

YOUR PRODUCTIVITY PARTNER

Annual Review 2019



C R A M O



A leading equipment rental company

We aim to be a productivity partner for our customers, a digital innovator and a frontrunner in our industry.

As part of the sharing economy, Cramo is one of the leading providers of equipment rental services in Europe and a frontrunner in sustainability and digital innovation in the rental industry.

Our ambition is to become our customers' productivity partner in rental and beyond. We offer a full range of state-of-the-art construction machinery and equipment, innovative digital solutions as well as value-adding services. We aim to be a business partner with an offering that enhances the productivity, work safety and sustainability of customers.

We serve more than 150,000 customers in construction and the industrial segment, the public sector and households through a network of 300 depots and a digital solution with an easy-to-access web portal and mobile applications.

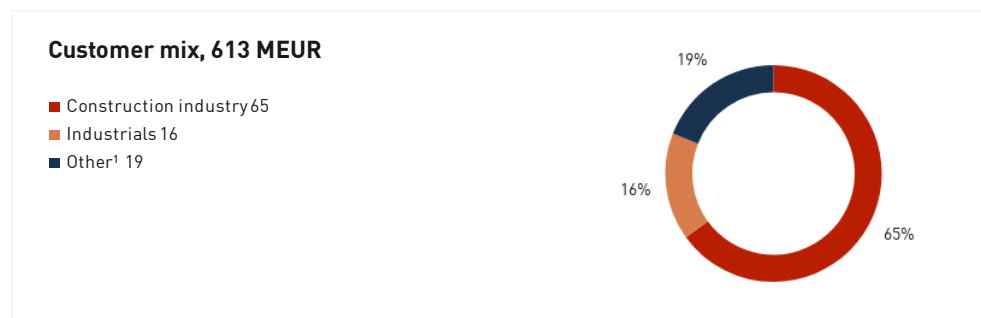
Our mission is Shared resources simplified. Through our digital solutions, we simplify the whole rental process and make it easier for our customers to plan, rent and manage equipment digitally, get a better overview of their rentals and manage returns of equipment. By making the sharing of our rental solutions and services easy and convenient, we are also driving the development towards a sharing economy across the industry.

Cramo employs some 2,700 (FTE) rental professionals in Finland, Sweden, Norway, Estonia, Lithuania, Germany, Austria, Hungary, Poland, Czech Republic and Slovakia. In Russia and Ukraine, we operate through the 50-percent owned joint venture Fortrent. Cramo is a Nordic Mid Cap Company in the Industrials sector on Nasdaq Helsinki Ltd. Our Group head office is located in Vantaa, Finland.



Comprehensive rental solutions

We serve construction companies of all sizes, the industrial and public sectors as well as households. The needs and demands of the different customer segments vary not only depending on their size and sector, but also based on the type of business they are in – whether they work with new builds, renovations or maintenance, or as operators. We have the capability to bundle our products – tools, access and construction equipment, and work site facilities – and rental-related services so that they always meet the different customer demands in the best way.



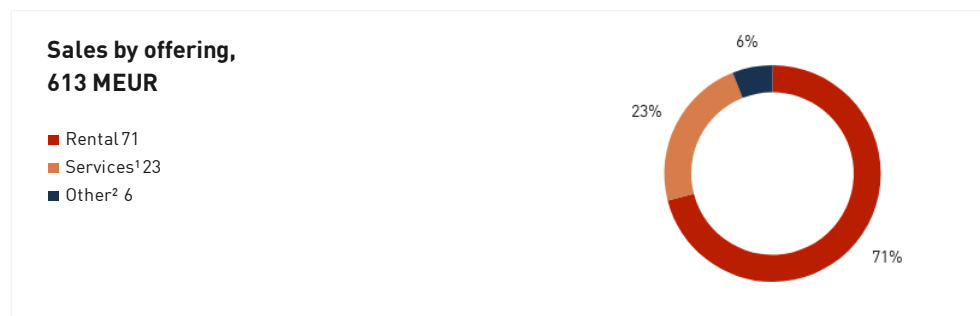
¹ Other consists of public sector, households and other

We are one of the few players in our industry with the capacity to serve the largest construction and industrial projects that have thousands of building professionals on site. With our comprehensive rental solutions, including advanced, value-adding services, we can serve our customers in every phase of a project – from planning and construction to project completion. This ensures that even the largest construction sites can be run as efficiently as possible, enabling our customers to focus on their core business and competences.



Broad offering

By combining our product portfolio with digital solutions and an extensive offering of services, we can provide a wide range of rental solutions from planning to completion that meet different customer needs and demands. We also share competences, best practices and insights with our customers to ensure the safe, sustainable and efficient use of our equipment.



1 Services consists of assembly, maintenance, repair and logistics

2 Other mainly consists of sales of products and new machines

Rental equipment and mobile applications

Our comprehensive fleet consists of 217,000 rental units – modern and safe tools, access equipment, construction equipment and building site facilities with high environmental performance.

Approximately 11,000 of the units are digitally connected. A connected fleet means an opportunity to monitor and gather data that can serve as an input for data-driven decision making and more efficient construction processes for our customers and for our development of value-adding services.



Tools and complete package solutions in building equipment.



Construction equipment for all types of assignments, from major infrastructure projects to small-scale jobs.



Access equipment with comprehensive safety solutions for working at heights.



Building site facilities for various purposes and capacity needs.

217,000

rental units

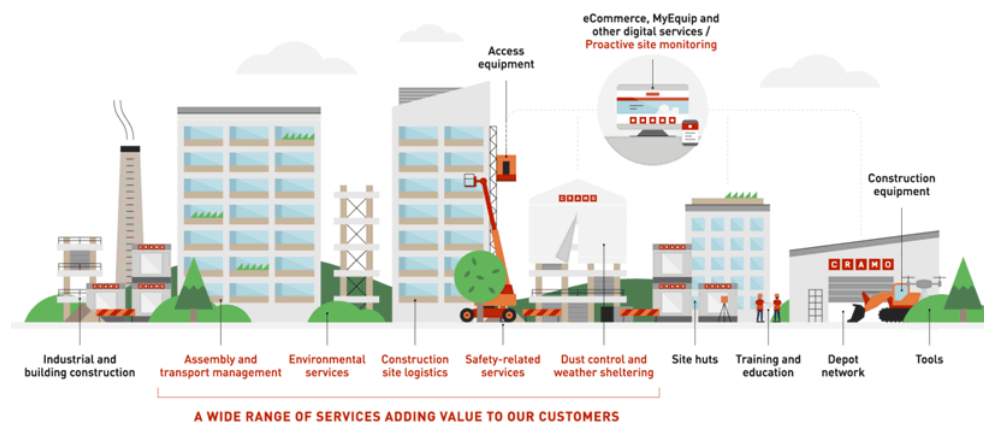
11,000

digitally connected units

85%

electrically powered units within
the energy powered fleet

For customer convenience, Cramo has developed two mobile applications, MyEquip for on-site rental management and Product Viewer for easy access to product data and documents. The MyEquip app lets customers order or return equipment on the go – whenever and wherever they want. The Product Viewer app gives customers easy, job-site access to tutorials, instructions and safety manuals for all of our rental equipment by scanning the product number on the equipment.



Services

Our services are focused on addressing the main concerns of customers and are developed to enhance productivity, work safety and sustainability – and to help run the most demanding projects efficiently.

- **Construction logistics services** cover five areas and include a total of twenty different services within pre-planning, on-site logistics and logistics management, transport coordination and material management
- **Management and planning** services, such as recommendations on alternative methods and equipment or capacity needs, user and safety instructions, advice on applicable HSE (Health, Safety and Environment) regulations and standards
- **Smart concepts** for optimising on-site work processes, such as clean house, dry construction, smart energy and security



Key figures in 2019

612.6

Sales, MEUR

10.9%

Comparable ROE

72.7

Comparable EBITA, MEUR

11.9%

Comparable EBITA margin

1.92

Net debt/EBITDA

9.7

Lost time injury rate (LTIR)¹

¹ Number of work-related accidents with at least one full day of absence/million working hours

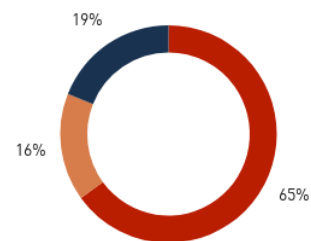


Serving markets in Northern, Eastern and Central Europe

Cramo is a leading player serving industrial and building construction customers with equipment rental and related services. We combine our proximity to customers and our understanding of their needs with an offering that increases productivity and work safety.

Customer mix, %

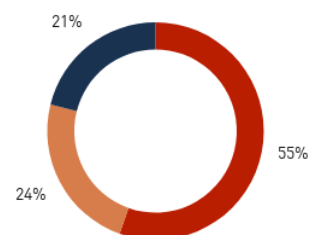
- Construction industry 65
- Industrials 16
- Other¹ 19



¹ Other consists of public sector, households and other

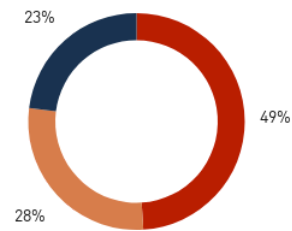
Sales by business region, MEUR

- Scandinavia 339
- Finland and Eastern Europe 144
- Central Europe 129



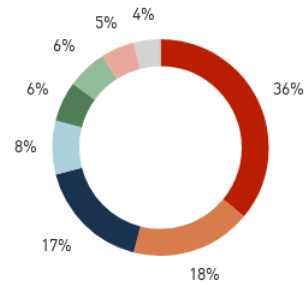
Capital employed by business region, %

- Scandinavia 49
- Finland and Eastern Europe 28
- Central Europe 23



Personnel by country¹, %

- Sweden 36
- Germany 18
- Finland 17
- Norway 8
- Estonia 6
- Poland 6
- Lithuania 5
- Other Central European countries 4



¹ Headcount

Scandinavia

Scandinavia – Sweden and Norway – is Cramo's traditionally strongest foothold and accounts for half of the revenue. Our Group Operational Centre is located in Stockholm, Sweden.

In Norway, we have piloted many of our new innovations, for example pricing and digital solutions. Cramo is a true partner to our customers, some of which are the largest companies in Norway. The same model for business growth and improving customer loyalty will be tested in other countries as well.





Finland and Eastern Europe

Cramo's Group Head Office is in Vantaa, Finland, close to Helsinki and logistically easy to reach. In addition to Finland, the segment's 111 depots cover Estonia, Lithuania, Poland and Fortrent Group, a 50% owned joint venture in Russia.

The use of our 24/7 digital services is growing in Finland, including status checks, order placement, fleet management, and machine-specific instructions and document downloads.

Central Europe

We expanded our offering in Central Europe in 2018 by acquiring the construction site logistics company KBS Infra. Through this acquisition we expanded our offering of equipment rental products in Germany into planning and logistics services.

Cramo also serves the markets in Austria, Czech Republic, Hungary and Slovakia.



Taking Cramo to the next level

In 2019, we focused on developing and strengthening Cramo, a pure equipment rental company. An inspiring new vision and a differentiating strategy were defined, and the implementation was started with enthusiasm by all Cramo people. We are now well prepared to take the leap towards an even stronger position in our industry in Europe.



Year 2019 was both successful and challenging for us. Cramo's partial demerger was successfully completed at the end of June 2019. Carrying out such a complex transaction required a major effort from our people in every Cramo country. I am very impressed with and proud of our employees' great contribution.

With the more unstable and levelling market, 2019 was a challenging year for Cramo in terms of performance. The Group's sales and organic sales decreased slightly and, as estimated, our profitability was weaker than in 2018. However, the Group's cash flow was strong.

As soon as we recognised that the performance for the year would be less than satisfactory, we launched a Group-wide performance enhancement programme to strengthen our competitiveness in a tightening market situation and to improve our profit generation. The programme aimed at right-sizing the organisation and operating expenses after the demerger, resulting in a more streamlined cost base. The programme was fully executed by the end of 2019. The full effect of the programme will be reached in 2020. A large part of the summer and autumn was also dedicated to strategy creation, resulting in Cramo's new financial targets in pursuit of increased growth, capital efficiency, leverage and shareholder return.

Becoming our customers' productivity partner by delivering on our new strategy

A new, inspiring chapter for all of us at Cramo has begun as we start developing our company towards its full potential as a business fully focused on equipment rental. Our starting points are solid: our market position is strong in Europe, and we are a recognised industry frontrunner in sustainability and digitalisation, two areas where we continue to have high ambitions to lead the way.

There is no doubt that Cramo is still positioned as one of the strongest players on the market, as it has an extensive fleet, local presence and a broad range of services and solutions that give us good credibility as a supplier. Our strong values of commitment, credibility and creativity permeate our company and give us the advantage of strong customer relationships. Our new Cramo NXT strategy prepares us for the future through four focus areas. We will cement our market position through top-tier performance, expansion in the industrial segment, increased digitalisation and improved commercialisation of our services.

We are a company with a history of capturing the potential of our markets and we will continue to do so. Our

Cramo NXT strategy is an integral part of differentiating ourselves through the customer value we create and of fulfilling our vision of your productivity partner in rental and beyond!

Focus on leveraging our operations and achieving business growth

Performance in our depot network is the foundation for leveraging our operations and achieving business growth. This entails ensuring that we have the right coverage, product assortments, logistical set-up and fleet utilisation so that we can optimise our cost base and improve our revenue streams. We aspire to have a depot network where every depot contributes to improving our profitability. Our market position is an important part of our growth story. We aim to adapt our geographical footprint with the intention of being number one or two in the marketplace where we operate. This may be in a region or in a whole country. We want to be the one shaping the business environment and driving the customer experience in the equipment rental market. A strong position allows us to utilise our scale, which, in turn, contributes to efficient operations.

Efficient operations involve strengthening and developing our business processes to further improve our way of working. Digitalisation and increased customer demands are putting new challenges on our organisation. By sharing best practice and developing new tools we can create new ways of working that increase efficiency not only for us internally, but also for our customers.

Differentiation through our innovative service offering

Services that differentiate us from the competition play a central role in delivering on our vision. Customers expect more and more advanced services that meet their needs and solve their key concerns related to productivity, sustainability and safety. We aim to harness this potential by offering a wide range of advanced construction site logistics and other services, often based on digital solutions to help customers run their sites more efficiently.

We have chosen to take the lead in the digitalisation of our industry. At the beginning of 2019, we launched an eCommerce platform and two mobile applications that were very well received. We aim to continue to create innovative digital services that are based on customer needs as well as on data collected by our connected fleet.

Continued focus on sustainability and on our people

Sustainability is embedded in our strategy, and we have assured our industry position as a frontrunner in this field. We have invested in developing our sustainability framework, Cramo Care, and have worked systematically to improve our sustainability targets. The next step is to bring circularity into sharper focus and develop it as a part of our business rationale. We participated in a joint project together with one of our major customers and investigated the requirements for a CO₂-free construction project. Our part in this project was to identify how we could eliminate the carbon footprint of our equipment.

“We are Shapers” is our people promise and emphasises how we at Cramo focus on the development of our people. We know that people are the key factor to our future success. We take responsibility to align the development of our employees with our business strategy and ensure that people are a business agenda priority. We also recognise the importance of diversity and equality as prerequisites for building a culture that encourages innovation and sustainability.

Public tender offer for all shares in Cramo by Boels approved early 2020

The consolidation of the European equipment rental industry, a trend in which also Cramo has been an active player, continued to intensify. On 11 November 2019, Boels Topholding B.V., one of the most renowned equipment rental companies in Europe, and Cramo entered into a Combination Agreement, pursuant to which Boels made a voluntary recommended public cash tender offer to purchase all of the issued and outstanding shares in Cramo. The offer was approved on 5 February 2020.

The combination of Cramo and Boels Rental will create a more competitive organisation that is better positioned for greater growth, increased profitability and with the financial strength to better manage market challenges and level out economic volatility. The merger is a great strategic fit and utilises the strengths of each respective company. Factors such as the complementary geographical footprint, a stronger combined presence in mainland Europe, the optimised portfolio of products and services offered by joint operations, and the improved rental expertise through the combination of first-rate teams are examples of how the combined company will be a true European rental leader in quality and scale.

Ready to take Cramo to the next level

We have now taken the right steps to improve performance and set the foundation to differentiate ourselves from the competition. With our innovative solutions, digitalised offering, and committed employees, we are well

positioned to capture the opportunities of changing markets and customer needs.

We are on the brink of starting a new journey and I could not be more excited about taking Cramo to the next level!

Sincerely,

Leif Gustafsson

President and CEO

Financial targets 2019–2023

- Double-digit EPS growth between 2019 and 2023¹
- Operative ROCE² >15% by year-end 2023
- Net debt to EBITDA lower than 3.0x
- Dividend pay-out ratio >50% of EPS³

1 CAGR. Comparable EPS

2 Excluding goodwill and tangible assets. Operative ROCE defined as comparable EBITA to average of tangible assets and net working capital

3 Excess capital can be distributed through dividends or share repurchases



Creating value through our competitive and efficient business model

We create added value for our stakeholders and society by making the sharing of sustainable rental solutions simple and by driving our internal value-chain most efficiently. We provide customers with value-adding services and digital solutions that meet their needs and enhance their productivity. Supporting our people to perform at their best ensures our future success and value creation.

