

**SUSTAINABILITY AND
NON-FINANCIAL
INFORMATION
2017**

C R A M O

This statement has been prepared in accordance with the requirements in the Finnish Accounting Act regarding non-financial information. The contents of this statement cover sustainability issues identified as being business-critical to Cramo's stakeholders, and major impacts throughout the value chain. For more detailed information, see Cramo Group Sustainability Report 2017.

Sustainability and non-financial information

Cramo is a signatory of the UN Global Compact principles for responsible business. Sustainability has a direct impact on Cramo’s internal value creation through growth, return on capital and risk management. It also generates external value for Cramo’s customers and other stakeholders, leading to greater cost-effectiveness, improved access to products with high safety and environmental standards and a reduced environmental impact.

Rental, as an alternative to owning, is resource efficient and enables environmental improvements such as transport optimisation and reduced emissions and waste. By providing users with easy access to a modern, efficient fleet of machinery and modules, for the exact amount of time they need it, Cramo helps customers achieve their sustainability targets at the same time as reducing overall resource use.

CRAMO CARE

Cramo Care is the strategy for integrating sustainability into all the parts of Cramo’s business and it is aligned with and mutually supportive of Cramo’s business strategy. Cramo Care is based on a materiality study that identified the stakeholders’ top priorities and Cramo’s greatest impacts throughout the value chain.

The key elements of the Cramo Care strategy are:

- #1** Cramo as an active shaper of the rental industry, a driver of the sharing economy.
- #2** Value creating targets include both financial and non-financial objectives.
- #3** Overall responsibility lies with group management, whereas operational responsibility and employee engagement lie with country managers.
- #4** Relevance and continuous improvement are strengthened through an active dialogue with all stakeholder groups and partnership development initiatives with front line actors.

Cramo Care presents clear targets and ways to monitor performance and sets priorities for Cramo’s group management systems. It defines responsibilities at Cramo for developing strategy, policies and target setting

GENERAL KPIS WITH IMPLICATIONS FOR ALL THE SUSTAINABILITY AREAS

KPI	Target	Outcome 2017
Customer satisfaction	CSI steady over 70	70 ¹
Share of operations (relative sales) covered by ISO 9001	All operations covered by ISO 9001 by 2020	88% (relative sales)
Number of lawsuits (environment, health and safety, human rights, corruption)	0 lawsuits (environment, health and safety, human rights, corruption)	0
Share of employees getting business ethics/CoC-training annually ²	All employees getting business ethics/CoC-training annually	77%
Share of signatories of new Supplier CoC ²	All contract suppliers have signed the Supplier CoC by 2020	48%

¹ All units, weighted average

² The Code of Conduct and the Supplier Code of Conduct cover the environmental, health and safety, human rights and anti-corruption and bribery matters.

CRAMO CARE MATERIAL ASPECTS

<p>CUSTOMER CARE</p> <ul style="list-style-type: none"> • Customer satisfaction • Health and safety • Resource efficiency • Business ethics • Responsible suppliers 	<p>EMPLOYEE CARE</p> <ul style="list-style-type: none"> • Employee satisfaction • Health and safety • Skills development • Diversity and equality
<p>ENVIRONMENTAL CARE</p> <ul style="list-style-type: none"> • Resource efficiency • Reduced environmental footprint • Increased circularity 	<p>SOCIAL CARE</p> <ul style="list-style-type: none"> • Local engagement • Business ethics

and for ensuring implementation and continuous improvement.

ENVIRONMENT

Environmental responsibility is an important part of Cramo’s business model. The rental industry meets the increased legal requirements and demands from customers regarding resource efficiency and a reduced climate impact. Inability to match or respond to those demands will result in damages to Cramo’s reputation, loss of customers and lost opportunities. It might also result in environmental damages and legal claims against the Group. Inability

to optimise resources will lead to increased operational costs.

Cramo is focused on being the most climate- and resource-efficient rental solutions company and will work continuously to mitigate its climate impact by reducing energy usage and emissions, switching to fossil-free energy sources, reducing and recycling materials, reducing waste and handling hazardous waste properly. Cramo takes a precautionary approach to environmental considerations in procurement decisions and the selection of suppliers as well as in customer dialogues. Cramo contributes to its customers’ success by enabling them to reduce their energy

usage, limit their climate impact and minimise waste.

During 2017 the focus of handling and recycling waste has increased, both internally and among customers. At the end of the year, a joint project together with a major customer was initiated, focusing on waste reduction. In 2016, Cramo made the decision to upgrade the lighting in all depot signage at over 300 locations to LED lights, the implementation started in 2017 and will be completed in 2018.

ISO management standard 14001 has been implemented for equipment rental in Finland, Sweden and Norway and for modular space in Finland, Sweden, Norway and Germany. In 2017, the process of implementing a Group management system, including environmental matters, started. Cramo is aiming for a Group ISO certificate, covering all operations by 2020. No environmental legal claims have been directed towards the Group in 2017.

SOCIAL AND EMPLOYEE MATTERS

Health and safety is a top priority for Cramo's customers and employees. The inability to match or respond to external and internal health and safety demands will result in damages to Cramo's reputation, loss of customers and decreased employer attractiveness. It might also result in severe injuries to individuals and legal claims against the Group.

Cramo offers safe, stimulating workplaces for all its employees, where men and women of different ages and backgrounds have the same opportunities for development. Cramo aspires to provide a stimulating environment for professional and personal development. A systematic and preventative approach to safety, both internally and on customer sites, should always be the highest priority.

