology choices that take the environmental burden into account.

Cinia's own business operations promote low-emission and environmentally friendly solutions. For example, the data centers that depend on the connectivity services provided through data networks actively seek to optimise energy consumption and recover the lost heat generated, and provide it for local use.

In Finland, data centers have access to relatively low-cost electricity, which is generat-

ed in hydroelectric power plants and therefore involves low emissions of greenhouse gases. Using a high-quality and reliable data network infrastructure, Cinia's goal is to influence the choice of locations for data centers in Finland and other Nordic countries to distribute the energy balance more widely from an overall European perspective.

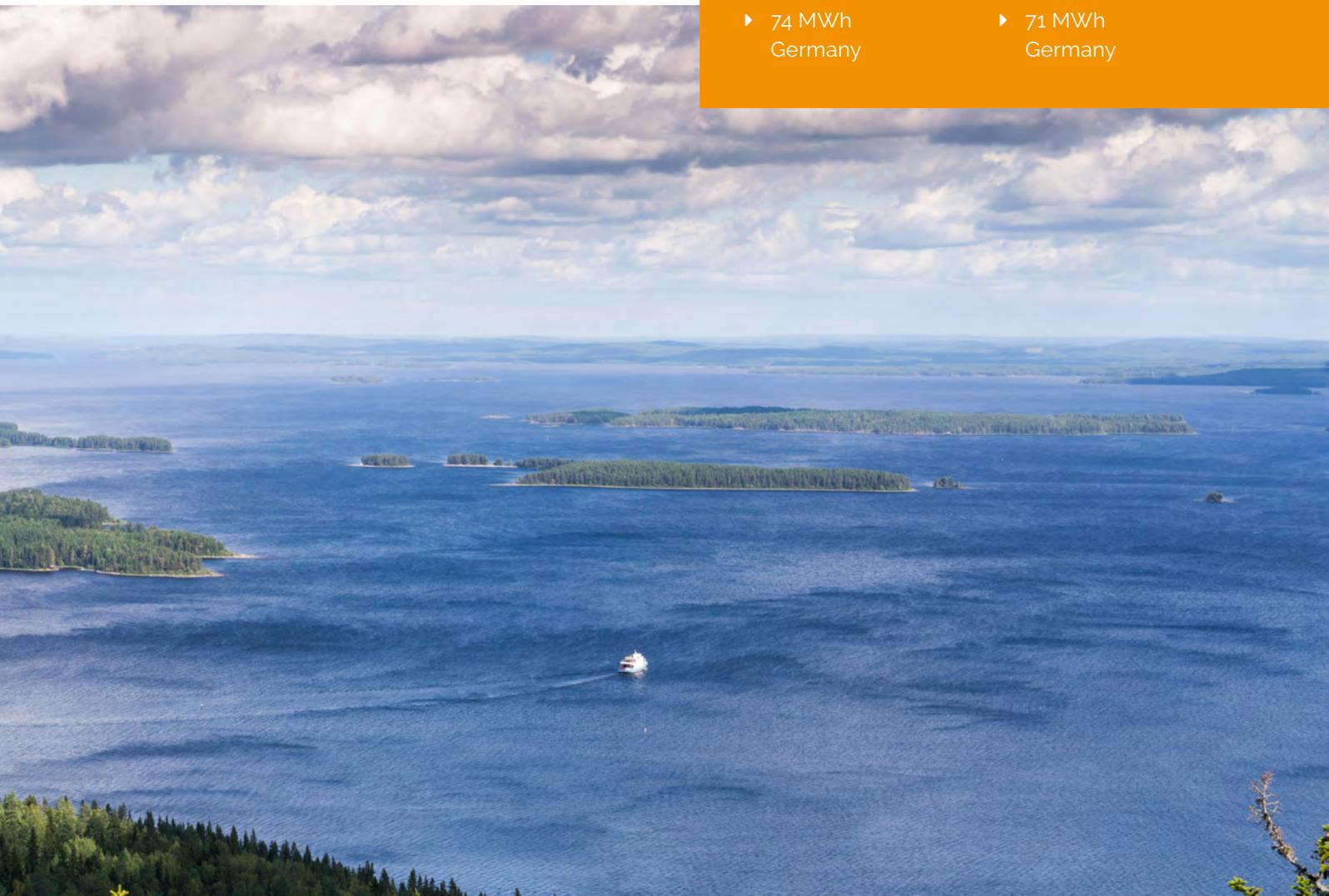
The requirement of Cinia's customers increasingly involve environmental aspects regard to supplier selections and service provision. In its procurement of services and technical solutions, Cinia is committed to ensuring that its partners and subcontractors and their technology suppliers operate in an environmentally responsible manner. For example, when replacing old equipment and telecom masts, it is important that hazardous waste is properly identified and processed. At group level, the amount and composition of waste generated at Cinia has been systematically monitored annually since 2015.