Input

Economic

- Equity MEUR 403
- Net debt MEUR 376
- 14,500 suppliers
- 8,873 shareholders

Fleet

- 217,000 equipment rental items
- 11,000 digitally connected items
- 85% electrically powered units within the energy powered fleet
- Available through a network of 300 depots in 11¹ countries
- Available in Cramo's 24/7 digital eCommerce platform

Intellectual capital

- Strong, trusted brand
- Corporate culture encouraging innovation
- Comprehensive competence and know-how

Human capital

- 2,500 rental professionals (FTE)
- Trainees, interns and summer employees
- Certified quality, environment and occupational health and safety management

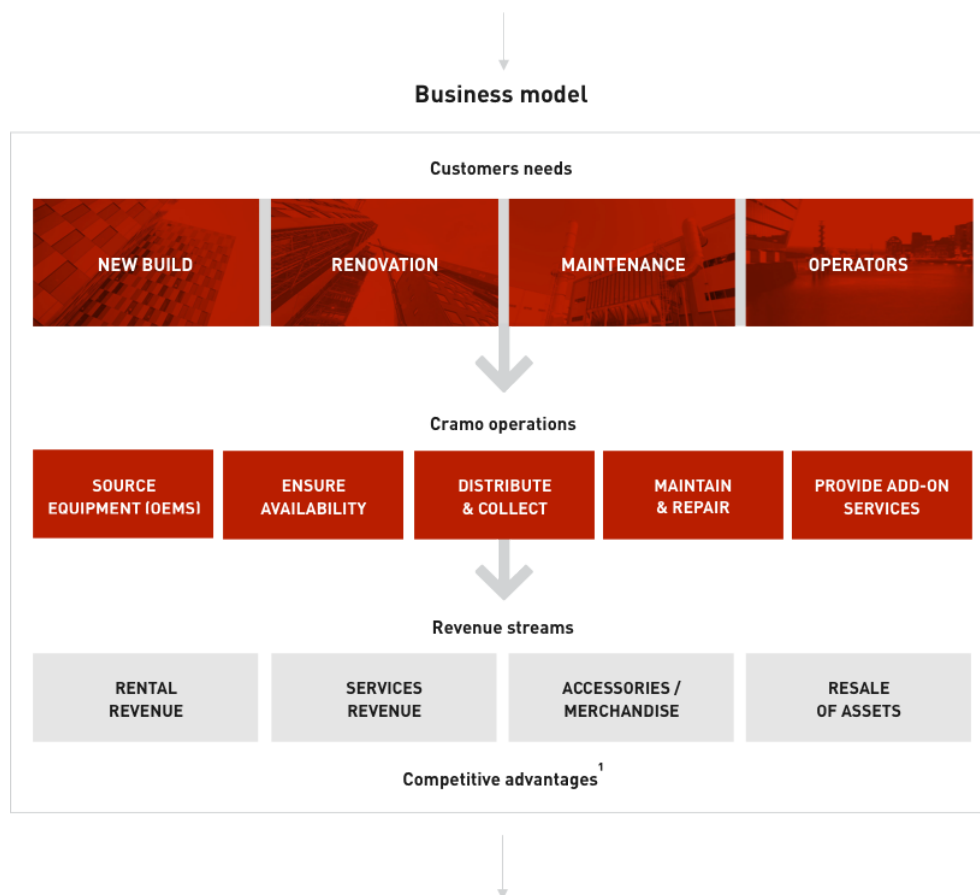
Social and relationships

- Customer insights
- Stakeholder dialogue
- Collaboration with partners
- Community relations

Natural

- Energy
- Water
- Oils and chemicals
- Consumables

¹ Cramo operates in Finland, Sweden, Norway, Estonia, Lithuania, Germany, Austria, Hungary, Poland, Czech Republic and Slovakia. In Russia Cramo operates through the 50 percent owned joint venture Fortrent



Outcome

Economic

		2019 MEUR	2018 MEUR
Customers	Sales (services, solutions)	613	632
Employees	Employee benefits	153	148
Suppliers	Purchases	203	204
Owners	Dividends paid	40	38
Financial community	Financial expenses, net	13	10
Society	Taxes, social security charges, pension expenses	50	53

Customer Care

- Sharing reduces the amount of new machinery and equipment needed, thus reducing the consumption of natural resources
- Cost-effectiveness by sharing costs
- Enabling optimisation of capital investments
- Services, solutions and innovations that increase productivity
- Flexible access to modern equipment with high safety and environmental standards

- Shared know-how, for example, within joint development projects
- Optimised transport utilisation
- Sustainable sourcing

Employee Care

- Good work environment
- Fair employment conditions
- Personal development
- Career opportunities
- Diversity and non-discrimination

Environmental Care

- Reduced CO₂e emissions
- Increased energy efficiency
- Responsible waste handling and reduced waste volumes

Social Care

- Business relations based on strong ethics and trust
- Added value through taxes to society in 11 countries
- Responsible corporate citizen

¹ Competitive advantages



2,500 rental professionals (FTE)
serve over 150,000 customers in 11
countries



217,000 rental units available in 300
depots



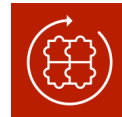
Effective solutions and innovations
based on customer needs



11,000 digitally connected units with
data driven insights



Multi-channel business model to
ensure customer experience



Sustainable solutions enabling and
driving the sharing economy



Shape and Share strategy's financial targets achieved

The financial targets of our former Shape and Share strategy for the Cramo Group and the Equipment Rental business were successfully achieved in early 2019 before the partial demerger. Following the partial demerger of Cramo, we started preparations to streamline the fully focused equipment rental company and to create a new strategy.

To improve competitiveness and profitability going forward as a fully focused equipment rental company, a Group-wide performance enhancement programme was initiated after the partial demerger. The programme aims to secure a more streamlined cost base and was largely executed by the end of the year.

Our new strategy for the 2019–2023 period was introduced in September 2019, and we started to execute it immediately. We have a strong track record of delivering on our strategy, proving the strength and capability of our organisation to focus on areas of strategic importance, and thus we strongly believe in our success with the new strategy as well.



Cramo NXT – a strategy for growth and differentiation

We created a new vision and strategy to better serve our growth and other strategic ambitions as a focused equipment rental company. We aim to capture the opportunities in the market through differentiation with a comprehensive offering that enables improved productivity for our customers. A deep understanding of our customers' key concerns is central for our success.

From the perspective of a fully focused equipment rental company, we thoroughly analysed our operating environment and the key concerns of customers in order to create a new vision and strategy for Cramo.

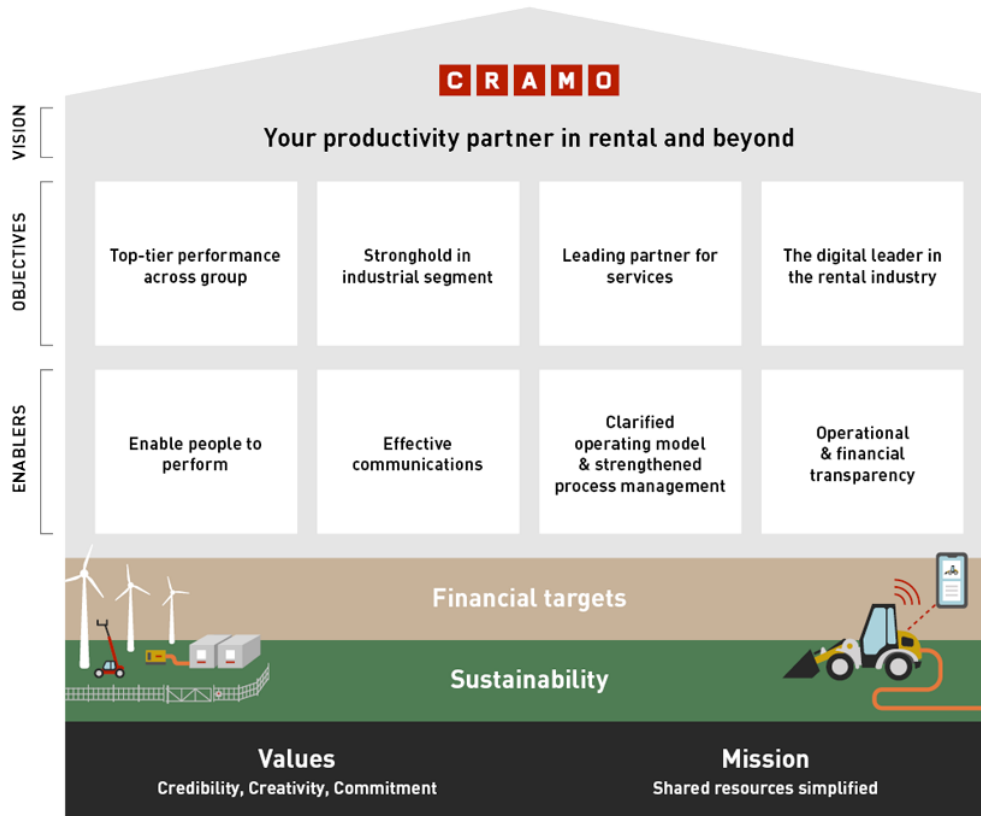
The analysis showed that enhanced performance and differentiation will be the most critical success factors for a rental industry company in the future. We also identified significant opportunities to increase our core business, equipment rental, through, for example, intensified initiatives towards the industrial segment. The most important finding in discussions with our key customers was that their ultimate concerns are strongly related to the productivity of construction projects – concerns that we are able to address through our services and digital initiatives.

Based on these key findings and a deep understanding of the different markets where we operate, we defined and started implementing our new vision and a strategy that we believe best supports our growth and future success as a top-tier company in our field of business.

Our new vision is Your productivity partner in rental and beyond. We aim to achieve our vision by providing our customers with value-adding services that also differentiate us from the competition.

Our new Cramo NXT strategy focuses on growth, further enhancing operational efficiency, strengthening our market position in the industrial segment, increasing our service offering and developing innovative digital solutions to improve customer efficiency. We have also defined four key enablers that will support us in realising our strategic objectives. Our values – credibility, creativity and commitment – remain unchanged.

A video from Capital Markets Day in September 2019 summarising Cramo's vision, Cramo NXT strategy and financial targets.



Top-tier performance across group

- to improve our operational efficiency and further strengthen Cramo's position as a leading European equipment rental player

Target:

#1-2 position in each local market of relevance

[Read more](#)



Stronghold in the industrial segment

- to expand the business and to balance the cyclical nature of construction business

Target:

30% of revenues from industrial segments

[Read more](#)



Leading partner for services

- to provide a differentiating service offering promoting long-term customer partnerships that enable value-added benefits for customers while supporting equipment rental

Target:

30% of revenue from services

[Read more](#)



Digital leader in the rental industry

- to increase productivity for our customers through digital initiatives that enable superior customer experience and productivity

Target:

100% of construction and access equipment fleet connected

[Read more](#)

New financial targets focusing on growth and operational efficiency

We have four new financial targets based on the Cramo NXT strategy for the 2019–2023 strategy period. These targets cover growth, capital efficiency, leverage and shareholder return, offering a good balance between growth and operational efficiency.

Financial targets 2019–2023

- Double-digit EPS growth between 2019 and 2023¹
- Operative ROCE² >15% by year-end 2023
- Net debt to EBITDA lower than 3.0x
- Dividend pay-out ratio >50% of EPS³

1 CAGR. Comparable EPS

2 Excluding goodwill and intangible assets. Operative ROCE defined as comparable EBITA to average of tangible assets and net working capital

3 Excess capital can be distributed through dividends or share repurchases

Comprehensive approach to sustainability

Sustainability is embedded in our strategy, and we have assured our industry position as a frontrunner in this field. During the year, we updated our sustainability strategy, in line with our new Cramo NXT business strategy. In the coming years we will increase our focus on sustainable customer use, transports and logistics as well as sustainable sourcing. Our aim is to have the most satisfied customers in the industry and to work together with our customers, suppliers and other stakeholders to further decrease the environmental and social footprint of rental equipment.

We will also continue to improve our internal operations, integrating sustainability into all parts of our organisation. Our focus on business ethics, occupational health and safety, mitigating our environmental impact and taking an active role in the communities we operate in will remain strong.

Cramo NXT enables us to take the lead in advancing sustainability in the rental industry and to move towards circularity.

Non-financial strategic targets

Customer Care

Strategic target: Most satisfied customers in the industry

Target: Customer satisfaction index >75

Target: Share of units powered by electricity within the energy powered fleet 90% by 2023

Employee Care

Strategic target: Zero accidents

Target: LTIR¹ 0 by 2023

Environmental Care

Strategic target: Zero emissions

Target: Emissions² (t/MEUR revenue) <15 t/MEUR by 2023

Social Care

Strategic target: Top ranking in business ethics

Target: 0 legal proceedings

1 Number of work-related accidents with at least one full-day absence/million working hours

2 CO₂e emissions, scope 1 and 2 (relative to sales). A market-based method is used to calculate the CO₂e emissions from electricity



Cramo as a productivity partner

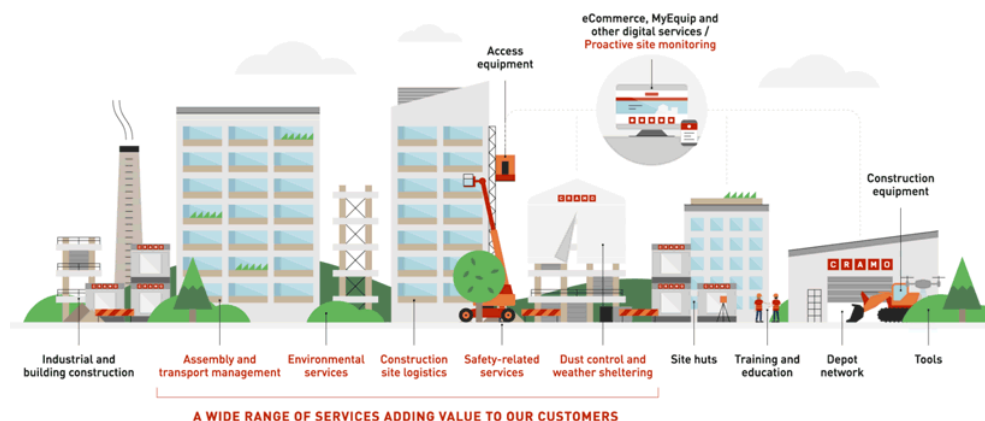
We aim to achieve our vision of being “Your productivity partner in rental and beyond” by providing our customers with value-adding services that also differentiate us from the competition. Our productivity partner approach is based on the motto that our customers’ success is our success.

We serve the entire construction industry – from the planning phase to the finished construction site – and focus on helping our customers increase their productivity and work safety. Our digital applications enable 24/7 communication, allowing our customers to manage their fleet when convenient. Through our digital tools we also learn how customers behave by collecting data, and can transform it into service offerings that enhance our capability to be a productivity partner in our industry.

Our part in the ecosystem of building and maintenance

Our services are focused on addressing customer concerns. We have identified three key concerns – productivity, sustainability and safety – and we address them through value-added services that match customer demand, size and location. Different hub structures in different regions, paired with depots, make the logistics of physical equipment swifter and more cost-effective for everyone.

With optimised repair and maintenance, we make sure our tools and equipment are ready to perform their part of the job at our customers’ sites while keeping up their resale value. Our comprehensive value chain of services, equipment and easy accessibility is built to inspire traditional customers to take new methods into use while answering even the most progressive customers’ demands.





Top-tier performance to improve operational efficiency

Target: #1-2 position in each local market of relevance

With our vision to be a productivity partner for our customers, Cramo continues as a frontrunner of the rental industry. For us, top-tier performance has three main building blocks.

Top-tier financial performance

Firstly, financial performance will be boosted by systematically lifting performance across countries and networks, by rolling out a global pricing framework and by driving scale. A focus will be on Germany and Finland, where we are improving depot sales efficiency and adjusting the network as well as building on new teams and new capabilities across functions. This methodology has already been successfully applied in Norway.

#1-2 position across relevant markets

Secondly, we will reach for the number one or two position in our relevant markets by growing organically and by seizing M&A opportunities. The market for rental equipment is still very fragmented in Europe and offers big opportunities for growth. At the moment, the top 10 rental companies serve less than 30% of the market.

Top-tier fleet efficiency

Fleet efficiency is a primary key performance indicator in the rental business, and our fleet strategy is centred around driving fleet return and time utilisation. Through efficient fleet management, we aim to increase profitability for us and for our customers.

Additionally, we aim to increase the amount of centrally negotiated equipment supplier contracts to 95%. With today's 75% we are already at a very high level, considering we serve all kinds of local preferences. By helping our customers anticipate their needs throughout the construction site lifetime, we can increase the systematisation on our side.

Regarding systematic improvement of fleet return and time utilisation, we have systematic ways to collect data from a large part of our fleet to optimise usage and performance. We monitor the impact that machine repairs and maintenance have on lifetime and resale value, resulting in the refurbishment of some machines to upgrade their capability levels.

Top-tier fleet efficiency is also driven through depot optimisation and digital initiatives. Our hub structure is being adjusted to better meet market demands. We plan in advance how we operate in each of our areas, which depots and hubs have what machines, which customers we serve from where, and which services are offered to meet local demand. Systematic fleet management and digitalisation of order streams enable us to optimise our offering in large hubs as well as in small walk-in depots.



Stronghold in the industrial segment – more tailored packages

Target: 30% of revenues from industrial segments

A significant share of our revenue already comes from the industrial segment where the correlation to the new construction cycle is low. In 2019, 16%, or EUR 99 million, of our revenue was from the industrial segment. Our target is to have 30% of revenue from the industrial segment to better shelter Cramo's business from economic cycle swings.

Cramo is one of the few actors on the market that can serve the needs of big industrial construction sites – from construction and industrial stops to supporting daily maintenance and operations. We invest in building upon our skills in serving industrial customers and on further expanding our offering to them through an increase in tailored packages and machines matched to their specific needs. Today's tailored packages include, e.g., on-site services, dry chain and maintenance stop site hut packages.

Cramo has signed industrial contracts that span from 12 to 70 months and are worth some EUR 60 million. These projects comprise activities in all our regions and each of them encompass 3 to 20 Cramo people and 1,000–3,500 rental items.

Martin Holmgren

Senior Vice President, Fleet Management, Cramo

As an example, Cramo has been a preferred rental partner to a giant industrial project where Billerud Korsnäs built a state-of-the-art paper plant production line in Gruvön, Sweden. Our deliveries to this project contained all types of rental equipment, one of the largest site hut parks in Nordic history, electricity, hoists, access, tools and several connected services. In addition, Cramo served the industrial construction site with an on-site rental depot and it staffed different service functions during the main part of the construction.

Follow the gigantic construction project, step by step, from January 2017 to May 2019. This enclosed video from the BillerudKorsnäs construction site shows you the all-round use of Cramos' equipment and related services during a large, complex industrial project.



Leading partner for services – focused on addressing customer concerns

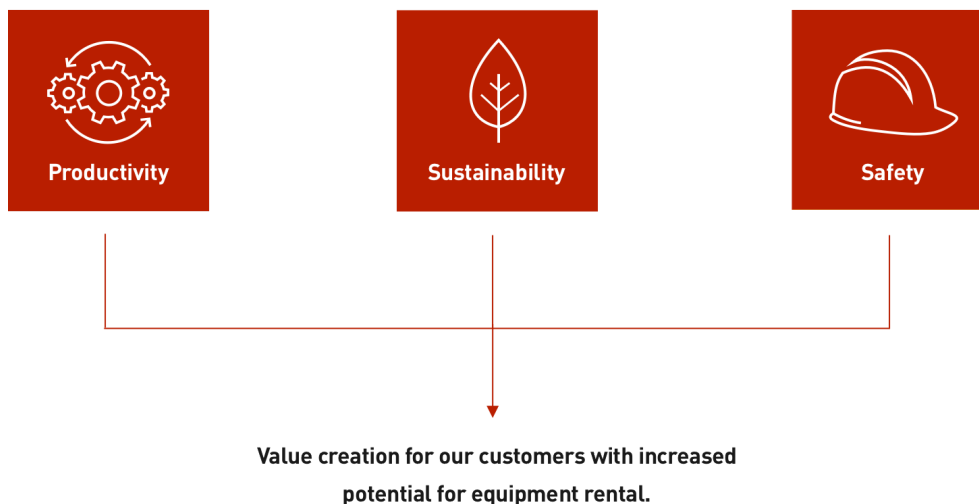
Target: 30% of revenue from services

To build on our services and further improve our customer understanding, we conducted a thorough study and interviewed some 80 customers in Sweden, Norway and Finland during 2019. Among other things, the responses confirmed that most of our customers want to focus on the construction or renovation job at hand and welcome a rental partner offering good construction site logistics.

The majority of respondents in the study believe that Cramo could cover their needs for value-added services in rental and beyond during construction projects. We at Cramo want to further develop in this area and especially address the three biggest customer concerns: productivity, sustainability and safety.

Services focused on addressing customer concerns

Three key customer concerns that Cramo addresses:



We have been working with Cramo for several years now and we are satisfied with their quality service, work speed, reliable equipment, flexibility and wide range of products for all our needs. Cramo is now our strategic rental equipment partner. By working with one main partner, we optimise our time and cost efficiency.