In 2017, the Cramo Group Management Team decided on a set of leadership principles to be implemented throughout the Group. The decision is the first step towards an even stronger focus on leadership development during the coming years.

The OHSAS occupational health management system or similar has been implemented for equipment rental in Finland and Sweden as well as for modular space in Finland and Germany. Health and safety matters are included in the Group management system that will be covering all operations by 2020. No legal claims regarding health and safety have been directed towards Cramo in 2017.

KPIS WITH IMPLICATIONS FOR THE ENVIRONMENT

KPI	Target	Outcome 2017
Energy usage from rented site huts and modules	13% reduction of energy usage/m ² by 2020 vs 2016	168 kWh/m ²
Share of diesel powered heating equipment	40% reduction by 2020 vs 2016	Share of diesel powered heating equipment of total heating fleet, 12.4%
Share of Stage I-III diesel engines	70% reduction by 2020 vs 2016	Share of rental equipment with diesel engines stage I-III, 39.5%
Number of lawsuits (environment)	0 lawsuits (environment)	0
CO ₂ emissions, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	17.5 tonnes/MEUR
Energy usage, scope 1 and 2 (relative sales)	>20% decrease by 2020 vs 2016	89.2 MWh/MEUR
Share of waste to recycling	>60% by 2020	53%
Share of waste to landfill	<15% by 2020	11%
Share of mixed waste	<20% by 2020	30%
Share of operations (relative sales) covered by ISO 14001	All operations covered by ISO 14001 by 2020	88% (relative sales)

KPIS WITH IMPLICATIONS FOR SOCIAL AND EMPLOYEE MATTERS

KPI	Target	Outcome 2017
Number of individuals participating in external safety training	10% increase per year from 2018	9,895 individuals
Share of countries (excluding countries with less than 3 depots) providing external safety training	100% by 2020	78%
Number of lawsuits (health and safety)	0 lawsuits (health and safety)	0
LTIR (work related accidents)	<5 by 2020	9.9
Share of operations (relative sales) covered by OHSAS 18001 or similar	All operations covered by OHSAS 18001 or similar by 2020	63% (relative sales)
Training days/employee	3 days of training per employee (on average) by 2020	1.75
Share of female employees within the operational organisation ¹	>15% by 2020	10%
Share of female managers	>15% by 2020	14%

RESPECT FOR HUMAN RIGHTS

The protection of human rights is fundamental for Cramo. Through the Code of Conduct, Cramo takes a clear stand against all forms of discrimination and harassment as well as against forced or compulsory labour. The Code of Conduct also declares the right to safe and healthy workplaces and the right of all Cramo's employees to form and join trade unions of their choice and to bargain collectively and individually. The Supplier Code of Conduct covers matters such as safe and healthy workplaces, discrimination, forced or compulsory labour, child labour, precarious employment, fair remuneration as well as freedom of association and the right to collective bargaining.

Violations against human rights will result in damages to Cramo's reputation, decreased employer attractiveness and loss of customers. It might also result

¹ Administrative HQ functions are excluded.

in individual damages and legal claims against the Group.

Cramo's values and Code of Conduct are systematically communicated and anchored throughout the Group and the Supplier Code of Conduct is included in all new supplier contracts. The whistle-blowing service that has been established provides a means for all employees to report their suspicions of misconduct.

In 2017, a new diversity policy was established, including a policy regarding equal rights and opportunities. Each and every employee at Cramo should have equal rights and opportunities, regardless of sex, transgender identity or expression, age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation or other personal characteristics. All forms of discrimination will be counteracted. Different experiences and educational background are to be seen as strengths and local activities to promote diversity are encouraged. No legal claims regarding violations against human rights have been directed towards Cramo in 2017.

ANTI-CORRUPTION AND BRIBERY MATTERS

Cramo's ethical guidelines aim to ensure that customers, employees and society

KPIS WITH IMPLICATIONS FOR RESPECT FOR HUMAN RIGHTS

KPI	Target	Outcome 2017
Number of lawsuits (human rights)*	0 lawsuits (human rights)	0

*Lawsuits regarding discrimination are included.

KPIS WITH IMPLICATIONS FOR ANTI-CORRUPTION AND BRIBERY MATTERS

KPI	Target	Outcome 2017
Number of lawsuits (corruption)	0 lawsuits (corruption)	0

can trust that Cramo conducts business in an ethical, transparent and lawful manner. Failure to comply with the laws and regulations will result in damages to Cramo's reputation, loss of customers and the loss of trust among employees as well as among other stakeholders. It might also result in legal claims against the Group.

The ethical guidelines are systematically communicated and anchored throughout the organisation and the employees are trained in Cramo's values. A whistle-blowing service has been established that

provides a means for all employees to report their suspicions of misconduct. Cramo's suppliers are evaluated using business ethics criteria and the Supplier Code of Conduct is included in all new supplier contracts.

In 2017, one case was reported through the whistle-blowing system. The case was externally investigated. It did not result in any legal action, but preventative actions have been taken. No legal claims regarding non-ethical behaviour, such as corruption, have been directed towards Cramo in 2017.

Signatures

Vantaa, 16 February 2018

Veli-Matti Reinikkala

Perttu Louhiluoto

Peter Nilsson

Joakim Rubin

Raimo Seppänen

Caroline Sundewall

Leif Gustafsson
President and CEO



Group head office

Cramo Plc
Kalliosolantie 2
01740 Vantaa
Finland
Tel +358 10 661 10

Group operational centre

Cramo Services AB
Rosenborgsgatan 12
169 74 Solna
Sweden
Tel +46 8 623 5400

www.cramogroup.com