The use and consumption of electricity are key factors in assessing Cinia's environmental impact, and various digitalisation solutions that improve operating efficiency may also have a significant impact on the efficiency of use of materials in the industry. Energy efficiency also plays an important economic role in the company's business. Efficiency of energy use is one of the selection criteria for equipment suppliers for all Cinia companies. Cinia has a service agreement with a partner for the proper collection and processing of waste electrical and electronic equipment. This service agreement also includes the secure destruction of data storage devices (hard drives, memory units, USB devices, floppy discs, etc.) and the management of the related documentation.

As an organisation operating in multiple localities, Cinia strives to implement responsible common practices throughout the whole group, such as implementing a travel policy and encouraging personnel to use public transport, combine meetings and hold online meetings where possible. Within the limits of their respective work duties, Cinia also offers its personnel the flexibility of working remotely. By reducing the amount of commuting, this policy also contributes to reducing the burden on the living and operating environment.

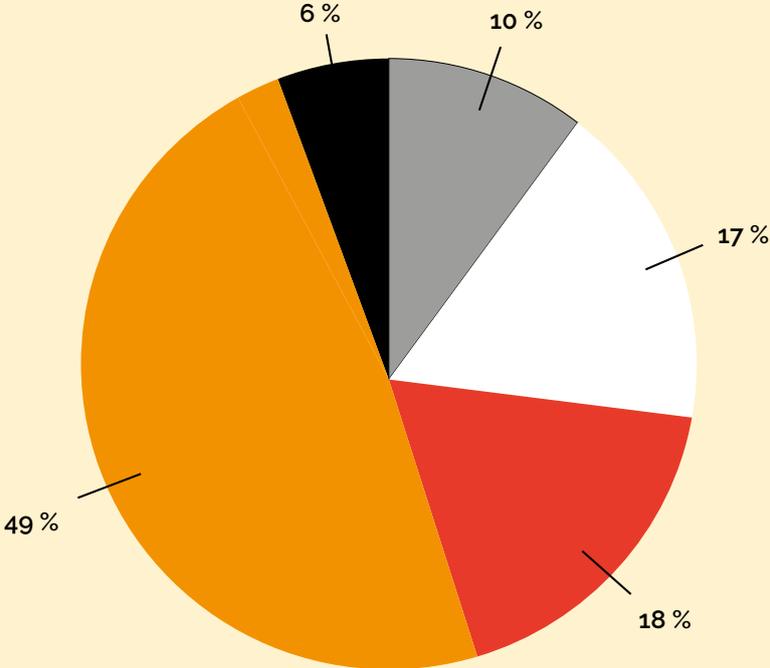
ENERGY CONSUMPTION IN SERVICE ROOMS:

2019	2018
▶ 1719 MWh Finland	▶ 1799 MWh Finland
▶ 74 MWh Germany	▶ 71 MWh Germany