Alvydas Černys

Technical director, Conresta, Lithuania

Having Cramo as a partner simplified several deliveries for our project. Cramo designed, planned and delivered both temporary heating and power. Everything worked as it should and Cramo was always available if we had any questions.

Clas-Göran Nordberg

Site manager, JM, Norway

Our target of 30% of revenue from services is a testament to the potential we see for this segment. In 2019, 23%, or EUR 139 million, of our revenue came from services. In Finland and Sweden, Cramo offers a very wide portfolio of both flexible and customised value-added services. In Germany, we increased our value-adding services through the KBS Infra acquisition in 2018. We aim to increase the services offered in all our operating countries.



The expansiveness of our on-site value-adding services is well described through a project in which we helped to build the best children's hospital in the world – a project that still makes us feel both humble and proud. For the New Children's Hospital construction project in Finland, Cramo delivered:

- Construction site logistics, rental equipment delivery coordination, traffic and people flow management, loading and unloading, and transport to the installation area to ensure **productivity**
- Site tidiness and safety measurement to ensure **safety**
- Waste management, floor and material protection, and heating and dry construction services to ensure **sustainability**



Digital services – how we create new value and solutions for industry

Target: 100% of construction and access equipment fleet connected

We intend to be the frontrunner for digitally enabled business models in our industry. Insights collected throughout our operating countries guide our investment in digital solutions. These solutions help us to ensure that we are serving our customers with clear value-adds in productivity, sustainability and safety.

To achieve this, we digitally streamline our internal operations, increase our fleet utilisation and, foremost, create added value for our customers through our digitally connected fleet and the data we receive from it. We already have in place a digital eCommerce platform and the Product Viewer and MyEquip apps, and other digital solutions are being developed.

Digital innovation

Our digital eCommerce platform is more than a rental tool – it gives our customers easy management of their rental fleet and rental costs. Every day, our sales forces work flexibly with our customers using our eCommerce offering, giving them access to the offering and up-to-date data and information whenever needed throughout the day.

We are constantly adding more services to our eCommerce platform. In 2019, a pilot on temperature services was carried out. This service is accessible on a mobile screen and can be used to measure how concrete is maturing.

Skanska's Site Manager apprentice Janita Ojala has piloted the wireless eGate to measure humidity at her work site in Finland in real time.

With eGate, I can monitor all measurement points at once, instead of one at a time. The weekly follow-up of average humidity values is also useful data. The cooperation with Cramo is proceeding well!

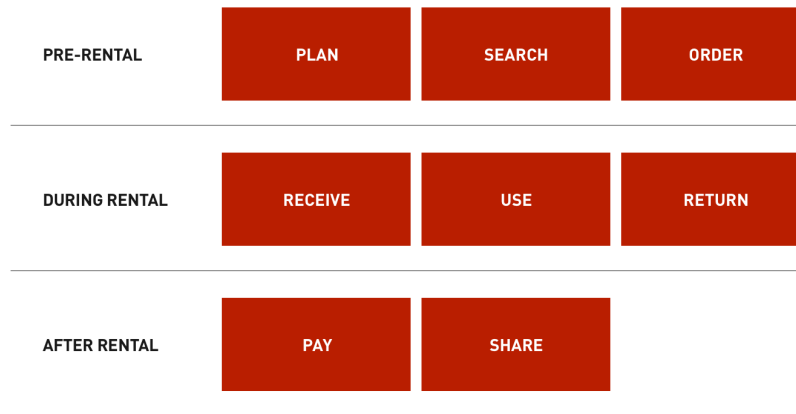
Janita Ojala
Site Manager apprentice, Skanska, Finland

Our digital interfaces are a result of intensive customer journey studies. At the same time, smooth functions and increased transparency over the rented fleet and its costs help to increase customer productivity.

It can be expensive for our customers to have machines they are not using just sitting at their construction sites. In the long run, it is of value to us to ensure our customers' productivity. Therefore, we are piloting rental alerts to remind our customers to return unused items.

Cramo

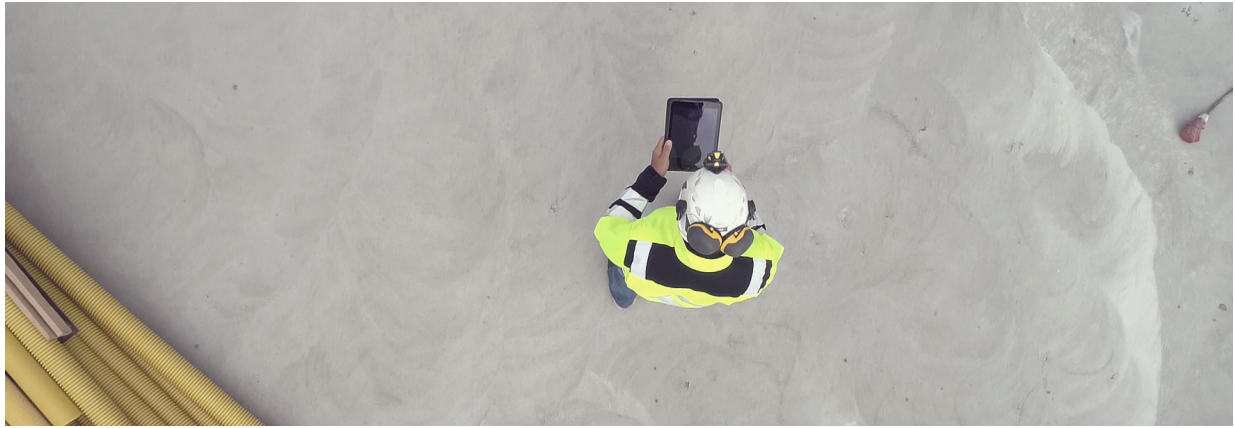
Customer journey model



Mobile access to documents and data

Our Product Viewer app gives customers access to machine- and tool-specific documents, such as machine registration, maintenance information and safety instructions. Site managers can use Product Viewer to find very detailed information, such as what kind of oil has been used in a specific machine, which can be useful information in case of an oil leakage. The app guarantees instant access to detailed product information – a feature that is new today, but will surely be an expectation in the future.

Our MyEquip app shows the customer what they have on rent. For example, in Stockholm there are construction sites with hundreds of units of equipment on site at any given time. The customer is usually not well equipped to keep track of these as that is outside the scope of their core business, which makes it a time-consuming and additional task. MyEquip gives the customer full transparency of what they have on rent at each construction site.



Capturing opportunities in the market

Cramo is focusing on further strengthening its leading position as a European equipment rental player and reaching the number one or two position in each local market of relevance. In several markets Cramo already is a strong player and sees potential for further uplift. Diversified end-market exposure drives balance between growth and stability.

Our strategy aims at capturing opportunities in the market via differentiation through products, services and innovative digital solutions designed to increase productivity for our customers. In Sweden, Norway and Finland we see growth opportunities in both the industrial segment and through digital offerings as well as in the high demand for rental-related services. In our markets in Germany, Czech Republic, Estonia, Lithuania, Poland, Austria, Hungary and Slovakia, the growth opportunities are rooted in increasing rental penetration, outsourcing deals and in the possibility to proactively build on the demand for rental-related services. In all markets we are also looking to grow both organically and inorganically.

Market outlook

The estimated size of the rental market in the countries where Cramo operates totalled about EUR 10 billion in 2019.

In 2019, the market growth levelled out in many countries. Our sales decreased largely due to overall weaker market conditions in Sweden, but was also affected by the ending of two large industrial projects. New projects were commenced only in late 2019 and will have positive sales impact in 2020.

For 2020, the European Rental Association (ERA) estimates that growth in the equipment rental industry will be between 4-5% in all of Cramo's operating countries, except in the Czech Republic and Polish market, where growth is forecasted to be 6% and above 8%, respectively.¹

In equipment rental, ERA sees two trends that are pushing rental penetration. One is the better understanding rental customers have regarding the advantages of renting out a piece of equipment, such as savings, modern equipment, more flexibility and less capital expenditure. Secondly, the rental market is consolidating, which plays a major role in the rental industry's efficiency and promotion.

¹ ERA Equipment Rental Industry 2019 Market Report

Market overview and our position

	ERA		Forecon		Market position estimate
	Market size 2019 (ERA), MEUR	Market CAGR 19-21	Market size 2019 (Forecon), MEUR	Market growth 2020, %	
Scandinavia	2,500	3.9%	2,800	2.2%	
Sweden	1,600	3.6%	1,800	0.0%	#2
Norway	900	4.5%	1,000	6.0%	#3
Finland and Eastern Europe	1,500	5.8%	1,700	6.4%	
Finland	600	4.5%	800	5.0%	#2
Eastern Europe ¹	900	6.6%	900	7.5%	#1, #4 ⁴
Central Europe	5,600	4.1%	5,600	4.3%	
Germany	4,900	4.0%	4,900	4.0%	#4
Other Central Europe ²	700	4.7%	700	4.8%	#2 ³
Total market	9,600	4.3%	10,100	4.0%	

Forecon data for Poland and Central European countries based on ERA outlook for 2019 and 2020

¹ Estonia, Lithuania and Poland

² Austria, Czech Republic and Slovakia

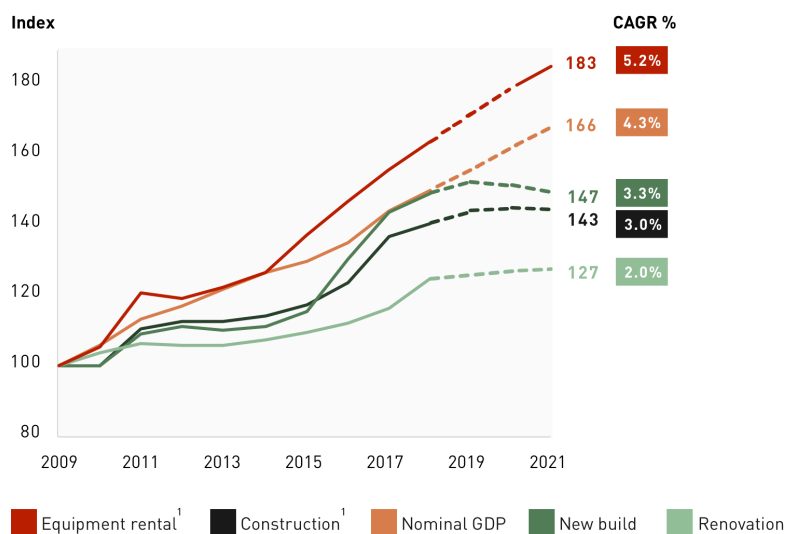
³ #2 in Austria and one of the leading equipment rental companies in Czech Republic and Slovakia

⁴ #1 in the Baltics and #4 in Poland

Sources: ERA market report and Forecon

Market with long term structural growth and robust mid-term outlook



Equipment rental outgrowing the construction market



Source: ERA Market Reports, Forecon, EIU, Euroconstruct, World Bank

1 In Cramo's geographic markets. Data for Sweden, Finland and Norway are based on average between ERA and Forecon (starting 2013/2014 depending on data availability). No historical data available for Austria and Czech Republic beyond 2013; 2013 figures applied as base numbers for years before

A diversified end-market exposure drives balance between growth and stability

	Mature markets	Developing markets
End-markets		
Share of sales (2019)	~70%	~30%
Construction rental penetration	High	Low
Growth and volatility	<ul style="list-style-type: none"> • Robust mid-term growth outlook • Less amplitude in cycles 	<ul style="list-style-type: none"> • Mid to high single-digit growth outlook • Higher amplitude in cycles
Growth opportunities	<ul style="list-style-type: none"> • Industrial and digital offering enabling growth • High demand for rental-related services • Organic and non-organic growth opportunities 	<ul style="list-style-type: none"> • Large outsourcing deals • Medium demand for rental-related services • Organic and non-organic growth opportunities



Scandinavia

Our market position in Scandinavia has been strong for years – but we can ensure further growth and profitability by spreading our business to less cyclical customer segments. In Sweden, we hold an established position as one of the top two rental partners. In Norway, we are well-equipped to further strengthen our position as one of the top players in the market. We want to grow along with our customers in both of these markets. We aim for digital leadership and to help customers increase their productivity through our effective and transparent digital business models.

Based on forward-looking rental market analyses and the ongoing digital transformation in our society, our new Cramo NXT strategy clearly defines the adjustments needed to secure our long-term profitability. We will further focus on our customer offerings and all the enabling activities for the coming business period.

Henrik Norrbom
Executive Vice President, Scandinavia, Cramo

Business environment

Scandinavia accounts for some 55% of the Group's revenue. There is a strong tradition of renting instead of owning, and services are expected.

In 2019, Cramo held the biggest market share in Sweden. Outside the market's top two players, who have a national presence, there are smaller competitors who are more scattered and have local strongholds. The market growth has been levelling out, and a decline in residential building can already be detected as a precautionary reaction to market uncertainty. Public sector construction projects are still expected to grow, albeit at a slower pace. The market share in bigger projects, like infrastructure and industrial projects, remains lucrative, thanks to less volatility, longer contracts, comprehensive orders and skilled procurement.

The market continues to be strong in Norway, where the building and construction market is expected to grow and is being driven especially by big new infrastructure projects and the building of hospitals for the public sector. The competition is strong with more than 200 rental companies, and the market leader is estimated to have a market share of some 13%. Cramo is building towards becoming one of the top two players in the Norwegian market.

Advantages

Digital fleet management

All Cramo digital tools are fully accessible in all markets in Scandinavia. The ongoing digital transformation is driving us to further expand our digital offering with even more smart tools and services that increase our customers' efficiency and profitability. Supported by our new strategy, we aim to assume our position as the **"Digital leader in the rental industry"**.

Our eCommerce platform supports easy online rental, return and fleet management encompassing all rental items as well as cost follow-up and invoices. The **Product Viewer app** gives easy on-site access to detailed product information – from measurements to weight and reach as well as user manuals, safety instructions and other documents. The **MyEquip app** is especially designed for on-site management of all rental items, not only Cramo's; it also gives direct access to smart return functions to help our customers to return equipment that is not being used in a fast and easy way.

After a short and simple demo of Cramo's eCommerce solution we decided to implement it for our company. The solution provides us with prices and all the necessary product information. It is easy to use – just like any other web shop! We like that we can both order and return equipment through the same solution. Cramo's eCommerce solution definitely saves us time in our day to day work.

Richard Wessberg
Site manager, Consto, Norway

Size

Our modern fleet, leading depot network and in-house competences cover all our market areas, assuring our ability to take on both demanding and complex projects. Cramo is one of the few players that can provide a full scope of equipment and services and solve big, project-specific issues.

Wide range of services

Cramo offers a wide range of rental-related services, such as electricity, climate and heating assembly, site huts and site hut assembly. In addition to the more traditional services, we also offer our customers training services, for example in equipment usage and safety. Our customer base that uses our digital services, such as online access for ordering and monitoring deliveries, online returns etc., is continuously growing, and will continue to do so going forward.

Solid references

We have a very solid track record of successful customer projects that speak for themselves. In 2019, our partnerships in Sweden included the building construction site of a new paper plant production line for Billerud Korsnäs in Gruvön, the building of the new Children's Hospital Östra Sjukhuset in Gothenburg, as well as the renovation of the Swedish government's Head Office, a project involving high-level security practices. In Norway, successful projects in 2019 included deliveries of power, heating, hoist, construction, access and building machinery as well as on-site support for Veidekke's large, prestigious residential project in Ulven and deliveries of equipment even beyond the normal range for the construction of a large winter park outside Oslo.

Highlights of 2019

Digital productivity partnership

Small and mid-sized customers have realised that they need a good digital agenda and we can provide them with that. The biggest interest can be seen in the traditional segment, meaning building companies, where our experts proactively help customers use the digital tools. Utilisation is growing steadily as customers see the benefits both from the perspective of cost and fleet management.

Everything is documented in Cramo eCommerce. Thanks to Cramo eCommerce, I know exactly how much we rented during the project. And it lets me book equipment in advance. This has given me, and everyone involved in the project, much more control.

Axel Lindström

Entrepreneur engineer, RÖ Gruppen, Sweden

Innovative fleet optimisation

We are building on the sharing economy by innovating new ways to optimise fleet efficiency. Through a service we have piloted with some customers, we use the IoT to monitor their rental fleet and take notice when a rental item has not been used for a while. We ask the customers if they want to return the idle equipment and tools to us to avoid unnecessary rental costs. Removing the dispensable rental fleet from the customer not only saves them costs, space and time, it also ensures that we have the equipment and tools available to other customers.

Positive performance development and strengthened position in Norway

Since 2017, we have focused on strengthening our performance development in Norway. We started by creating a sense of urgency in our organisation and then defining and communicating a clear common goal – a target of financial growth. Empowering our personnel to engage with the growth plan was crucial. We then concentrated on three development areas: making sure that we have the right people in the right places; systematically improving our sales process; and adjusting our depot network. The development has been positive: not only has our performance improved, but we are also perceived as a potential partner by all of the largest construction companies in Norway.

Several new industrial contracts

In 2019, we won three significant industrial contracts in Sweden, lasting between 36-70 months and valued at EUR 50 million.

1. SCA's updated paper plant in Obbola: Cramo is a main provider of rental equipment, tools and services. Revenue is approx. EUR 10 million, and project timeline is estimated to be 36 months.
2. Northvolt's battery factory in Skellefteå: Cramo is one of the main rental partners. Construction will last some 70 months, require some 3,000 rental items, on-site Cramo employees, and will bring revenue of approx. EUR 28 million.
3. Microsoft's new server centre in the Gävle region: Cramo will work together with Microsoft's partners being the preferred rental partner in the first three phases. Revenue is approx. EUR 12 million and will require some 1,500 rental items. Project timeline is estimated to be 36 months.

2020 focus on top-tier performance and digital leadership

To reach a top-tier performance, we need to further diversify our customer projects portfolio so that it is more balanced and includes less cyclical business areas offering more secure growth. Especially in Norway, we are focusing on growth to achieve the number 1-2 positions on the market. Our organic growth in Scandinavia will be further boosted by digital leadership, where as a frontrunner in digital solutions we have the tools in place to increase customer productivity and to offer an improved customer journey and user experience.

At the same time, we are increasing our own fleet utilisation and concentrating on developing additional customer value through a connected fleet and data. Our target is to have 100% of our construction and access equipment fleet digitally connected by 2023.

2019 Sales MEUR

339.4

2018: 370.5

2019 Comparable EBITA MEUR

60.1

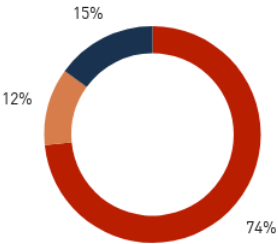
2018: 74.8

2019 Comparable Operative ROCE

18.7%

Sales by customer group, MEUR

- Construction industry249
- Industry39
- Other 51





Finland and Eastern Europe

Customer behaviour and expectations form the basis for our offering in each country – Finland, Estonia, Lithuania and Poland. We follow the markets, interact with our customers and, when we see favourable signs, proactively introduce new services to support our customers' success. This is how we have been growing the vast service range Cramo has to offer in Finland for over 65 years.

Cramo NXT draws on our strengths and turns them into targets and actions we can easily refer to. It is a strategy that is easy to understand for all our people and therefore we can really act according to it. The new strategy gives us the tools to offer value to our customers while at the same time allows us to act and have an impact on our own results.

Tatu Hauhio

Executive Vice President, Finland and Eastern Europe, Cramo

Business environment

Finland and Eastern Europe account for some 24% of the Group's revenue. The area consists of quite different markets.

In 2019, the competitive environment in Finland remained similar to the previous year. Momentum was good during the first half of the year, but residential construction declined, and some bigger construction sites were finalised during the second half. For 2020, there is still a good amount of public and industrial construction as well as renovation under way, although customers are anticipating a market downturn. Changes in buying behaviour, like requesting bids on smaller parts of a total offering, are beacons of a downturn and an attempt to reduce prices. We see this also as an opportunity to show that total solution contracts can clearly benefit customers who have fewer of their own people and want subcontractors with full-scope capabilities.

In Estonia, increased competition consists of more versatile actors entering the market, whereas the markets in Lithuania and Poland are still dominated by small, specialised companies. In these markets, the customers generally do not expect any services from their subcontractors. Through reassurance and verification of the benefits of combining equipment rental with services, Cramo is working on winning bigger market shares in Eastern Europe.

In Estonia and Lithuania, the service market is slowly building, and we have commenced to the offering of equipment through digital platforms.

We have been working with Cramo for several years now and we are satisfied with their quality service, work speed, reliable equipment, flexibility and wide range of products for all our needs. Cramo is now our strategic rental equipment partner. Working with one main partner optimises our time and cost efficiency.

Alvydas Černys

Technical director, Conresta, Lithuania

In Poland, the fundamentals are in place for market growth; the number of apartments compared to people is low. The Polish market is expected to return to normal growth after a slight slowdown.

Advantages

Comprehensive service portfolio

In Finland, we have a very broad service portfolio that allows us to easily respond to customer expectations and help them be more productive. By offering services such as site logistics, environmental and safety services, and right-on-time maintenance equipment, we enable them to focus on their key business. Through our new expert services offering, we have certified engineers to support customers in the measurement of drying concrete or heat maps, for example.

User friendly eCommerce digital platform

Our digital solutions have an easy-to-access web portal and are in a class of their own in terms of functions and performance. Our customers benefit by using the digital platform and applications for fleet management, document and safety instruction downloads, as well as rental returns and cost calculations.

Trying to reach people over the phone can be slow going. Now I don't have to figure out where to call first to ask for specific equipment, I just go to the Cramo eCommerce platform and rent what I need – all at once and without unnecessary delays!

Mikko Saarinen

Site Manager and Site Engineer, Peab, Finland

Insight into total equipment costs

We help customers make time- and cost-efficient decisions by giving them insight into the total equipment costs. In addition to acquisition costs and resale prices, the total cost of equipment includes setup, repair and maintenance costs. We offer customers not only cost-effectiveness, but also responsibility: not only do we rent equipment, but we also make sure it works so that the customers can concentrate on meeting their productivity targets.

Good reputation

Our reputation as a quality company is an advantage, especially in Lithuania and Poland. In Poland, our quality offering combined with rental equipment inspection documentation differentiates us from the competition.

I would like to thank Cramo Sp. o.o. for its cooperation and professionalism in the implementation of the investment "Non-invasive Medicine Centre - Stage 2". Thanks to the quality of your work and high standards of service, we were able to carry out our work on time. We hope to cooperate on future projects.

Deputy Site Manager, ERBUD S.A., Branch office Toruń, Poland

Depot network

Especially in the Estonia and Lithuania markets, our depot network and expansive equipment portfolio give us a competitive advantage. And our new, optimised hub and depot network in Finland bring a renewed competitive advantage.

As a main contractor, we always have to plan well in advance to ensure construction projects progress according to the planned schedule. When renting equipment and machinery from Cramo, we do not have to plan too far ahead – we always get what we need, exactly when we need it.

Heiko Raschinski

Project Manager, YIT Eesti AS, Estonia

Highlights of 2019

Successful roll-out of logistics optimisation

In 2019, the organisation and logistics setup in Finland was reorganised around an automatic tool circulation process and central product coordination. Logistics planning and tool transfer control was centralised to one unit, allowing stock level optimisation based on market demand and outlooks. The big hubs provide tools and the small depots close to the customer provide large equipment, thereby improving fleet return and time utilisation.

Joint development of digital services

Cramo Finland has been set on learning to better understand customer expectations while offering customers user-support for digital services. The number of orders received through our eCommerce platform is growing. We engage with our customers to find the services they value, such as equipment documentation and easy returns, and put more and more effort on showing them how these can benefit their business and help with fleet management.

We began threading some exciting new paths in 2019 when we launched our new Dry Chain 10 [Kuivaketju 10] offering to our customers in Finland. Throughout the year, our certified engineers have helped customers to plan and execute a dry construction environment. Simultaneously, new expert services that use digital and AI (artificial intelligence) solutions are being developed. We are working to give our customers better visibility over their site, work progress, machine usage and safety features.

Tatu Hauhio

Executive Vice President, Finland and Eastern Europe, Cramo

Maintenance break cycle tool part of portfolio

Our maintenance break cycle management tool developed in 2018 became a part of our customer service offering in Finland in 2019. The tool ensures that customers can obtain all the equipment they need right when they have their service maintenance break. It also allows us to serve more customers because we can optimise the utilisation of equipment needed for maintenance between the different maintenance breaks.

eCommerce to Eastern Europe

In 2019, we introduced our digital eCommerce platform to our customers in Estonia and the first customers have started using it. In Lithuania, where the digital platform was introduced in late 2018, we see good opportunities to increase the variety of digital services offered, as customers are already utilising the digital platform to complete orders.

2020 focus on productivity partnership

In many markets, our customers are focused on improving their own efficiency and development – and they

expect efficiency from their suppliers as well. Customers want to optimise the time construction workers spend on an actual job, and we help them find ways to achieve that through logistics and work planning. We develop and pilot innovations to help customers get visibility over their site and the use of our equipment.

2019 Sales MEUR

144.0

2018: 147.0

2019 Comparable EBITA MEUR

19.4

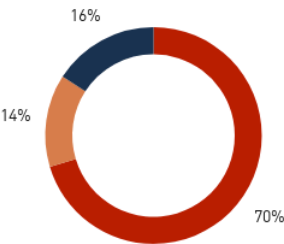
2018: 23.6

2019 Comparable Operative ROCE

10.7%

Sales by customer group, MEUR

- Construction industry 102
- Industry 20
- Other 23





Central Europe

We continue to wrap the integration of logistics and on-site services as well as management and planning services into our offering for Central Europe. As a continuum to the KBS acquisition in 2018 in Germany, we served our first mid-sized customers with offerings ranging from the installation of construction site fencing to project finalisation.

In Central Europe, we are focused on integrating KBS services into our equipment rental offering. It enables us to be a true productivity partner for our customers in all phases of their projects. Cramo NXT is a solid strategy and a perfect match for what we can and need to do in our region.

Hartwig Finger

Executive Vice President, Central Europe, Cramo

Business environment

Central Europe accounts for some 21% of the Group's revenue and is starting to capture the great potential for organic growth.

In 2019, construction market growth has been slowing in Germany, but demand for services – from the planning phase to project finalisation – is still strong. The market and demand are clearly divided according to customer size. Cramo has a good market position to serve mid-sized customers, where there is growing demand for subcontractors with a comprehensive offering – from rental equipment products to on-site services. Customer demand services and digital compliance are especially triggered by the younger generations looking for easy and smooth ways to manage construction site logistics. As a result of the integration of the site logistics services acquired through KBS and our development of digital eCommerce platforms and applications, we are able to truly grow.

The market in Austria and Hungary remains good. The market for complete solutions is beginning to mature in Austria, while customer demand in Hungary is still more focused on specialised offers.

In the Czech Republic and Slovakia, construction market growth is stabilising. Customers generally split contracts and acquire rental equipment and services from specialised companies. In 2019, the market became more competitive in certain areas where Cramo operates, such as access equipment.

There are many reasons why Cramo is such an important partner for HSF System. Besides being helpful and reliable, they serve us flexibly with on-time and accurate deliveries, and they have a broad range of products. Cramo simply helps us meet our daily targets. We are glad our close cooperation has lasted for years, and we hope it will continue in the same way for many years to come.

Jan Hasik

CEO and owner, HSF System, Czech Republic

Advantages

Robust basis for expanded offering

Our customer value has been created through strong commitment to each construction project and the high quality of delivered items and services. These form an excellent basis when building on our new offering ranging from equipment rental products to planning and logistics services.

Our comprehensive offering of products and services is our springboard for generating organic growth in Central European markets.

Hartwig Finger

Executive Vice President, Central Europe, Cramo

Leader in quality and commitment

In Central Europe, the market is fragmented. Our customers value the quality of our rental equipment repair and maintenance services. They trust that when they rent from us, they will get their equipment on time and in fully functional condition. Our market position forms a robust basis for being the leader in quality and commitment as well as for increasing our offering with site-related services.

Stronghold in access equipment

In the Czech Republic, we have a clear market stronghold in the rental of access equipment. Our focus on creating customer value through good customer service and interaction is paying off and forms an advantage as competition on the market is increasing.

Highlights of 2019

New service offering brought new customers and an improved market position

We gained two new industrial customers in the automotive industry as well as several new customers in mid-sized construction projects in Germany to whom we deliver equipment and services throughout the building process. In our offering to these new customers, we have combined Cramo's equipment rental and the acquired KBS Infra's construction site logistics and site planning services.

We receive full service around the construction site and prompt answers on enquiries; and, no matter where the project takes place, we can rely on fair delivery and rental prices.

Patrick Weiss

Implenia Instandhaltung und Tiefbau, Germany

We have chosen Cramo as a rental partner as they are well-organised and can serve us throughout Germany. We always receive fast and professional service – even on short notice, they handle our enquiries with ease. Key criteria for us are high quality and good personal relations that make co-operation easy.

Mr Hüftle

Wolff & Müller, Germany

Our joined offering – ranging from the installation of construction site fencing to project finalisation – and knowhow of Cramo and KBS give us better prerequisites to serve customers directly on their construction site. We have received a very positive welcome and are regarded as a reliable partner for all parties involved in construction. Looking towards the future, we see a huge potential to together improve our market position further, and in doing so, attract new customers and partners.

Stefan Diegisser

Managing Director, KBS Infra GmbH

Successful trade show

In April we participated in BAUMA 2019, the world's largest construction machinery trade fair. Our participation paid off, and customers welcomed our value-added offering that combines equipment rental products with planning and logistics services for construction projects.

2020 focus on top-tier performance and packaging of services

Cramo is already seen as a reliable and committed partner in all Central European rental equipment markets. In 2019 we continued to shape our offering and focused our sales on addressing client concerns. In many regions and customer segments, the market has matured to receive consistently packaged and structured offers that include both products and services. Especially in Germany, there is a growing demand for these from mid-sized customers. Going forward, we will focus on utilising our new capabilities to offer planning and logistics services in addition to rental services in order to grow organically in all markets.

2019 Sales MEUR

129.4

2018: 114.4

2019 Comparable EBITA MEUR

5.5

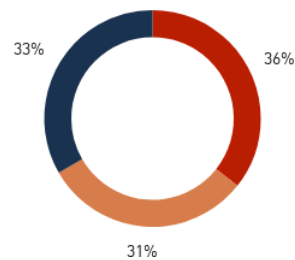
2018: 9.5

2019 Comparable Operative ROCE

3.2%

Sales by customer group, MEUR

- Construction industry 46
- Industry 40
- Other 43





Cramo's strategic approach to sustainability

In 2019, we advanced sustainability in many areas. We continued investing in the development of our framework, Cramo Care, and worked systematically to improve our sustainability targets. We worked in a joint project with one of our major customers to investigate the requirements for a CO₂-free construction site. Our part in this project was to identify how we could eliminate the carbon footprint of our equipment. We also put special focus on our people through our people promise "We are Shapers".

During the year, we updated our sustainability strategy to align with our new business strategy Cramo NXT. It enables us to take the lead in advancing sustainability in the rental industry and to move towards circularity.

Sustainability as a foundation for our business

Rental is a sustainable business model for managing assets. It enables more efficient use of equipment and, at the same time, reduces the demand for non-renewable resources. Our sustainability strategy is in line with and mutually supportive of our business strategy, which is aimed at strengthening our long-term focus from the perspective of all our stakeholders. Our ambition is to lead the way in advancing sustainability in the rental industry and to meet the requirements of our stakeholders and of internationally agreed standards.

Sustainability has a direct impact on our internal value creation through growth, return on capital and risk management. It also generates value for our customers and other stakeholders, leading to greater cost-effectiveness, improved access to products with the highest safety and environmental standards, and a reduced environmental impact.

We have assured our position as a sustainability frontrunner in our industry. Through our updated sustainability strategy, we will further increase the focus on sustainable customer use, transports and logistics as well as sustainable sourcing in parallel with improving internal operations.

Maria Karlsson
Vice President, Sustainability, Cramo

The key elements of our sustainability strategy:

1. Moving towards circularity

Responsible sharing of resources is the core of our business. Our ambition is to work together with our customers and other stakeholders to further decrease the environmental and social footprint of rental equipment and to meet customer demands by focusing on sustainable customer use, transports and logistics and sustainable sourcing. Cramo NXT enables us to take the lead in advancing sustainability in the rental industry, as the digital leader and a leading partner for services. Through Cramo NXT, we are moving towards circularity.

2. Cramo Care – our model for responsible business

Cramo Care is our model for responsible business, integrating sustainability into all parts of our organisation. We have a strong focus on business ethics, occupational health and safety, mitigating our environmental impact and taking an active role in the communities we operate in.

The enablers of our sustainability strategy:

1. Value-creating targets include both financial and non-financial objectives

Our key performance indicators and value-creating targets allow us to monitor and continuously improve our performance and to meet the requirements of our customers, investors, employees and other stakeholders.

2. Overall responsibility lies with Group Management, whereas operational responsibility and employee engagement lie with country managers

Cramo Group Management has overall responsibility for the strategy and policies. Country managers are responsible for their implementation and integration at the country level.

3. Relevance and continuous improvement are strengthened through an active dialogue with all stakeholder groups and partnership development initiatives with front-line actors

Strategic partnerships with leading experts and our stakeholders put us at the forefront in developing sustainable rental solutions.

Cramo and circularity

1. Replacing the concept of a consumer with that of a user

Responsible sharing of resources is the core of our business. Rental replaces the concept of a consumer with that of a user, which enables more efficient use of equipment and reduces the demand for non-renewable resources.

[Read more](#) 


2. Replacing non-renewable fuels

Cramo's ambition is to step-by-step increase the use of renewable energy internally as well as among customers. Our target is to have 90% electric-powered units within the energy-powered fleet by 2023 and >90% renewable electricity at our depots.

[Read more](#) 


3. Sustainable sourcing

Sustainable sourcing is an area where we have identified potential improvements. Our ambition is to work with Original Equipment Manufacturers to further decrease the environmental and social footprint of rental equipment.

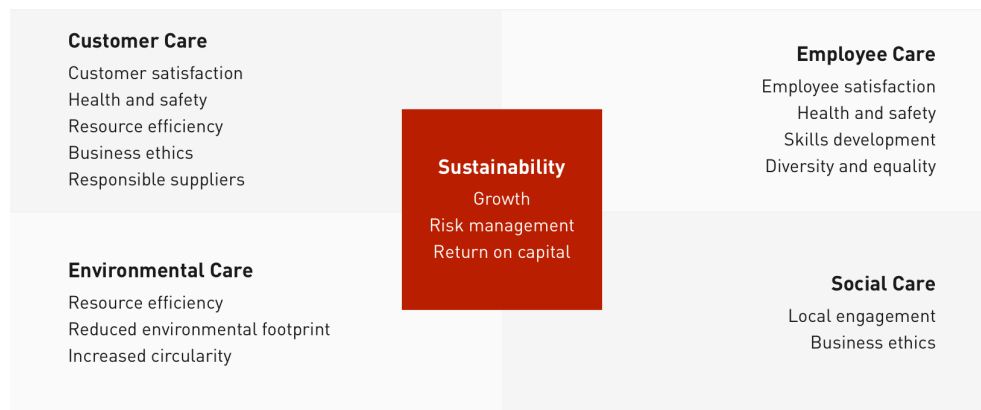
[Read more](#) 

4. Increasing the life span of rental units

Periodic maintenance of our equipment as well as refurbishing or renewing our site huts is part of our business model, and it increases the life span of our rental units.

[Read more](#) 

Cramo Care material aspects



Strategic targets

	Strategic target	Target	Outcome 2019	Outcome 2018	Outcome 2017	Outcome 2016	Status ¹
Customer Care	Most satisfied customers in the industry	CSI ² steady over 75	75	75	73	72	✓
		Share of units powered by electricity within the energy powered fleet: 90% by 2023 ³	85%	n/a	n/a	n/a	○
Employee Care	Zero accidents	LTIR ⁴ 0 by 2023	9.7	8.8 ⁵	9.9	13.7	✗
Environmental Care	Zero emissions	Emissions ⁶ (tonnes/MEUR sales) <15 tonnes/MEUR by 2023	19.4 ⁷	15.6 tonnes/MEUR	17.5 tonnes/MEUR	18.4 tonnes/MEUR	○
Social Care	Top ranking in business ethics	0 legal proceedings (human rights, corruption, environment)	0	1 ⁸	0	0	✓

1 ✓ On-going – excellent progress or target achieved ○ On-going – on track ✗ On-going – not on track

2 Weighted average. Hungary and Slovakia are for statistical reasons excluded from the survey

3 New KPI since 2019

4 Number of work-related accidents with at least one full day of absence / million working hours

5 The result from 2018 is adjusted from 9.5 to 8.8 due to adjusted numbers of working hours

6 CO₂e emissions, scope 1 and 2 (relative to sales). A market-based method is used to calculate the CO₂e emissions from electricity

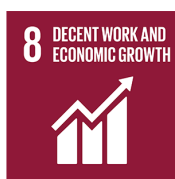
7 The increase in CO₂e emissions scope 1 and 2 (relative to sales) is due to the demerger of Adapteo in 2019 and the acquisition of KBS Infra in 2018. KBS is included for the first time in the reporting for 2019

8 In 2018, there was one case of sexual harassment reported in Cramo's operations. The case was investigated by the company, which took actions, and was also heard in a court of law. The company was not a party in the legal proceeding

Aiming to exceed stakeholder expectations

The foundation of our sustainability strategy is a materiality study that identified our stakeholders' top priorities and our major impacts throughout the value chain. Our ambition is to exceed our stakeholders' requirements.

The Sustainable Development Goals have also been part of the materiality study. We have identified three goals where our actions have the highest impact:



These, as well as all the other goals, are taken into consideration throughout the strategy development process.

Our biggest impacts occur beyond our direct control. Therefore, we have to work in partnership with suppliers, customers and other stakeholders to tackle these challenges and seize opportunities throughout the value chain.