WASTE MATERIAL

TOTAL 5054 kg



Paper and cardboard	10 %
Construction waste	17 %
Ferrous metals from recycling and waste management	18 %
Waste electrical and electronic equipment	49 %
Lead-acid batteries	6 %

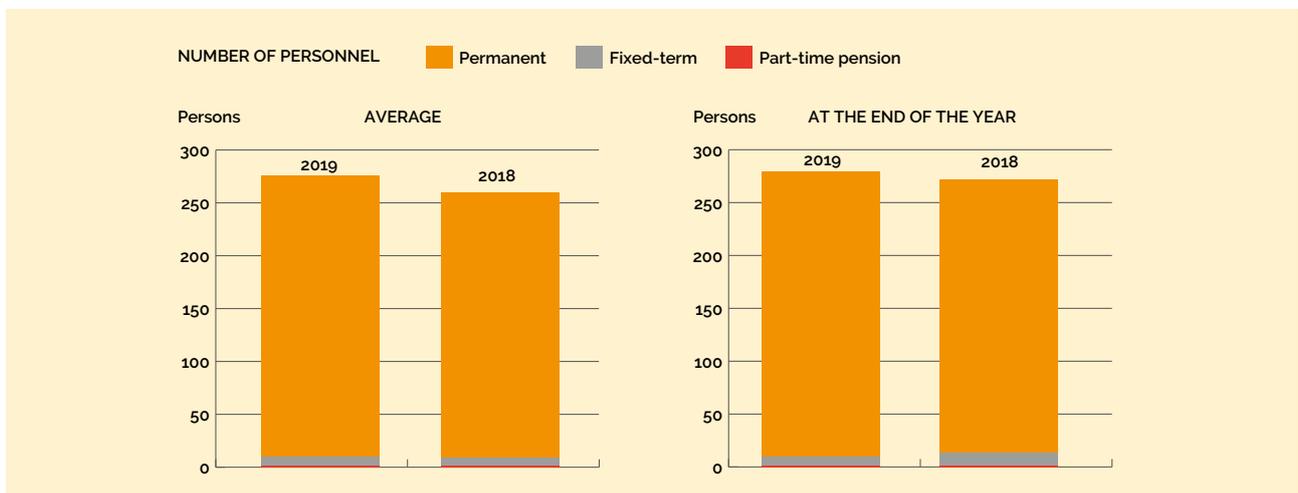
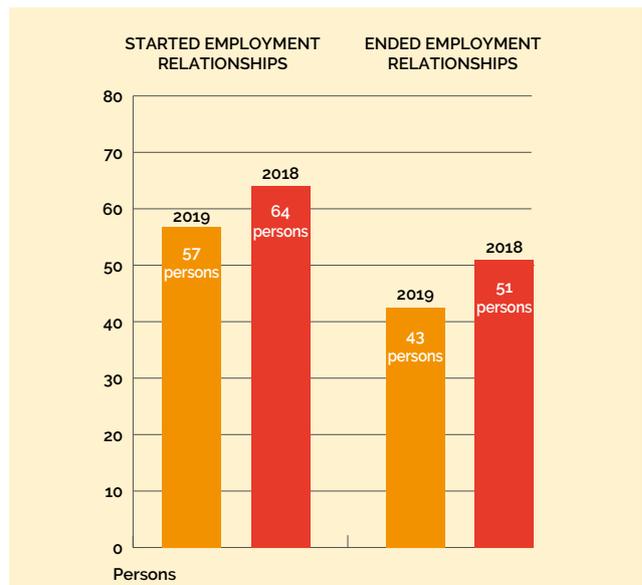
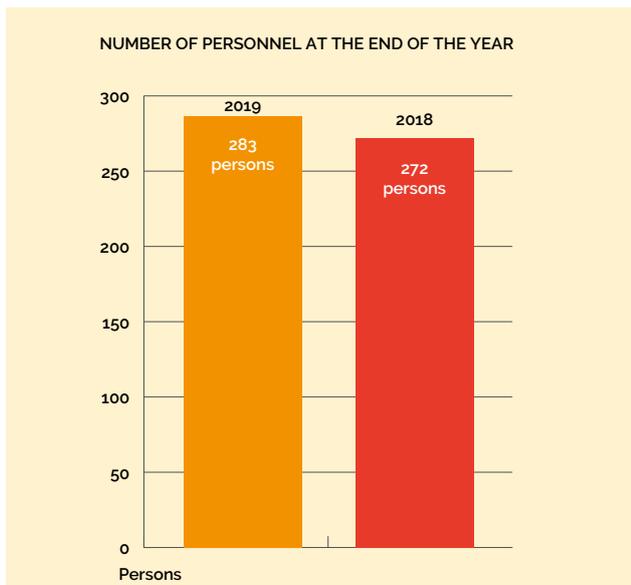
Social responsibility