Impacts throughout our value chain

	Major negative impacts	Major positive impacts
1. Supply chain	<ul style="list-style-type: none">• resource use• environmental risks• health and safety risks• corruption risks• human rights risks	<ul style="list-style-type: none">• innovation focused on resource efficiency, increased circularity and improved safety
2. Cramo	<ul style="list-style-type: none">• resource use• health and safety risks	<ul style="list-style-type: none">• rental as a resource-efficient alternative to owning• improved safety• strong values and well-anchored ethical guidelines
3. Transportation	<ul style="list-style-type: none">• resource use	<ul style="list-style-type: none">• transport optimisation
4. Customer use	<ul style="list-style-type: none">• resource use• health and safety risks• corruption risks	<ul style="list-style-type: none">• resource efficiency• waste reduction• enabling safe working environments
5. End of life	<ul style="list-style-type: none">• waste• environmental risks• health and safety risks• corruption risks• human rights risks	<ul style="list-style-type: none">• innovation focused on increased circularity• controlled phase-out of outdated equipment

Since 2009, Cramo has been a signatory to the UN Global Compact, supporting the ten principles with respect to human rights, labour, environment and anti-corruption.

Efficient internal operations

Our sustainability platform establishes clear targets and ways to monitor performance and priorities. To uphold our commitment, and to ensure the quality and relevance of our solutions, we work for continuous improvement.

We have established a Group-wide structure of Cramo Care managers in every country. Together with the country managers and local specialist functions, Cramo Care managers work to develop and implement local action plans based on our sustainability strategy. Local target setting and action plan development are part of the business planning and budgeting process, and follow-up is conducted on a regular basis.

Internal organisation, roles and responsibilities

Group Management

- Ownership of policies
- Ownership of Group sustainability strategy

Vice President, Sustainability

- Development, anchoring and monitoring of Group sustainability strategy and policies, together with Group specialist functions
- Ensure clear roles and responsibilities, monitor commitment at Group and country level
- Stakeholder dialogue
- Partnerships for sustainable development

Country Manager

- Implementation and integration of Group sustainability strategy and policies at country level
- Ensure commitment at country level
- Local stakeholder dialogues

Cramo Care Manager

- Development and implementation of action plans at country level, together with local specialist functions
- Coordinate sustainability reporting at country level



Cramo aspires to lead the way in advancing sustainability in the rental industry and to continuously mitigate our impact across the value chain. Our rental solutions provide safe, resource-efficient options for our customers, enabling them to excel in meeting their stakeholders' requirements and expectations.

from the Cramo Care Policy

Aiming for ISO certification in all markets

We aim to have the most satisfied customers in the industry and a leading market position in our chosen markets. In 2017, we made the decision that all our markets should be certified according to ISO 9001, ISO 14001 and ISO 45001, or similar standards.

In 2019, we continued the work to establish and implement common Group policies, targets and processes with a focus on quality, environmental improvements, and health and safety. During the year, Estonia and Poland finalised their certification processes for ISO 9001 and became two of five Cramo markets that are certified. Estonia also finalised its certification process for ISO 14001 and ISO 45001. A decision was made during the year to extend the deadline for when all markets need to be certified, from 2020 to 2023.

Advancing sustainability in the rental industry

The rental industry experiences the same kind of sustainability challenges that Cramo does, and cooperation is sometimes needed to meet those challenges. The European Rental Association's (ERA) Sustainability Committee was established in 2013 with Cramo as an active member. We are also an active member of the ERA's Technical Committee, which has a strong focus on product safety. Through our membership and together with other rental companies, we are advancing sustainability in our industry.

In 2019, the ERA conducted a study on the carbon footprint of rental equipment. Depending on specific user practices, it's estimated that renting instead of owning can lead to significant reductions in CO₂ emissions, in the range of 30% and sometimes over 50%. The parameters with the most influence on the carbon footprint of equipment are intensity of use, using the right equipment for the job, transportation and maintenance.

During the year, the ERA also initiated a Sustainable Supplier Assessment project. The aim of the project is to develop an industry-wide approach to sustainability assessment that can be completed once by the supplier and then used to meet multiple requests from rental companies.



Nasdaq ESG Transparency Partner

It is vital that our customers, investors, employees, suppliers and other stakeholders trust that we conduct business in an ethical, transparent and lawful manner. During the strategy period, we have increased our focus on sustainability reporting, and, in 2019, Cramo became a Nasdaq ESG Transparency Partner. We will annually report environmental, social and governance data to the Nasdaq ESG Disclosure Portal, further improving our transparency.

Reporting to the CDP

Cramo is focused on being the most climate- and resource-efficient rental solutions company. We have been reporting to the CDP since 2013; in 2019, we received a score C (D in 2018). The improved result shows greater awareness and ability to report on our progress. We are continuously improving our way of managing and following up on our carbon footprint.

Moving towards circularity

Sustainability is embedded in our strategy, and we have assured our position as a sustainability frontrunner in our industry. During the year, we updated our sustainability strategy, in line with our Cramo NXT business strategy. In the upcoming years, we will increase our focus on sustainable customer use, transports and logistics as well as sustainable sourcing. Our aim is to have the most satisfied customers in the industry and to work together with our customers, suppliers and other stakeholders to further decrease the environmental and social footprint of rental equipment.

We will also continue to improve our internal operations, integrating sustainability into all parts of our organisation. We will maintain our sharp focus on business ethics, occupational health and safety, mitigating our environmental impact and taking an active role in the communities we operate in.

Cramo NXT enables us to take the lead in advancing sustainability in the rental industry and to move towards circularity.

2020

Implementation of the new sustainability strategy will start in 2020. We will continue the work to establish and implement common Group policies, targets and processes with a focus on quality, environmental improvements, and health and safety. We will also continue to raise issues concerning sustainability and responsible sharing in the European Rental Association and other forums.



Dialogue with stakeholders seen as an investment

Through our marketing and communications efforts, we want to ensure all stakeholders have a strong buy-in to the Cramo brand and our key initiatives. We invest in active dialogue as well as support the business, management and employees with information, which is accessible, relevant and gives increased understanding for our business.

How we communicate and cooperate with our stakeholders

Customers

Priorities	Activities and channels
<ul style="list-style-type: none"> • issues included in Cramo's mission – Shared resources simplified; vision – Your productivity partner in rental and beyond; and value proposition – Credibility, Creativity and Commitment • health and safety • business ethics • resource efficiency • operational excellence • responsible suppliers • innovations ensuring future success • strong brand 	<ul style="list-style-type: none"> • depots and online solution • ombudsman • safety and other training programmes • co-development projects related to innovations and resource efficiency • digital solutions enhancing operational excellence • customer satisfaction survey • news releases, websites, social media and local customer magazines • events, fairs and seminars • Annual Report including sustainability

Personnel

Priorities	Activities and channels
<ul style="list-style-type: none">• mission, vision and values• employee satisfaction• health and safety• diversity and equality• skills development• development plans and goals• business ethics and sustainability issues• performance management	<ul style="list-style-type: none">• People strategy• People promise• Code of Conduct• safety training• programmes for health and well-being• Cramo School and Cramo Academy• Cramo Dialogue• new employee brand expression• intranet and employee magazine• employee events• Great Place to Work• Annual Report including sustainability

Investors and shareholders

Priorities	Activities and channels
<ul style="list-style-type: none">• market environment• performance and business value• operations• corporate responsibility• reporting• strategy• financial position• mergers and acquisitions	<ul style="list-style-type: none">• stock exchange releases• business reviews, half-year financial report and financial statements bulletin• Annual Report including sustainability• Board of Directors' report• Group website and social media• Corporate Governance Statement• Annual General Meeting• investor and analyst meetings and events

Partners and suppliers

Priorities	Activities and channels
<ul style="list-style-type: none">• responsibility throughout the supply chain• energy efficiency and other environmental aspects• safety• efficient processes• promoting sustainability and sharing	<ul style="list-style-type: none">• supplier evaluation criteria• implementation of Supplier Code of Conduct• co-development projects to find safe, resource-efficient solutions• digitalised solutions, such as purchase-to-pay solution• purchase system (supplier catalogue)

Local communities

Priorities	Activities and channels
<ul style="list-style-type: none">• engaging with and supporting local communities	<ul style="list-style-type: none">• Group- and country-level charities and sponsorships• partnership with SOS Children's Villages• job opportunities and traineeships for people outside the labour force

Trade and other associations

Priorities	Activities and channels
<ul style="list-style-type: none">• developing sustainability and the attractiveness of the rental industry as a future employer in Europe• promoting the sharing economy	<ul style="list-style-type: none">• active member of the European Rental Association (ERA)• member of the UN Global Compact• Cramo's President and CEO is a Board member of ERA

Media

Priorities	Activities and channels
<ul style="list-style-type: none">• digital leader in our industry• major deals and acquisitions• sustainability and responsibility• strategy and business	<ul style="list-style-type: none">• press releases• management interviews• websites and social media

Sustainability contact:

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tel: +46 70 249 87 44
email: maria.a.karlsson@cramo.com



Customer Care




Strategic target: Most satisfied customers in the industry

Priority will be given at all times to our customers' key concerns – safety at construction sites, resource efficiency and strong business ethics. Cramo contributes to our customers' success by enabling them to provide safe working environments, reduce their energy usage, limit their climate impact and minimise waste. An active dialogue and collaboration with our customers and other stakeholders are key to the further development of sustainable rental solutions.

– from the Cramo Care Policy

Customer Care

Topics	Key performance indicator	Target	Outcome 2019	Outcome 2018	Outcome 2017	Outcome 2016	Status ¹
Customer satisfaction	Customer Satisfaction Index (CSI)	CSI ² steady over 75	75	75	73	72	✓
	Share of operations covered by ISO 9001 (relative to sales)	All operations covered by ISO 9001 by 2023	77% ³	80%	81%	82%	○
Customer use	Share of units powered by electricity within the energy powered fleet ⁴	90% by 2023	85%	n/a	n/a	n/a	○
	Energy usage from site huts	220 kWh/m ² by 2023 ⁵	229 kWh/m ²	231 kWh/m ²	233 kWh/m ²	235 kWh/m ²	○
	Number of individuals participating in external safety training provided by Cramo to customers, subcontractors, suppliers and other external parties	10% increase per year from 2018	11,433 individuals, a 10% decrease	12,698 individuals, a 28% increase	9,895 individuals, a 7% decrease	10,622 individuals	✗
	Share of countries providing external safety training (excluding countries with less than 3 depots)	All countries with more than 3 depots providing external safety training by 2023	78%	78%	78%	67%	○
	Share of diesel-powered heating equipment of total heating fleet	9.6% by 2020 (equals a 40% reduction vs 2016)	11.2%	11.3%	12.4%	16.0%	○

	Share of Stage I-III diesel engines of total rental equipment with diesel engines	16.8% by 2020 (equals a 70% reduction vs 2016)	18.3%	25.2%	39.5%	56.0%	
Sustainable sourcing	Share of purchase spend covered by Supplier Code of Conduct ^{4,6}	>60% by 2023	30%	n/a	n/a	n/a	
	Share of critical suppliers managed by Group Sourcing that has been subject to anti-corruption, human rights, health and safety and environmental risk assessment ⁴	25% by 2023	0% ⁷	n/a	n/a	n/a	

1  On-going – excellent progress or target achieved  On-going – on track  On-going – not on track

2 Weighted average. Hungary and Slovakia are for statistical reasons excluded from the survey

3 The decrease in share of operations covered by ISO 9001 (relative to sales) is due to the demerger of Adapteo in 2019 and the acquisition of KBS Infra in 2018. KBS is included for the first time in the reporting for 2019

4 New KPI since 2019

5 Updated target after the demerger of Adapteo

6 The Supplier Code of Conduct covers environmental, health and safety, human rights and anti-corruption and bribery matters

7 A model for anti-corruption, human rights, health and safety and environmental risk assessment will be developed in 2020, implementation will start in 2021

ISO Management Standard 9001 has been implemented in Finland, Sweden, Norway, Estonia and Poland. Certification is ongoing, with all Cramo markets targeted.

Monitoring customer satisfaction

Our vision of being “Your productivity partner in rental and beyond” is based on the motto that our customers’ success is our success. We have gained our customers’ trust throughout the years by working closely together with them and by living and acting according to our values Credibility, Creativity and Commitment. Our strategic target is to have the most satisfied customers in the industry.

In 2019, the target for customer satisfaction, Customer Satisfaction Index >75, was reached, with a result of 75 (75 in 2018) and a Net Promoter Score of 55. Important aspects of customer relations, such as product and service quality, were all rated high with delivery quality on top with an index of 85. The result is based on over 900 customer interviews, conducted within nine of our eleven markets. The smallest markets, Hungary and Slovakia, are for statistical reasons excluded from the survey.

Target of zero accidents

Safety is our first priority and integral to our business. We have established solid processes and guidance to

ensure the safe handling of our equipment. Cramo also provides a wide range of safety equipment and more comprehensive safety solutions as well as external safety training to customers, subcontractors, suppliers and other external parties. Our vision is zero accidents at job sites. Cramo follows and continuously monitors national laws as well as industry-specific safety regulations. Safety data sheets are available for all our equipment in our product database. Equipment that is returned to Cramo from customers is inspected following established check lists and routines. We also conduct periodic maintenance based on information that we receive from the manufacturers as well as from our 11,000 digitally connected units. The periodic maintenance is carefully planned in accordance with our planning framework.

Internal training is conducted on a regular basis to ensure that all our employees have the right knowledge to be able to handle our equipment safely. External safety training for customers, subcontractors, suppliers and other external parties is provided in Finland, Sweden, Norway, Germany, Austria, Lithuania and Poland. In 2019, a total of 11,433 (12,698 in 2018) individuals participated in Cramo's safety training programmes, including fall protection training as well as training on how to use the equipment in a safe and efficient way.

Continuously modernising our fleet

We work proactively to comply with the latest environmental regulations and drive development even further. With a modern fleet of equipment, we aim to be a sustainability frontrunner in the rental industry. By doing so, we can also help our customers achieve their sustainability targets.

We see an increasing demand from customers regarding electrification and renewable fuels. 85% of the units within our energy-powered fleet are today powered by electricity, and we are continuously working to increase that number. Our target is to have 90% of our energy-powered fleet powered by electricity by 2023.

In 2019, Cramo in Finland signed the Work Machine Green Deal agreement of the Association of Finnish Technical Traders. It includes targets regarding, for example, increasing the share of electric-powered machines in the rental fleet. The commitment will be handed over to the Finnish Ministry of the Environment.

Our systematic approach to reducing environmental impacts also includes refurbishing or renewing our site huts, including their heating equipment. We are continuously working to improve the environmental and health standard by choosing more sustainable materials and by making the site huts more energy efficient. The improvements are partly based on an environmental and health assessment conducted by an external party in 2017, analysing every single site hut component, including the flooring, windows and insulation used. In 2019, the average energy usage in our site huts decreased from 231 kWh/m² to 229 kWh/m².

Innovation through partnerships and joint development projects

Cramo's ambition is to play an active role in developing sustainable solutions – not just to meet existing requirements and regulations, but to contribute to further development towards a more sustainable world. An active dialogue and structured cooperation with customers and other stakeholders are key components of this strategy.

Projects with customers cover several sustainability areas, ranging from energy and fuels to mutual information-sharing targets and to finding new rental solutions, such as temporary constructions, and to learning more about accidents and incidents and how to prevent them. Together with other stakeholders, we address different areas, such as promoting the sharing economy and social integration, i.e. how we as a company and as individuals can help provide experience and contacts with the working world.

Aiming for fossil-free construction sites

Strategic partnerships with customers put us at the forefront in developing sustainable rental solutions and services. During 2019, we worked in a joint project with one of our key customers to investigate the requirements for a CO₂-free construction site. Our part in this project was to identify how we could eliminate the carbon footprint of our equipment. The project is continuing in 2020 and includes an evaluation phase conducted by an external evaluator.

At the end of 2019, a research and development project run by eight partners within the Norwegian construction industry received a NOK 14 million grant from Enova, Forskningsrådet and Innovasjon Norge. The aim of the project is to investigate opportunities for emission-free construction sites. Cramo is one of the partners and, as part of the project, will test battery-powered machines.

Fossil-free heating solution in the centre of Oslo

Cramo offers a wide range of heating equipment. In 2017, we set a target to decrease the total heating fleet's share of diesel-powered heating equipment by 40%. We are very close to achieving that target.

In 2019, Cramo delivered fossil-free heating to the AF Group construction project Bispevika in the centre of Oslo. The B6a project comprises a total of nine different buildings, all connected by one large basement

level. The whole construction site is heated with district heating provided through a solution delivered by Cramo. Close cooperation with our customer has made it possible to find the most optimal route for the district heating.

Scaffolding for the Estonian e-waste Lighthouse

Reducing and handling waste properly is a strong focus for Cramo. In 2019, we provided scaffolding for the Estonian e-waste Lighthouse, an installation created by sculptor Elo Liiv in the central square of Telliskivi Creative City. The Lighthouse, symbolising the 125 cubic meters of electrical and electronic waste generated in Estonia in one day, should be seen as a reminder of the importance of recycling to reduce the carbon footprint.

Knowledge sharing

Sharing knowledge and learning from each other's experience is key to our success. In 2019, we were able to share effective sustainability knowledge both internally among our employees and externally with customers, suppliers and investors.

Cramo's Vice President of Sustainability, for example, gave a presentation on "Employee Commitment as a Driver for Sustainability" at the Volvo Construction Equipment EMEA's business update meeting in October. The presentation was broadcasted live to the organisation in Europe, Middle East and Africa. It was a great way of sharing effective sustainability learnings and maybe one step closer to a carbon-neutral construction business.

2020

In 2020, we will start implementing the new sustainability strategy with an increased focus on sustainable customer use, transports and logistics as well as sustainable sourcing. We will continue to develop our rental offering and services in partnership with our customers, suppliers and other stakeholders.



Employee Care

Strategic target: Zero accidents

Cramo offers safe, stimulating workplaces for all our employees, where men and women of different ages and backgrounds have the same opportunities for development. We aspire to provide a stimulating environment for professional and personal development. A systematic and preventative approach to safety should always be the highest priority.
– from the Cramo Care Policy

Employee Care

Topics	Key performance indicator	Target	Outcome 2019	Outcome 2018	Outcome 2017	Outcome 2016	Status ¹
Health and safety	LTIR (Number of work-related accidents with at least one full day absence/million working hours)	0 by 2023	9.7	8.8 ²	9.9	13.7	⊗
	Share of operations covered by ISO 45001 or similar (relative to sales)	All operations covered by ISO 45001 or similar by 2023	64%	61%	63%	60%	○
Diversity and equality	Number of legal proceedings (discrimination and sexual harassment)	0 legal proceedings	0	1 ³	0	0	✓
	Share of female employees within the operational organisation (administrative HQ functions excluded)	15% by 2023	11%	11%	10%	11%	⊗
	Share of female managers	20% by 2023	17%	16%	14%	12%	○

1 ✓ On-going – excellent progress or target achieved ○ On-going – on track ⊗ On-going – not on track

2 The result from 2018 is adjusted from 9.5 to 8.8 due to adjusted numbers of working hours

3 In 2018, there was one case of sexual harassment reported in Cramo's operations. The case was investigated by the company, which took actions, and was also heard in a court of law. The company was not a party in the legal proceeding

We have successfully implemented the ISO 45001 Occupational Health and Safety Management System or the like in Finland, Sweden and Estonia. Our aim is certification in all Cramo markets.

Our people promise

Cramo's people promise, "We are Shapers", emphasises our decision to focus on our employees and demonstrates our belief that they are one of the main sources of our future success and continuous growth. The people promise clarifies what people can expect from their journey as an employee at Cramo. Collaborating, sharing knowledge, supporting and helping each other as well as being open-minded and innovative are valued traits that are encouraged.

In addition, all employees are actively offered various opportunities for development and for shaping their own career. Cramo Development is our framework for our employees to grow and develop throughout their entire lifecycle at Cramo. The framework defines the kind of behaviour and professional know-how that are expected of employees at different levels. The expectations are based on Cramo's common values and our strategy. The framework supports and guides our employees in their personal and professional growth in a clear, inspiring manner throughout their time at Cramo.

Shaper Award

The Shaper Award is our concept for awarding employees who have shown that they are true Shapers. A Shaper is a person who lives and acts according to, or even above, what is expected of employees and leaders in our company; a Shaper is a good role model for Cramo.

In 2019, a new approach with a stronger focus on our core values and a broader scope of nominated employees was added to the Shaper Award. Among almost 90 nominations, three winners were announced and awarded with an educational grant.

Occupational health and safety

At all times and throughout the Cramo Group, priority is given to systematic and precautionary safety work, including risk assessment and identification of potential hazards.

Managers at all levels play a key role in implementing systematic and precautionary safety work. During 2019, Cramo provided two days of training for all managers and safety representatives in Sweden; the training included theoretical aspects as well as practical cases from the operations. The aim has been to increase knowledge and awareness, in accordance with the strategic target of zero accidents.

In May, Cramo arranged the very first Health, Safety and Environment (HSE) week in Norway. The overall aim was to further strengthen a common safety culture and to ensure that employees and other stakeholders experience Cramo as a safe and healthy workplace. The week was filled with different activities, ranging from seminars and team building events to healthy food and friendly competitions among the depots. HSE week was an instant success.

In 2019, the lost time injury rate (LTIR) increased to 9.7 (8.8 in 2018). The absentee rate increased to 4.4% (4.3% in 2018) and the lost day rate decreased to 0.12% (0.22% in 2018). The decrease in lost day rate indicates less severe accidents in 2019 than in 2018.

Cramo Care manager meeting with focus on occupational health and safety

In May, we held a two-day meeting for Cramo Care managers together with local health and safety specialists. The aim was to further develop our common occupational health and safety platform, taking into consideration both internal and external stakeholder expectations.

Cramo Care managers play a key role in implementing our sustainability strategy. Regular meetings, both physical and online, on different subjects establish a solid platform for sharing knowledge and learning from each other's experiences.

Diversity and equal opportunities

A corporate culture based on diversity contributes to the positive future development of Cramo. We want to offer men and women of different ages and backgrounds similar development opportunities. This is stated in our diversity policy, which has Group-wide application.

The share of female employees in the operational organisation was 11% by the end of the year (11% in 2018) and the share of female managers was 17% (16% in 2018).

Different experiences and educational backgrounds are seen as strengths, and all forms of discrimination are to be counteracted. In 2019, there were no cases of sexual harassment or discrimination reported in Cramo's operations.

Decentralisation of HR development

In 2019, a decision was made to decentralise HR development. With this change, the HR development function that was part of the Cramo Group Management structure since 2016 was removed during the year, and HR development is now handled by local HR managers. The decision enables a more effective management of personnel issues to better meet local needs and priorities.

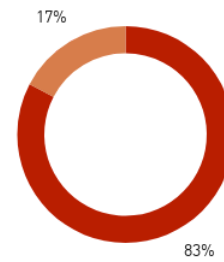
2020

In 2020, our strong focus on health and safety and on gender equality will continue. We will continue the work to establish and implement common Group policies, targets and processes with a focus on occupational health and safety.

Number of employees at end of period: 2,690

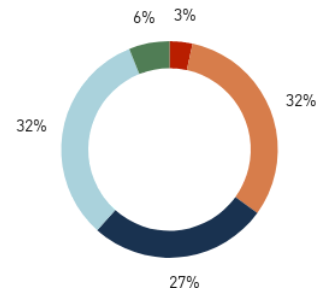
Diversity - Gender 2019 (2018)

■ Men 2224 (2543)
■ Women 466 (496)



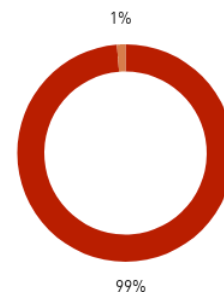
Diversity - Age group 2019 (2018)

■ -23 • 92 (116)
■ 24-35 • 848 (915)
■ 36-45 • 718 (798)
■ 46-59 • 869 (1014)
■ 60- • 163 (196)



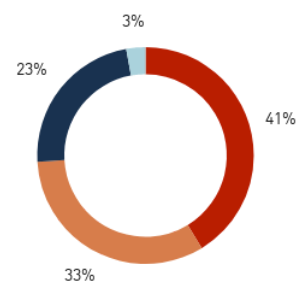
Employee contracts 2019 (2018)

■ Permanent hires 2656 (3049)
■ Temporary hires 34 (66)



Personnel by segment¹ 2019 (2018)

■ Scandinavia 1111 (1104)
■ Finland and Eastern Europe 882 (859)
■ Central Europe 620 (589)
■ Group Functions 77 (90)



¹ Cramo's three business segments: Scandinavia (Sweden, Norway), Finland and Eastern Europe (Finland, Estonia, Lithuania, Poland) and Central Europe (Germany, Austria, Hungary, Czech Republic, Slovakia)

Employees covered by collective bargaining
agreements in 2019

54%

[61% in 2018]

Employee turnover rate in 2019

20%

[19% in 2018]

Rate of new employee hires in 2019

21%

[21% in 2018]

Employees covered by an occupational health and
safety management system

2,641

98% of employees

Employee turnover

	2019	2018
Total	518	486
Men	428	403
Women	90	83
-23	27	36
24-35	186	160
36-45	146	124
46-59	127	117
60-	32	49

New employees

	2019	2018
Total	560	550
Men	439	449
Women	121	101
-23	57	60
24-35	257	266
36-45	134	124
46-59	104	90
60-	8	10

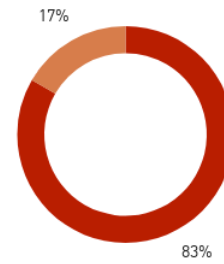
Employees in the operational organisation 2019 (2018)

- Men 2052 (1989)
- Women 250 (245)



Managers 2019 (2018)

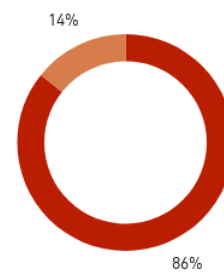
■ Men 371 (395)
■ Women 74 (74)



Group management by gender and age

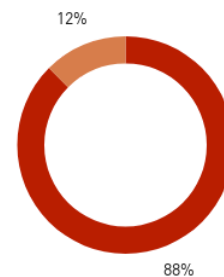
Board of Directors 2019 (2018)

■ Men 6 (5)
■ Women 1 (2)



Group Management 2019 (2018)

■ Men 7 (9)
■ Women 1 (1)

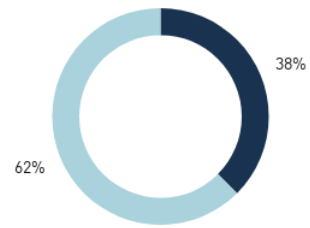
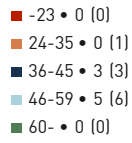


Board of Directors - Age 2019 (2018)

■ -23 • 0 (0)
■ 24-35 • 0 (0)
■ 36-45 • 0 (0)
■ 46-59 • 4 (4)
■ 60- • 3 (3)



Group Management - Age 2019 (2018)



Health and safety

	Total	Scandinavia	Finland and Eastern Europe	Central Europe	Group Functions
Absentee rate ¹	4.4%	4.4%	3.7%	5.9%	2.1%
- men	4.1%	4.3%	3.6%	5.1%	1.0%
- women	5.7%	4.7%	4.3%	9.4%	3.9%
Lost time injury rate ²	9.7	8.1	8.0	16.3	0
- men	11.5	9.6	9.4	19.7	0
- women	0	0	0	0	0
Lost day rate ³	0.12%	0.08%	0.2%	0.12%	0%
- men	0.15%	0.09%	0.24%	0.15%	0%
- women	0%	0%	0%	0%	0%

¹ Total number of absentee days/total number of scheduled workdays

² Number of work-related accidents with at least one full day absence/million working hours

³ Absentee days due to occupational accidents/total number of scheduled workdays



Environmental Care

Strategic target: Zero emissions

Cramo is focused on being the most climate- and resource-efficient rental solutions company. We will work continuously to mitigate our climate impact by reducing energy use and emissions, switching to fossil-free energy sources, reducing and recycling materials, reducing waste, and handling hazardous waste properly. We take a precautionary approach to environmental considerations in our procurement decisions and the selection of suppliers as well as in our customer dialogues.

– from the Cramo Care Policy

Environmental Care

Topics	Key performance indicator	Target	Outcome 2019	Outcome 2018	Outcome 2017	Outcome 2016	Status ¹
Resource efficiency	CO ₂ e emissions, scope 1 and 2 ² (relative to sales)	<15 tonnes/MEUR by 2023 (equals >20% decrease vs 2019)	19.4 ³ tonnes/MEUR	15.6 tonnes/MEUR	17.5 tonnes/MEUR	18.4 tonnes/MEUR	○
	Share of renewable electricity ^{4,5}	>90% by 2023	82%	75%	n/a	n/a	○
	Energy usage, scope 1 and 2 (relative to sales)	<100 MWh/MEUR by 2023 (equals >10% decrease vs 2019)	113.7 ⁶ MWh/MEUR	92.5 MWh/MEUR	89.2 MWh/MEUR	94.5 MWh/MEUR	○
	Share of mixed waste ⁷	<15% by 2023	23%	28%	30%	38%	○
	Share of operations covered by ISO 14001 (relative to sales)	All operations covered by ISO 14001 by 2023	75% ⁸	80%	81%	82%	○

1 On-going – excellent progress or target achieved On-going – on track On-going – not on track

2 A market-based method is used to calculate CO₂e emissions from electricity

3 The increase in CO₂e emissions scope 1 and 2 (relative to sales) is due to the demerger of Adapteo in 2019 and the acquisition of KBS Infra in 2018. KBS is included for the first time in the reporting for 2019

4 New KPI since 2019

5 Electricity certified by Guarantee of Origin or similar system

6 The increase in energy usage scope 1 and 2 (relative to sales) is due to the demerger of Adapteo in 2019 and the acquisition of KBS Infra in 2018. KBS is included for the first time in the reporting for 2019

7 Austria, Germany and Hungary were excluded in 2016, 2017 and 2018 due to difficulties obtaining the information required from suppliers but are included in 2019

8 The decrease in share of operations covered by ISO 14001 (relative to sales) is due to the demerger of Adapteo in 2019 and the acquisition of KBS Infra in 2018. KBS is included for the first time in the reporting for 2019

ISO Management Standard 14001 has been implemented in Finland, Sweden, Norway and Estonia. The ongoing certification targets all Cramo markets.

Improving energy efficiency

A key aspect of our sustainability work is reducing energy use in transport, lighting and heating. Our rental services include the transport of machinery, equipment and site huts to our customers. Rental products are also transported between depots. With route optimisation and improved driving patterns, we strive to reduce the number and duration of transports, thus also reducing emissions.

In order to work systematically to reduce the use of electricity and heating, continuous monitoring of energy use at our depots and headquarters is needed. In 2019, Cramo introduced a new energy monitoring system in Sweden. The system signals in real-time deviations in the use of electricity and heating and allows for quick corrective actions in the event of any shortcomings. It also enables real-time follow-up on the effectiveness of

actions taken. The energy monitoring system will thus help us gain control of energy use and provide a basis for the prioritisation of energy efficiency improvements.

During the year, the central hub in South-West Finland was moved to new premises. Improved insulation and geothermal heating in the new hub decrease the energy use by more than 50%. It also offers an improved work environment for the employees and possibilities to adjust the amount of space in usage and thus the environmental impact.

Energy use, scope 1 and 2 relative to sales increased in 2019 to 113.7 MWh/MEUR (92.5 MWh/MEUR in 2018). The increase is due to the demerger of Adapteo in 2019 and the acquisition of KBS Infra in 2018.

Switching to renewable energy

The use of energy is critical to Cramo. We work continuously to mitigate our climate impact by reducing energy use and switching to fossil-free energy sources wherever possible. In 2019, Germany and Austria switched to renewable electricity, increasing the share of electricity from renewable sources on Group level from 75% to 82%.

CO₂e emissions, scope 1 and 2 relative to sales increased in 2019 to 19.4 tonnes/MEUR (15.6 tonnes/MEUR in 2018). The increase is due to the demerger of Adapteo in 2019 and the acquisition of KBS Infra in 2018.

Reducing business travel

Another important aspect of reducing our climate impact is reducing business travel. We promote and facilitate online and phone meetings whenever possible, and video conferences are increasingly used throughout the Group. CO₂e emissions from air travel was 570 tonnes in 2019. Most of the air traveling is within Europe, within and between countries where Cramo operates.

Sharp focus on sorting waste

We work systematically to increase material efficiency and to reduce waste, especially mixed waste and waste to landfill. Priorities include the handling of hazardous waste and increasing the share of waste for recycling.

At the majority of our depots and at our headquarters, sorting and recycling waste is part of our daily routine. In some countries, however, local circumstances complicate the implementation of an efficient system for waste handling. In those countries, Cramo is studying potential alternatives to improve the sorting and recycling of waste.

The share of mixed waste decreased in 2019 to 23% (28% in 2018).

2020

Our focus on energy efficiency and waste handling will continue in 2020. We will continue the work to establish and implement common Group policies, targets and processes with a focus on environmental improvements.

Climate emissions, tonnes CO₂e

	Total	Scandinavia	Finland and Eastern Europe	Central Europe
Scope 1 (direct energy usage)	8,391	2,336	2,732	3,323
– transportation	7,709	2,156	2,618	2,935
– stationary combustion	682	180	114	388
Scope 2 (purchased energy)	3,461	593	2,366	502
– electricity	2,137	49	1,702	386
– heating	1,324	544	664	116

Energy usage, MWh

	Total	Scandinavia	Finland and Eastern Europe	Central Europe
Scope 1 (direct energy usage)	33,845	9,638	10,990	13,217
– transportation	30,691	8,641	10,404	11,646
– stationary combustion	3,154	997	586	1,571
Scope 2 (purchased energy)	35,736	24,247	9,516	1,973
– electricity	21,945	15,515	5,112	1,318
– heating	13,791	8,732	4,404	655

Waste and recycling

	Total	Scandinavia	Finland and Eastern Europe	Central Europe ¹
Total weight of waste, tonnes	5,971	2,965	1,445	1,561
Of which:				
– non-hazardous waste	4,815	2,413	1,377	1,025
– hazardous waste	1,156	552	68	536
Of which:				
– non-mixed waste	4,625	2,575	1,059	992
– mixed waste	1,346	390	386	569
Handling method, non-hazardous waste, %				
– recycling	1,857	971	607	279
– landfill	267	105	97	65
– incineration	1,813	1,160	431	222
– other	13	0	8	5
– unspecified ¹	865	177	234	454
Handling method, hazardous waste, %				
– recycling	569	505	61	3
– landfill	15	11	2	2
– incineration	94	36	1	57
– other	2	0	0	2
– unspecified ¹	476	0	4	472

¹ All waste is treated by reliable suppliers and in accordance with national laws and regulations. Information regarding the handling method is not available



Social Care

Strategic target: Top ranking in business ethics

Cramo aims to be a responsible corporate citizen, contributing to a sustainable future and generating value for all our stakeholders and for society. We endeavour to take an active role in the communities we operate in, and we encourage our employees to contribute to local charity projects.

– from the Cramo Care Policy

Social Care

Topics	Key performance indicator	Target	Outcome 2019	Outcome 2018	Outcome 2017	Outcome 2016	Status ¹
Business ethics	Number of legal proceedings (human rights, corruption, environment)	0 legal proceedings	0	0	0	0	✓
	Share of employees getting Code of Conduct training ^{2,3}	100%	74%	33%	77%	73%	○
	Share of employees that have confirmed in writing that they have read and understood the Code of Conduct ^{2,4}	100%	74%	n/a	n/a	n/a	○

1 ✓ On-going – excellent progress or target achieved ○ On-going – on track ✗ On-going – not on track

2 The Code of Conduct covers environmental, health and safety, human rights and anti-corruption and bribery matters

3 Employees that have received Code of Conduct training during the last two years are included

4 New KPI since 2019

Highest ethical standards

It is vital that our customers, investors, employees, suppliers and other stakeholders trust that we conduct business in an ethical, transparent and lawful manner. Everything we do has an impact. This is why we make sure that day-to-day decisions are based on doing business properly and with integrity. This supports us in maintaining long-term relationships with our stakeholders.

Our Code of Conduct, with its focus on helping our employees make the right decisions, guides us in our daily work. The Code covers areas such as compliance with laws and policies, creation of safe, healthy workplaces, and our conduct as a responsible corporate citizen.

Cramo has also established a specific Code of Conduct for suppliers, since we encourage our business partners to adhere to similar high ethical standards. Cramo prioritises long-term collaboration with suppliers. Most of our machinery and equipment is purchased from suppliers in Europe, the US and Japan.

See the full [Code of Conduct](#) and [Supplier Code of Conduct](#).

Transparent communication and anchoring

Our ethical guidelines are systematically communicated and anchored throughout the organisation. We train our employees in our values and strengthen our corporate culture with the objective of excelling in customer satisfaction. The Code of Conduct is translated into local languages and communicated to all our employees. It is also part of the onboarding process.

In 2019, a mandatory e-learning unit to support the implementation of our Code of Conduct was introduced to all Cramo employees. By the end of 2019, 74% of the employees had completed the e-learning and confirmed that they had read and understood the Code.

In 2019, we also launched Shape and Share – The Game. This entertaining game not only engages employees and management, it also facilitates discussions about ethical dilemmas and how to deal with them. During the year it had been played by the Group Management Team as well as local management teams and employees within administrative functions and in our operational organisation.

Following up on our Code of Conduct

Internal audits are conducted on a regular basis within Cramo and are an important tool for assessing the implementation of our Code of Conduct. The audits help us accomplish our objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the risk management, control and governance processes. Internal auditing is an independent assurance and consulting activity, designed to add value and improve our operations. It protects and enhances our values by providing risk-based and objective assurance, advice and insight.

Our whistleblowing mechanism provides a way for all our employees to report suspicions of misconduct, that is, actions that do not align with our company values and that may harm individuals, the company or the environment. The system is provided by an external party, ensuring full anonymity for the whistleblower.

Any concern or issue reported by a whistleblower is treated seriously, fairly and promptly. Possible investigations are carried out in a discreet, confidential manner by the Vice President of Sustainability and the Director of Internal Audits. Possible investigations do not affect a whistleblower's employment status.