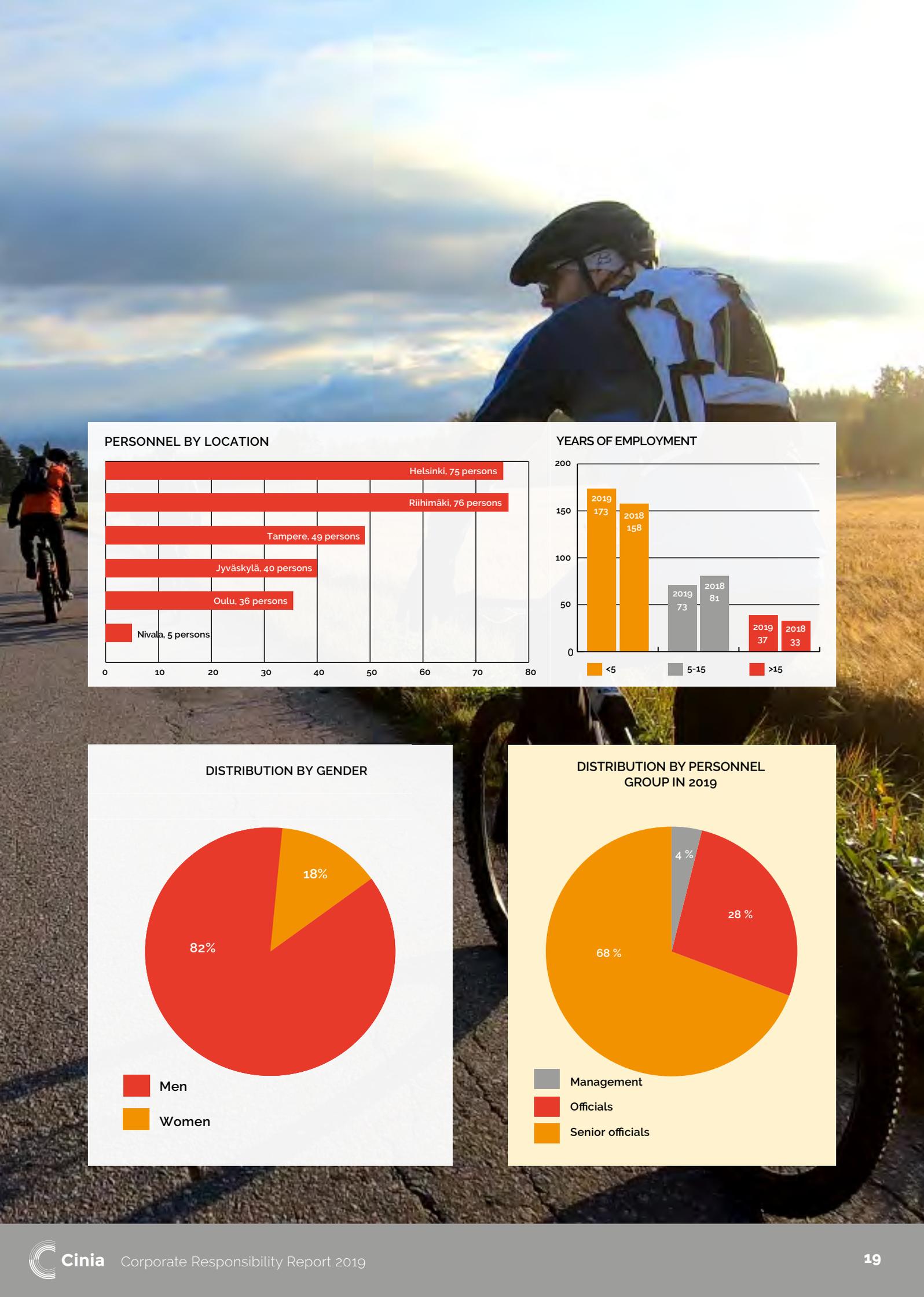
Personnel

One of the fundamental factors for Cinia's success is a content and enthusiastic personnel. By investing in the wellbeing of its personnel and the development of their professional expertise, Cinia can guarantee high-quality and customer-oriented operations. Ensuring the health, safety and work ability of employees is a key part of Cinia's leadership responsibilities and day-to-day operations.

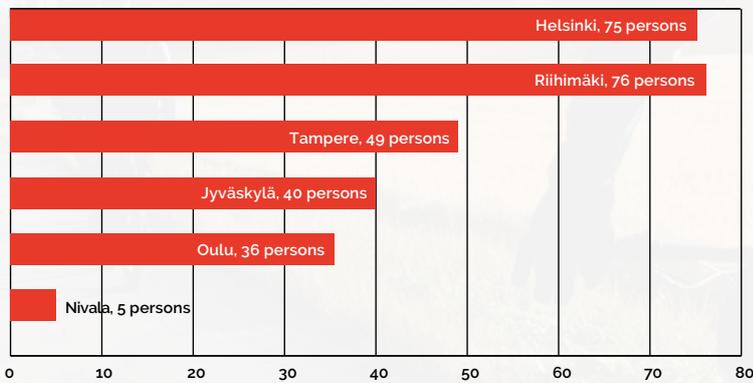
The goal of Cinia's human resources strategy is to make continued progress towards achieving the company's business goals. For a company that provides services and specialist consultation, employees are our most important asset. The main goals of the HR strategy are to ensure the availability of personnel and their commitment to the company, motivation and continuous development.

The average duration of employment in Cinia in 2019 was 7.8 years. Most of (53%) of the employees have been working with Cinia for less than five years. Approximately one-third of the employees have been employed by Cinia for between 5 and 15 years, and 15% have been with the company for over 15 years. A total of 43 people left Cinia in 2019, of whom 12 left for some reason other than resignation, for example, due to the expiry of their fixed-term employment contract or in connection with a business acquisition. In Finland, there is an imbalance between labour supply and demand for software developers, which for Cinia also causes a high rate of personnel turnover as is typical of the industry.