The number of cases reported through our whistleblowing system increased in 2019, from five cases in 2018 to eight cases. All cases were investigated, and the appropriate actions were taken. No case resulted in legal action.

The increase in whistleblowing cases indicates greater awareness among our employees regarding the importance of reporting suspicions of misconduct. Our whistleblowing channel is an early warning system to reduce risks, and it's an important tool for safeguarding high corporate governance standards and maintaining a high level of confidence in our operations. It is important that our employees know about its existence and how and when to use it.

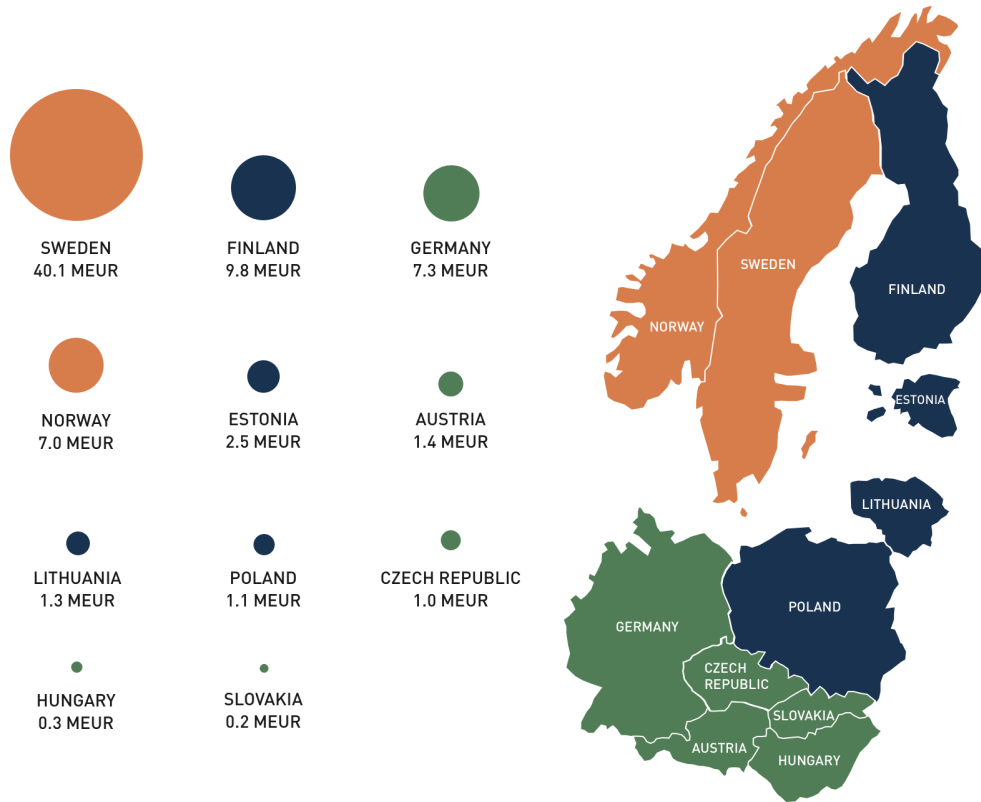
Except for the cases reported through the whistleblowing system, there was one case of fraud reported in Cramo's operations in 2019. The case was investigated by the company, which took actions, and was also reported to the legal authorities.

Cramo as a taxpayer

Cramo is committed to compliance with all applicable tax laws, rules and regulations in every jurisdiction it conducts business activities in. By creating jobs and paying taxes, we contribute to a functioning society in all

countries we operate in.

Our operations create added value through taxes to society in 11 countries: Finland, Sweden, Norway, Estonia, Lithuania, Poland, Germany, Austria, Hungary, Czech Republic and Slovakia.



In 2019, Cramo paid EUR 72.1 (106.1; 2018) million in taxes to governments in countries that the Group has operations in. Our main tax payments are corporate income tax and value-added tax (VAT). A total of EUR 11.2 (20.0; 2018) million was paid in corporate income tax and EUR 61.0 (86.1 in 2018) million was paid in VAT (net).

Cramo follows international transfer pricing guidelines and local laws. Business-driven decisions are made taking relevant tax considerations into account. VAT is reported on a net basis, which is VAT on sales, less VAT on purchases and investments.

Cramo contributes to social sustainability

Being a responsible corporate citizen is a long-term commitment for us. At the Group level, we have been a main sponsor of SOS Children's Villages since 2008. Over the years, we have contributed some 760,000 euros to their work in Ukraine, Russia, Latvia and Estonia. Our commitment involves providing financial support, marketing and sales expertise, and access to Cramo's business network, with the intention of facilitating the long-term operations of SOS Children's Villages and further collaboration with the Baltic business community.

Running high-quality social care operations in the Children's Villages is resource-intensive. Over the past decade, support from Cramo has helped to ensure that over 200 children and adults have had access to everything from family-strengthening programmes to a loving home in a children's village. The family-strengthening programmes are tailored to each family's specific situation and needs, which may involve, for instance, psychological support, microloans or aid in the form of treatment, medicine and education.

Cramo's support in 2019 has helped to ensure for example that:

- Lunch and dinner have been provided to 15 children in one Children's Village
- 26 children and adults have received support through the family-strengthening programmes for one year

With this support long-term sustainable societies are created that are based on children and adults receiving loving care, education and support, completely in line with our Cramo Care sustainability strategy.

In addition to our support for SOS Children's Villages, Cramo also supports several local community

involvement initiatives in the different markets where we operate.

2020

In 2020, we will continue to have a strong focus on business ethics. We will further improve our business ethics compliance procedures, and we will also further develop our approach to community involvement.



GRI Index

Universal standards

		Link	Remark
GRI 101	Foundation 2016		
GRI 102	General Disclosures 2016		
102-1	Name of the organisation	A leading equipment rental company	
102-2	Activities, brands, products, and services	Broad offering	
102-3	Location of headquarters	A leading equipment rental company	
102-4	Location of operations	A leading equipment rental company	
102-5	Ownership and legal form	A leading equipment rental company	
102-6	Markets served	A leading equipment rental company	
102-7	Scale of the organisation	A leading equipment rental company, Broad offering, Key figures in 2019	
102-8	Information on employees and other workers	Employee Care	
102-9	Supply chain	Social Care	
102-10	Significant changes to the organisation and its supply chain		During 2019, the modular space business operating under the Adapteo brand was demerged.
102-11	Precautionary principle or approach	Environmental Care	
102-12	External initiatives	Cramo's strategic approach to sustainability, Social Care	
102-13	Membership of associations	Cramo's strategic approach to sustainability	
102-14	Statement from senior decision-maker	President and CEO's review	
102-16	Values, principles, standards, and norms of behaviour	Cramo NXT – a strategy for growth and differentiation, Social Care	
102-18	Governance structure	Consistent and transparent corporate governance, Cramo's strategic approach to sustainability	
102-40	List of stakeholder groups	Stakeholder relations	
102-41	Collective bargaining agreements	Employee Care	
102-42	Identifying and selecting stakeholders	Cramo's strategic approach to sustainability, Stakeholder relations	
102-43	Approach to stakeholder engagement	Stakeholder relations	None of the engagement was undertaken specifically as part of the report preparation process.

102-44	Key topics and concerns raised	Stakeholder relations	
102-45	Entities included in the consolidated financial statements	Financial Statements and Board of Directors' report	Adapteo is included in the organisation's consolidated financial statements but is not covered by the sustainability report.
102-46	Defining report content and topic boundaries	Cramo's strategic approach to sustainability	
102-47	List of material topics	Cramo's strategic approach to sustainability	
102-48	Restatements of information		LTIR (Number of work-related accidents with at least one full day absence/million working hours) from 2018 is adjusted from 9.5 to 8.8 due to adjusted numbers of working hours.
102-49	Changes in reporting	Cramo's strategic approach to sustainability	Some changes in topics and targets have been made based on Cramo's new sustainability strategy.
102-50	Reporting period		January 1-December 31,2019
102-51	Date of most recent report		March 4, 2019
102-52	Reporting cycle		Calendar year
102-53	Contact point for questions regarding the report	Stakeholder relations	
102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	GRI Index	
102-56	External assurance		No assurance

Material topics

Customer Care

		Link	Remark
Material topics: Customer satisfaction, Health and safety, Resource efficiency, Business ethics, Responsible suppliers			
GRI 103	Management Approach 2016		
103-1	Explanation of the material topic and its boundary	Cramo's strategic approach to sustainability	
103-2	The management approach and its components	Cramo's strategic approach to sustainability, Customer Care	
103-3	Evaluation of the management approach	Customer Care	
GRI 302	Energy 2016		
302-5	Reductions in energy requirements of products and services	Customer Care	
GRI 308	Supplier Environmental Assessment 2016		
308-2	Negative environmental impacts in the supply chain and actions taken	Cramo's strategic approach to sustainability, Customer Care	
GRI 414	Supplier Social Assessment 2016		
414-2	Negative social impacts in the supply chain and actions taken	Cramo's strategic approach to sustainability, Customer Care	
GRI 416	Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Customer Care	

Employee Care

		Link	Remark
Material topics: Employee satisfaction, Health and safety, Skills development, Diversity and equality			
GRI 103	Management Approach 2016		
103-1	Explanation of the material topic and its boundary	Cramo's strategic approach to sustainability	
103-2	The management approach and its components	Cramo's strategic approach to sustainability, Employee Care	
103-3	Evaluation of the management approach	Employee Care	
GRI 401	Employment 2016		
401-1	New employee hires and employee turnover	Employee Care	
GRI 403	Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Employee Care	Occupational health and safety management systems have been implemented locally in all our markets. The management systems are implemented mainly because of legal requirements and cover 98% of the employees and in Sweden also franchises. In Finland, Sweden and Estonia, the occupational health and safety management systems are certified according to ISO 45001 or the like. Our aim is certification in all Cramo markets.

403-2	Hazard identification, risk assessment, and incident investigation	Employee Care	All markets have a process in place for employees to report work-related hazards and hazardous situations. Nine of Cramo's eleven markets have a process in place to identify work-related hazards and assess risks on a routine and non-routine basis and a policy and a process in place for employees to remove themselves from work situations that they believe could cause injury or ill health. Nine of Cramo's eleven markets also have a process in place to investigate work-related incidents to determine corrective actions and to determine improvements needed in the occupational health and safety management system.
403-3	Occupational health services	Employee Care	Ten of Cramo's eleven markets offer occupational health services to the employees.
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Care	Seven of Cramo's eleven markets have a process in place for employee participation and consultation in the development, implementation and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to employees. Five of Cramo's eleven markets have formal joint management - worker health and safety committees.
403-5	Worker training on occupational health and safety	Employee Care	All markets provide occupational health and safety training to employees.
403-6	Promotion of worker health	Employee Care	Seven of Cramo's eleven markets offer access to non-occupational medical and health care services to the employees. Six of Cramo's eleven markets offer voluntary health promotion services or programs to employees.

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Customer Care, Social Care	
403-8	Workers covered by an occupational health and safety management system	Employee Care	<p>Employees covered by an occupational health and safety management system: 2,641 (98%)</p> <p>Employees covered by an internally audited occupational health and safety management system: 1,916 (71%)</p> <p>Employees covered by a certified or externally audited occupational health and safety management system: 1,829 (68%)</p> <p>In Sweden, franchises are covered by the occupational health and safety management system certified according to ISO 45001. Other workers, other than employees, are not covered by Cramo's occupational health and safety management systems since they are covered by similar systems by their employers.</p>

403-9	Work-related injuries	Employee Care	<p>Number (and rate) of recordable work-related injuries: 119 (25.6)</p> <p>Number (and rate) of work-related injuries with at least one full day absence: 45 (9.7)</p> <p>Number (and rate) of high-consequence work-related injuries: 1 (0.2)</p> <p>Number (and rate) of fatalities: 0 (0)</p> <p>Number of hours worked: 4,657,089</p> <p>The numbers include franchises in Sweden. Other workers, other than employees, are not covered by Cramo's occupational health and safety management systems since they are covered by similar systems by their employers.</p> <p>The main types of work-related injuries are due to falling, slipping, cutting and heavy lifting.</p> <p>Rates are calculated using 1,000,000 hours worked.</p>
GRI 405	Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Employee Care	
GRI 406	Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Employee Care	

Environmental Care

		Link	Remark
Material topics: Resource efficiency, Reduced environmental footprint, Increased circularity			
GRI 103	Management Approach 2016		
103-1	Explanation of the material topic and its boundary	Cramo's strategic approach to sustainability	
103-2	The management approach and its components	Cramo's strategic approach to sustainability, Environmental Care	
103-3	Evaluation of the management approach	Environmental Care	
GRI 302	Energy 2016		
302-1	Energy consumption within the organisation	Environmental Care	
302-3	Energy intensity	Environmental Care	
GRI 305	Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmental Care	
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Care	
305-3	Other indirect (Scope 3) GHG emissions	Environmental Care	Scope 3 GHG emissions from air travel are included in the report.
305-4	GHG emissions intensity	Environmental Care	
GRI 306	Effluents and Waste 2016		
306-2	Waste by type and disposal method	Environmental Care	

Social Care

		Link	Remark
Material topics: Local engagement, Business ethics			
GRI 103	Management Approach 2016		
103-1	Explanation of the material topic and its boundary	Cramo's strategic approach to sustainability	
103-2	The management approach and its components	Cramo's strategic approach to sustainability, Social Care	
103-3	Evaluation of the management approach	Social Care	
GRI 205	Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Social Care	
205-3	Confirmed incidents of corruption and action taken	Social Care	
GRI 307	Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Social Care	
GRI 419	Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	Social Care	

Managing risks to support our new strategy

Effective risk management is used to proactively mitigate Cramo's exposure to financial and non-financial risks. Within Cramo's risk management framework, we identify and evaluate potential risks and their consequences, and define and implement actions needed to minimise their impact.

Cramo has identified a number of potential risks that are associated with the ability to create value in the short and long term and that can prevent us from reaching our strategic targets. These include strategic and operative risks as well as risks related to financial markets, competition, compliance with laws and regulations, sustainability and the Group's reputation. Once identified, the risks and their potential financial and non-financial impacts are analysed and evaluated, and the actions needed to mitigate the impacts are defined. The risks are managed through control activities that are set throughout the organisation.

Ensuring value creation ability

The most significant operative risks are related to strategic investments, the success of the Group's acquisitions and information system projects, as well as the efficiency of operations. Risk mitigation related to personnel, occupational health and safety, the environment, and compliance with laws and regulations is also identified as being crucial to our value creation ability.

As a response to the megatrends affecting our industry and to ensure responsible business operations and growth, sustainability is deeply embedded in our strategic and operational decision-making as well as in our risk mitigation.

Cramo acknowledges the impact of local and global developments as possible risks

Economic uncertainty may be reflected in Cramo's operations as decreased demand in one or more market areas, fiercer competition, lower rental prices, higher financial expenses, or customers experiencing financial difficulties and increasing credit losses. In addition, economic uncertainty increases the impairment risks to the balance sheet values.

Of geopolitical risks, global trade tensions and tariffs are creating uncertainties in the markets in which Cramo operates. The threat of an economic slowdown in Europe, European political fragmentation, including the Brexit outcome, and sovereign debt challenges in Italy may also influence general economic development and, consequently, construction and the demand for rental services.

Our risks and how we mitigate them

Economic conditions

Potential impact

- Demand for our services is linked to the general level of economic activity over the long term. Equipment rental demand is directly linked to construction activity, which is cyclical in nature

Mitigation

- Manage and control capital expenditures and investments, taking into account the different phases of the economic cycle
- Build flexibilities into the business model
- Increase exposure to less cyclical business (industrial maintenance and services)
- Maintain capital structure and debt facilities in order to absorb market disruptions

Development

- We adapted to lower market demand in 2019 by clearly reducing our investments compared to the previous year and executing a cost programme
- Our balance sheet is strong and our cost position competitive to perform well also in a weaker market environment

Link to strategy

- Top-tier performance
 - Stronghold in the industrial segment
 - Leading partner in services
 - Target: Net debt/EBITDA <3.0
-

Competition

Potential impact

- This already competitive and active market can become even more competitive
- New entrants or existing competitors can introduce new, market-changing solutions or offerings
- Increased and fierce competition could result in reduced sales, a smaller market share and lower profitability

Mitigation

- Create a competitive advantage by providing the best service at a price that offers the highest value for our customers – concrete promises to customers
- Safeguard our market position by having industry-leading IT solutions, experienced employees, a depot network that is easily accessible and a large, versatile equipment fleet
- Monitor our market share and track the performance of our competitors
- Create digital solutions that help customers improve their competitiveness

Development

- In 2019, organic sales growth for Equipment Rental was -2.3%
- Competition in the equipment rental industry increased in 2019. Our pricing strategy, digitalisation and high-quality customer service will support our position in the competitive landscape
- We have reacted to changing customer needs by launching new digital solutions

Link to strategy

- Leading partner for services
 - Digital leader in the rental industry
-

Financing

Potential impact

- Debt facilities, bonds and other financing arrangements are committed and valid only until their maturity. Debt facilities also include financial covenants. The main risks are failing to renew maturing instruments, causing insolvency, and breaching these covenants, leading to default

Mitigation

- Maintain at all times the availability of sufficient financing instruments with long and balanced maturities. Negotiate new agreements well before they are needed
- Target to have a conservative leverage ratio, net debt/EBITDA below 3.0

Development

- Our strong cash flow profile and performance enables us to benefit from strong financial markets with ample availability and competitive pricing of funds
- On 31 December 2019, Cramo Group's undrawn committed credit facilities (excluding leasing facilities) amounted to EUR 251.7 (258.5) million

Link to strategy

- Target: Net debt/EBITDA <3.0

Information technology

Potential impact

- Our operations rely heavily on information technology since we have high transaction volumes due to our large fleet and customer base. A cyberattack could lead to a loss of sensitive data or failure to deliver service to our customers. This could affect our reputation and we could suffer financial losses or penalties

Mitigation

- Updated parameter protection and enhanced logging and monitoring of network traffic to avoid unwanted traffic
- Blacklisting of sites
- Site advisory system
- Enhanced protection of clients
- Updated firewalls
- Enhanced partnership with IT security partners

Development

- Advanced e-mail protection system
- MDM tool for mobile devices
- Vulnerability checks on all IT infrastructure components 4 times a year

Link to strategy

- Digital leader in the rental industry

Health and safety

Potential impact

- Our customers and employees put a high priority on health and safety. Furthermore, we need to comply with laws and regulations governing occupational health and safety. An inability to match or respond to external and/or internal demands will result in damage to our reputation, a loss of customers and decreased employer attractiveness. It might also result in severe injuries to individuals and legal claims against the Group

Mitigation

- Cramo works systematically to reduce health and safety risks by, e.g., providing internal safety training and relevant protective equipment, conducting audits, and promoting wellness and an active lifestyle
- To reduce the risk at customer sites, Cramo works systematically with safety instructions, offers safety training and instructions, and reports major incidents to the manufacturers concerned

Development

- In 2019, LTIR (number of work-related accidents with at least one full day absence/million working hours) increased, from 8.8 to 9.7
- No legal claims pertaining to health and safety were filed against Cramo during the year