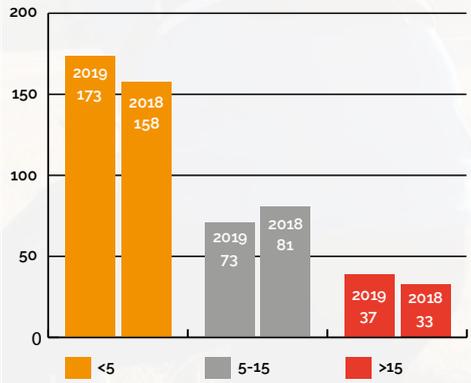




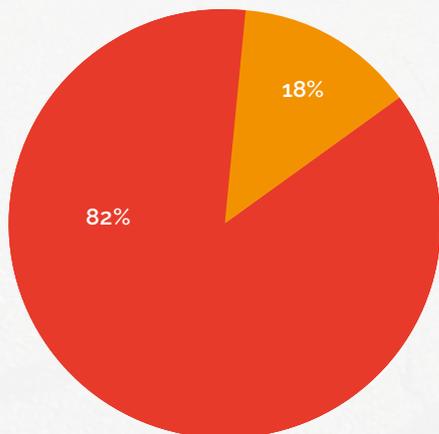
PERSONNEL BY LOCATION



YEARS OF EMPLOYMENT

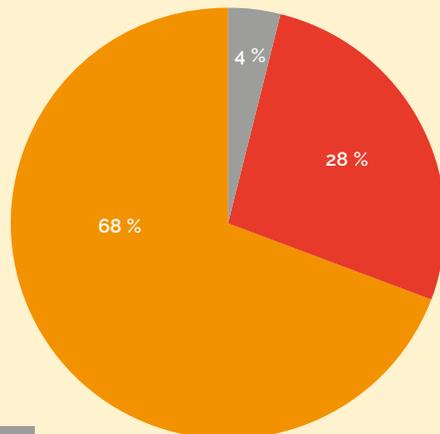


DISTRIBUTION BY GENDER



■ Men
■ Women

DISTRIBUTION BY PERSONNEL GROUP IN 2019



■ Management
■ Officials
■ Senior officials

Development of a shared operating culture

Developing common operating model and business culture is an integral part of the Cinia's HR strategy. The goal is to create a framework for working that streamlines day-to-day working life and enables every employee to succeed regardless of their role

or area of responsibility. Cinia strives to develop and maintain a working culture that lives up to its principles and aspirations by creating a physical, virtual and social working environment and management model that supports our business goals.

Internal information flow

Conducting business at many different locations and in many localities is challenging to the internal information flow and communication. Cinia organises monthly information events and interactive info events for the different business areas to communicate and discuss topical issues and themes from the point of view of both the company and personnel.

Cinia organises a Kick-Off day for its personnel around once a year to further develop their understanding of Cinia and to discuss topical matters and develop common practices.

Cinia's intranet, cintra, and open platform Mattermost are the company's internal communication channels.



Wellbeing

Cinia works to support its personnel in maintaining a balance between working and other areas of life as an important factor in ensuring wellbeing at work.

Another facet of Cinia's operating culture is its efforts to take changes in the life situations of its personnel into consideration. Cinia strives to ensure that every employee can fit work, family life and leisure together. This is supported by offering flexible opportunities for remote work, a care service for a sick child and flexible working hours.

The wellbeing of personnel is important and it is supported in several ways, such as by allowing employees to use part of their working time for exercise or engaging in other activities that promote their wellbeing, supporting sporting, exercise and cultural activities, providing highly comprehensive health insurance, and enabling personnel to develop their skills and expertise and providing them with modern tools, equipment and facilities for their work. Constructive cooperation between management and personnel

has proved a fruitful way of developing Cinia's operations: Cinia's internal cooperation committee met four times during 2019.

Recruitment and induction are important areas of our work related to human resources. A fast and efficient recruitment process with high standards is essential to competing for a skilled workforce. A positive application experience for all applicants is also key to every recruitment process. Cinia ensures that personnel are well prepared for starting work by providing comprehensive and well-planned inductions. Company-level orientation makes use of Cinia's induction course for the digital learning environment. Supervisors are responsible for ensuring that new employees are familiarised with the required work and working methods. In addition to permanent new employees, Cinia also provide inductions for temporary employees, trainees, employees changing jobs internally, employees returning to work after long absences, and agency contract workers.

Equal and non-discriminating treatment

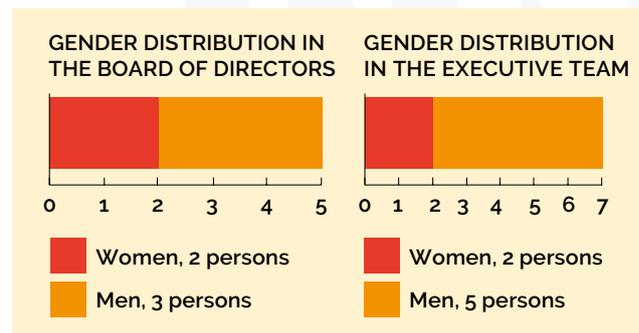
Cinia is a company and community where everyone is treated in a respectful, equal and non-discriminating manner. The obligation to promote equality and non-discrimination applies to Cinia as an employer and to all members of the working community.

The foundation of non-discrimination is ensuring that workplace practices are non-discriminatory and effective and appropriate with regard to Cinia's operating environment.

Cinia is committed to promoting equality and non-discrimination in all its operations, and to making equal treatment an integral part of its normal operations, strategies and plans.

Cinia takes a zero-tolerance approach to all harassment, sexual harassment and other inappropriate

behaviour. Cinia is also determined to ensure that every employee is aware of what constitutes workplace harassment and sexual harassment, fully understands what is expected of him or her, and knows how to confidentially report any problems or suspected misconduct.



Absence due to sickness

The percentage of absences from work due to sickness for the whole group in 2019 was 2.9% (2018: 2.9%), which is slightly below the industry average. The number of absences due to sickness was affected by a number of long absences due to serious

illnesses or surgery. Of the total number of days of sick leave for the whole year, 18% were accounted for by absences of longer than 60 days. The largest proportion of periods of sick leave, 44%, was for periods of 1–3 days.

Work-related accidents and accident rate

Everyone is entitled to a safe working environment, and Cinia works to prevent accidents at work by adhering to occupational safety guidelines and implementing the appropriate measures in its premises. Four work-related accidents occurred in Cinia in 2019 (2018: 2). Two occurred when commuting between

home and work, and two occurred at place of work. The accident rate in 2019, i.e. the number of accidents per total number of hours worked in the year, was 0 (2018: 4). Accident frequency refers to the ratio of accidents which cause for more than a day absence to hours worked multiplied by million hours worked.

Remuneration

The aim of Cinia's remuneration scheme is to support its strategy and encourage activities that create added value over the long term. The bonus system may consist of performance bonuses for the entire personnel and/or bonuses for specific employees based on the company's result. The bonus system is decided by the Board of Directors, and the guidelines for bonuses and performance-related bonuses are based on guidelines approved by the Finnish Government's Ministerial Committee on Economic Policy.

Remuneration for the members of Cinia's Board of Directors

The remuneration for the members of Cinia's Board of Directors is approved at the Annual General Meeting. The company does not grant loans or guarantees to the members of the Board of Directors. Any travel expenses of the board members related to their work are subject to the instructions given by the Finnish Tax Administration and Cinia's travel policy.

Cinia's bonus strategy is now based on the following four principles:

1. Realising strategic goals: Cinia operates in accordance with its strategic goals by communicating the strategy and its business targets transparently to all employees. The bonus system encourages personnel to act according to the Cinia's strategy and business goals.

2. Fairness of remuneration: Cinia's bonus system processes are managed and carried out in ethically and consistently. All Cinia employees are treated equally and impartially, and the incentive policy and principles are communicated openly.

3. Employee motivation and commitment: Cinia's bonus system is at the level that boosts motivation and has a clear connection to performance. Awarding bonuses to the entire personnel also contributes to ensuring commitment in the medium term.

4. Cinia's attractiveness as an employer: Cinia's overall bonus system is at a level that can attract and retain people with the expertise and experience needed for achieving Cinia's strategic goals. In addition, the bonuses are competitive in the labour market in which Cinia operates.

Cinia uses a bonus fund for personnel in accordance with the Act on Personnel Funds as a voluntary and alternative way for employees to receive performance-related bonuses and incentives. The purpose of the personnel fund is to receive and invest the financial incentives that Cinia personnel have received and to provide them with an economically productive means of receiving financial incentives.

It is possible to pay into the fund any bonuses awarded as part of the Cinia incentive scheme that is in use at a given time. All Cinia personnel can join the personnel fund, and membership is voluntary.

PROFIT-BASED BONUSES PAID	2019	2018
CEO	65 032	55 662
Other members of executive team	122 190	101 202
Other personnel	414 883	509 354
Total	602 105	666 218



Management of cybersecurity, data security and data protection at Cinia

Cinia's service offering focuses in particular on customers requiring a high level of security and specialised solutions. Success in these customer segments requires a high standard of cybersecurity and data security in internal activities and in the services provided by the company. A data-secure work environment and operations improve work performance while strengthening our customers' confidence in Cinia's services.

A data-secure operating model and services are a key part of Cinia's corporate image, corporate social responsibilities and business goals. Cinia meets the needs of its public authority customers in accordance with the applicable statutory obligations. Cinia's data security goals and operating model are set out in the data security policy approved by Cinia management.

To support Cinia's internal operations, the company maintains guidelines for the secure use of data, terminals and various communication methods, as well

as security arrangements for premises. Cinia has also stipulated the security requirements concerning its partners and subcontractors. Cinia personnel and subcontractors are regularly trained in matters related to data security.

Cinia has three security assessments related to the company's operations, which were carried out by third parties. In May 2017, the Finnish Defence Forces granted Cinia a Facility Security Clearance, demonstrating the ability to handle confidential information in the manner required by the national security audit criteria (Katakri). In November 2019, Cinia was awarded for the second time the Finnish Cyber Security Certificate (FINCSC) in recognition of its high standard of cyber and data security.

In July 2019, Cinia was awarded the internationally recognised ISO/IEC 27001:2013 data security management system certificate. The certification cov-

ered Cinia's Service Desk operations and the company-level guidance of the data security management system, such as company-level security policies, guidelines and practices.

In building security and emergency arrangements, Cinia works closely with the National Cyber Security Centre. Cinia is a telecommunications provider with a statutory responsibility for contingency planning of electronic services, and is also legally responsible for keeping the Finnish Transport and Communications Agency Traficom informed of incidents related to data security.

Cinia recognises individuals' right to privacy and handles all personal data in its possession in accordance

with the laws and regulations on data protection. Cinia maintains a public data protection policy that has been approved by the management, as well as comprehensive guidance on the processing of personal data. The company continuously maintains guidelines on data protection and actively monitors data protection legislation and requirements. Online data protection training has been organised for the company's personnel. Training is part of the induction of all new Cinia personnel.

Cinia's information security policy and privacy policy are available at www.cinia.fi.

Activities of the cyber security committee

In the spring of 2015, Cinia established a cybersecurity committee consisting of distinguished experts in the field in Finland. The committee's work has proved extremely effective.

As everything is becoming digital, the associated risks also spread to new areas of life and society. With the help of the committee, Cinia has endeavoured to ensure that its understanding of developments in the cyber environment remains accurate and up to date, and that Cinia can therefore protect itself and the services it provides. At the same time, Cinia wants to contribute to domestic and international efforts to further develop cyber security.

During its five years of operation, the cybersecurity committee met three to four times a year. Members of Cinia Oy's Board of Directors and executive team also participate in the activities of the committee.

In 2019, cybersecurity council meetings addressed issues including hybrid threats to critical infrastructure, new EU-level industry standards, wide-ranging security issues for network devices, cybersecurity cooperation with the EU and NATO, security of supply aspects related to international telecommunications, as well as the latest encryption techniques and their applications. An academic report on cyber risks and management of the Northeast Passage subsea cable was also published in 2019.



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