Link to strategy

- Target: LTIR 0 by 2023
 - Target: 0 legal proceedings
-

Environmental impact

Potential impact

- We meet increased demands from customers for resource efficiency and a reduced environmental impact. We also need to comply with laws and regulations governing environmental protection. An inability to match or respond to those demands will result in damage to our reputation, a loss of customers and/or lost opportunities. It might also result in environmental damage and legal claims against the Group. An inability to optimise resources will lead to increased operational costs

Mitigation

- We work systematically to reduce our environmental impact, focusing on reducing our energy usage and emissions as well as minimising waste
- As part of our strategy, we aim to reach out to customers and other stakeholders, seeking opportunities to cooperate in the development of sustainable solutions

Development

- At the end of 2019, 85% of the units within our energy-powered fleet were powered by electricity
- CO₂e emissions, scope 1 and 2 relative to sales, were 19.4 tonnes/MEUR in 2019 (15.6 in 2018)
- No environmental legal claims were filed against Cramo during the year

Link to strategy

- Target: Share of units powered by electricity within the energy powered fleet 90% by 2023
 - Target: CO₂e emissions, scope 1 and 2 relative to sales, <15 tonnes/MEUR by 2023
 - Target: 0 legal proceedings
-

Human rights

Potential impact

- The protection of human rights is fundamental to Cramo. We have identified non-discrimination as a major focus area. An inability to maintain a non-discriminating working environment will result in damage to our reputation, decreased employer attractiveness and a loss of customers. It might also result in harm to individuals as well as legal claims against the Group

Mitigation

- We have established a diversity policy, including a policy on equal rights and opportunities
- Our values and Code of Conduct are systematically communicated and embedded throughout the organisation. We also provide a whistleblowing service for our employees to report suspicions of misconduct
- Our Supplier Code of Conduct is included in all new supplier contracts

Development

- In 2019, no legal claims regarding human rights including discrimination and sexual harassment were filed against Cramo [1 legal proceedings in 2018]

Link to strategy

- Target: 0 legal proceedings
-

People

Potential impact

- Retaining and attracting people with the right competences is key to delivering an outstanding performance and excelling in customer satisfaction
- Excessive staff turnover or an inability to attract new talent may impact our capability to perform and to maintain the high quality of our customer service, and could ultimately adversely affect our financial performance

Mitigation

- Cramo works systematically to offer safe, stimulating workplaces and aspires to provide an inspiring environment for professional and personal development for all our employees
- Employee satisfaction is regularly monitored to help identify development areas, and we have a process in place for annual performance reviews
- We work actively to strengthen our employer brand to attract potential employees, and we also put effort into surveying the expectations that future talents have regarding working life

Development

- In 2019, we continued to establish our people promise, We are Shapers – with the ambition to increase employee engagement and strengthen Cramo's employer brand
- The employee turnover rate in 2019 was 20% (19% in 2018)
- The rate of new employee hires in 2019 was 21% (21% in 2018)

Link to strategy

- Enable people to perform

Business ethics

Potential impact

- It is vital to us that our customers, employees and other stakeholders trust that we conduct business in an ethical, transparent and lawful manner. Failure to comply with laws and regulations will result in damage to our reputation, a loss of customers, and a loss of trust among our employees as well as among other stakeholders. It might also result in legal claims against the Group

Mitigation

- Our values and Code of Conduct are systematically communicated and embedded throughout the organisation. We also provide a whistleblowing service for our employees to report suspicions of misconduct
- Our suppliers are evaluated using business ethics criteria. Our Supplier Code of Conduct is included in all new supplier contracts

Development

- 0 legal claims regarding non-ethical behaviour, such as corruption, were filed against Cramo in 2019
- During the year 74% (33%) of our employees received Code of Conduct training and confirmed in writing that they have read and understood the Code of Conduct
- 30% of our purchase spend was covered by our Supplier Code of Conduct

Link to strategy

- Target: 0 legal proceedings
 - Target: All employees get Code of Conduct training and confirm in writing that they have read and understood the Code of Conduct
 - Target: >60% of purchase spend is covered by Supplier Code of Conduct by 2023
-

Consistent and transparent corporate governance

Corporate governance at Cramo is based on Finnish law and the company's Articles of Association. The Group complies with the rules of Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code (2015 and, 1 January 2020 onwards, 2020) published by the Securities Market Association.

Cramo issues Corporate Governance and Remuneration Statements, which are available [on the Group's website](#) along with more detailed information about corporate governance and remuneration.

Cramo prepares annual financial statements and interim reports conforming to Finnish law and to the Internal Financial Reporting Standards (IFRS), which are published in Finnish and English.

Board of Directors

The roles and responsibilities of Cramo's Board of Directors have been defined in the Charter of the Board and in the Group's Operating Principles. If necessary, the Board's charter is revised and amended annually in conjunction with the first meeting of the Board after the election of its members at the Annual General Meeting. Cramo's Board of Directors is composed with consideration to diversity matters, such as gender, age, educational background and experience.

Composition of Board of Directors in 2019

At the Annual General Meeting 2019, the following people were re-elected to the Board of Directors: Mr Veli-Matti Reinikkala, Ms AnnaCarin Grandin, Mr Peter Nilsson, Mr Joakim Rubin and Mr Raimo Seppänen. Mr Andrew P. Studdert and Mr Christian Bubenheim were elected as new board members. The Board's constitutive meeting elected Mr Reinikkala as Chairman of the Board and Mr Nilsson as Deputy Chairman of the Board. Member attendance at the meetings is shown below, and member independence is presented [here](#).

The Board's work in 2019

The Board of Directors convenes according to a predetermined schedule as well as when considered necessary. In 2019, the Board held twenty-four meetings. Three permanent committees – the Audit Committee, the Remuneration Committee and the M&A Committee – assist the Board. The Board elects the committee members and appoints the committee chairmen. The Board specifies the key duties and operating principles of each committee in a written charter.

Audit Committee

The Audit Committee assists the Board in its supervisory responsibilities in line with the Finnish Corporate Governance Code. At the Board's constitutive meeting on 28 March 2019, Mr Joakim Rubin was appointed Chairman of the Audit Committee, and Ms AnnaCarin Grandin and Mr Christian Bubenheim were elected as members. The Audit Committee held six meetings.

Remuneration Committee

The Remuneration Committee is tasked with preparing a proposal to the Board for the President and CEO's appointment and his/her employment terms, and with preparing matters pertaining to the company's compensation issues for the Board's approval.

At the Board's constitutive meeting on 28 March 2019, Mr Veli-Matti Reinikkala was appointed Chairman of the Remuneration Committee, and Mr Peter Nilsson and Mr Raimo Seppänen were elected as members. The Remuneration Committee met four times.

M&A Committee

In 2018 the Board of Directors of Cramo Plc resolved to establish a new board committee called the M&A Committee, the purpose of which is to support the management on potential M&A activities and the development and implementation of the company's strategy work.

At the Board's constitutive meeting on 28 March 2019, Mr Veli-Matti Reinikkala was appointed Chairman of the M&A Committee and Mr Joakim Rubin and Mr Andrew P. Studdert were elected as members. The M&A Committee met twelve times.

Shareholders' Nomination Committee

The Shareholders' Nomination Committee, established by the General Meeting of Shareholders, annually prepares proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors. The Nomination Committee consists of a maximum of four members, of whom a maximum of three represent the company's largest shareholders who hold the largest number of votes calculated based on the total number of shares in the company on the last business day of August preceding the next Annual General Meeting.

The following people were appointed on 28 November 2019 as members of the Shareholders' Nomination Committee: Mr Fredrik Åtting, Mr Ari Autio, Ms Annika Ekman and Mr Veli-Matti Reinikkala. Mr Åtting was elected as the Chairman of the Shareholders' Nomination Committee. The committee held three meetings.

Cramo's board member attendance at meetings and remuneration received on a cash basis in 2019

Name	Position	Attendance	Board meetings	Attendance	Audit Committee	Attendance	Remuneration Committee	Attendance	M&A Committee	Total
			Fees, EUR		Fees, EUR		Fees, EUR		Fees, EUR	
Veli-Matti Reinikkala	Chairman	24/24	85,000			4/4	4,000	12/12	6,000	95,000
Peter Nilsson	Deputy Chairman	23/24	37,500			4/4	4,000			41,500
Christian Bubenheim¹	Member	18/18	37,500	4/4	4,000					41,500
AnnaCarin Grandin	Member	21/24	37,500	6/6	6,000					43,500
Joakim Rubin	Member	23/24	42,500	6/6	6,000			12/12	6,000	54,500
Raimo Seppänen	Member	24/24	37,500			4/4	4,000			41,500
Andrew P. Studdert¹	Member	18/18	37,500					10/10	5,000	42,500
Perttu Louhivuori	Deputy Chairman	6/6		2/2	4,000			2/2	1,000	5,000
Caroline Sundewall²	Member	6/6		2/2	2,000					2,000
Total			315,000		22,000		12,000		18,000	367,000

¹ since 28 March 2019

² until 28 March 2019

President and CEO

The Managing Director, who also acts as the President and CEO, is in charge of the company's day-to-day management in accordance with the Finnish Companies Act and related legislation, instructions and orders given by the Board.

Remuneration of the Board of Directors

In 2019 the General Meeting approved the following annual remuneration for Board services:

- Chairman of the Board EUR 85,000
- Other Board members EUR 37,500

The remuneration is paid in cash and the Board of Directors will adopt a policy on Board member share ownership. The policy shall entail that Board members who do not already have such a holding of Cramo Plc's shares are expected to acquire Cramo Plc's shares for a total market value equal to at least one year's Board fees before taxes, excluding any Committee compensation, during a four-year period from the start of their directorship. As part of its process, the Nomination Committee will follow up on the Board members' shareholding annually and assess whether it is in accordance with the policy.

In addition, all Board members are entitled to compensation of EUR 1,000 per attended meeting of the Audit and Remuneration Committees and EUR 500 per attended meeting of the M&A Committee. Furthermore, the Board member elected Chairman of the Audit Committee receives additional compensation of EUR 5,000 per year. Reasonable travel expenses will be refunded upon receipt of invoice.

The Board members are not covered by the company's long-term incentive schemes, bonus scheme or pension schemes. No shares or share-related rights were granted to Board members as remuneration during the financial period.

Remuneration

Remuneration principles

Remuneration is part of Cramo's management system. The aim of a well-designed remuneration scheme is to attract and engage talented employees at the company and to promote the company's financial success.

The company applies a competitive policy related to salaries. In addition to fixed salaries, Cramo offers short- and long-term incentive schemes for management and its key personnel. In addition, operating companies have local short-term incentive schemes.

Remuneration of the President and CEO

Written service contract approved by the Board	Compensation package includes a fixed annual salary and a profit-based incentive tied to the Group's financial targets and/or personal targets set by the Board. Remuneration also includes a voluntary pension benefit and fringe benefits such as a company car.	In 2019, the maximum bonus paid to the President and CEO was 80% of base salary. The President and CEO participates in Cramo's short-term incentive schemes as of 2016, One Cramo Share Plan as of 2015, and share-based incentive plan as of 2016.
Notice period and retirement age	The notice period for the service contract is six months, during which time he/she receives a full salary. The retirement age is 65 years.	In case the contract is terminated by the employer, there is a severance payment of 12 months' salary.

Remuneration to the President and CEO and the Group management team on an accrual basis in 2019 EUR

	Fixed annual base salary	Profit-based incentives	Fringe benefits	Termination benefits	Share-based payments	Post-employment benefits	2019 Total
President and CEO	887,845	406,359	12,166		451,456	152,605	1,910,431
Group management team	1,522,099	290,318	68,177	544,380	615,156	274,637	3,314,767
Total	2,409,944	696,676	80,343	544,380	1,066,613	427,242	5,225,198

Short-term and long-term incentive schemes

Element	Target group	Objective	Link to strategy/performance measures	Amount paid in 2019
Short-term incentive: Annual bonus schemes	Group management team members, OpCo managers and key employees, and Group key employees.	To support the achievement of Cramo's financial targets by encouraging a strong performance culture.	Management bonuses are tied to the achievement of financial targets for the Group and operating countries. The targets are set annually, and any compensation is paid once a year after the end of the financial period. The financial targets are based mainly on Economic Profit and Return on Capital Employed.	Variable pay for 2019 (accrual based) amounted to EUR 406,359 for the President and CEO and EUR 290,318 for the Group management team members.
Long-term incentive: Performance Share Plan 2015-2017 and/or 2018-2019	Managers and key employees, including Group management team.	To support the achievement of the Group's long-term goals by attracting and retaining those identified as key employees.	The potential reward from the Plan for the discretionary period 2019 was based on the Cramo Group's key figure Earnings per Share (EPS) and Return on Equity (ROE). The maximum reward to be paid on the basis of the discretionary period 2019 could have corresponded to the value of 290,000 Cramo Plc shares.	In 2019, the target achievement level was about 61.12%, resulting in a total reward payment of approximately 129,548 Cramo Plc shares, including a part to be paid in cash in spring 2022. Due to the demerger of Cramo Plc in 2019, the incentive plan was revised so that the participants are entitled to receive one Adapteo Plc's share, or a corresponding cash compensation, for each Cramo Plc share earned under the plan.

Long-term incentive: One Cramo Share Plan	All Cramo employees.	To encourage all employees to become shareholders in Cramo, to reward employees for their efforts in working towards Cramo's targets and to strengthen the tie between Cramo shareholders and employees.	The monthly saving is 2-5% of each participant's monthly gross salary, with the total amount of all savings from the Plan Period not to exceed EUR 4 million.	A total of 471 are currently participants in the One Cramo Share Plan. The number of matching shares delivered to employees participating in the Plan was 6,033 Cramo Plc shares in 2019. Due to the demerger of Cramo Plc in 2019, the incentive plan was revised so that the participants are entitled to receive one Adapteo Plc's share, or a corresponding cash compensation, for each Cramo Plc share earned under the plan.
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Pension benefits

Directors	Cramo's executives participate in local pension systems for each operating country; these systems provide a retirement benefit based on years of service and earnings, according to the prescribed statutory system.		
President and CEO and Group management team	Only the President and CEO participates in a contribution-based voluntary pension system.	In 2019, the expenses of the voluntary pension system for the President and CEO totalled EUR 152,600.	

Internal control and risk management regarding financial reporting

Internal control over financial reporting is part of the overall internal control system at Cramo. The Enterprise Risk Management (ERM) framework, tailored to the Cramo Group's business needs, provides the overall framework for the Group's internal control and risk management. Internal control over financial reporting strives to provide reasonable assurance that the Group's financial reporting is reliable and that external financial reporting is prepared in accordance with legislation, International Financial Reporting Standards (IFRS) and other requirements set for listed companies.

Roles and responsibilities

The Board has ultimate responsibility for the appropriate arrangement of internal control over financial reporting. The Board supervises and approves annual financial statements and interim reports. The Audit Committee assists the Board of Directors in overseeing the effectiveness of established internal control and risk management principles. In practice, the President and CEO and the OpCo (Operating Country) managers are in charge of performing internal control activities for financial reporting. They are supported in this task by the CFO, the Group Finance and Development function and OpCo financial management.

Risk assessment, control and monitoring

Cramo has established objectives for reliable financial reporting in order to identify financial reporting risks. Within the risk assessment process, Cramo identifies and analyses risks in achieving financial reporting objectives as a basis for determining how those risks should be managed and mitigated. The risks identified are managed through control activities that are set throughout the organisation, at all levels and in all functions.

In order to ensure the effectiveness of internal control regarding financial reporting, monitoring is conducted by the Board, the Audit Committee, the President and CEO, the CFO and the Group Finance and Development function, Internal Audit, the Group management team, and OpCo managers and controllers.

Related party transactions

Cramo's related parties include the Board of Directors, the Group management team, their close family members, and entities under the control or significant influence of persons belonging to related parties, subsidiaries or joint ventures. Transactions between the company and related parties are allowed, provided that they promote the purpose of the company and are conducted on acceptable terms and in the interests of the company from the company's business perspective, as well as in compliance with applicable regulations.

Insider administration

Cramo manages inside information and insiders in accordance with the requirements of the Market Abuse Regulation (MAR), the Insider Guidelines of Nasdaq Helsinki Ltd. and Cramo's Insider Guidelines approved by the Board of Directors. Cramo's Insider Guidelines include instructions and definitions regarding inside information, trading by insiders, managers' transactions and a list of managerial persons. Coordination and control of insider affairs are included in the responsibilities of the General Counsel.

General Data Protection Regulation

The Company is committed to compliance with the European Union's General Data Protection Regulation and other applicable privacy regulations. In 2018, the company implemented enhanced processes to address the new regulatory demands and appointed a data privacy officer to oversee and coordinate privacy-related matters.

Auditing

The company has a minimum of one and a maximum of two authorised public accountants (APA) or firms of authorised public accountants, chartered by the Central Chamber of Commerce of Finland. Their term of office expires at the end of the Annual General Meeting following their election. If the AGM elects only one auditor, which is not a firm of authorised public accountants chartered by the Central Chamber of Commerce, it must elect one deputy auditor.

At the Annual General Meeting on 28 March 2019, the audit firm KPMG Oy Ab was appointed as Cramo Plc's auditor for the term expiring at the end of the next Annual General Meeting, with APA Mr Toni Aaltonen as the responsible auditor. The audit firm KPMG Oy Ab has served as auditor, with APA Mr Toni Aaltonen as the responsible auditor, since 2014.

Total compensation for external auditing

EUR 1,000	2019	2018	Change, %
Audit fees	943	686	37
Certificates and statements	146	26	462
Tax consultation	10	24	-58
Other services	86	281	-69
Total	1,185	1,018	17

Board of Directors

31 December 2019



Veli-Matti Reinikkala

Board member and Chairman of the Board since 2017; Chairman of the Remuneration Committee and M&A Committee.

Born 1957, Finnish citizen;
Executive Master of Business Administration.

Primary work experience:

President Europe, Member of Group Executive Committee, ABB Switzerland 2015; President of Process Automation division, Member of the Group Executive Committee, ABB Ltd. Switzerland 2006–2014; Head of Business Area Process Automation, ABB Ltd. Switzerland 2005; Local Division Manager, Automation Technologies Division, ABB (China) Ltd., Member of Global Automation Technologies Division Management Team 2003–2004; Business Area Manager for Drives & Power Electronics, ABB Automation Management Ltd., Switzerland 2002–2003; various positions at ABB, 1994–2001.

Other positions of trust:

Board member: UPM-Kymmene Corporation, Fortum Corporation.

Cramo shares on 31 Dec 2019:

13,000 (31 Dec 2018: 10,000)

Deemed independent of the Company and its major shareholders.



AnnaCarin Grandin

Board member since 2018; Member of the Audit Committee.

Born 1967, Swedish citizen;
B.Sc. (Business Administration).

Primary work experience:

CEO, Sweden, Coor Service Management 2016–present; Executive Vice President, Coor Service Management 2014–2016; Senior Account Manager, Statoil, Coor Service Management 2014; CEO, Norway AS, Coor Service Management 2011–2014; Business Unit President, Coor Service Management Sverige AB 2004–2010.

Other positions of trust: –

Cramo shares on 31 Dec 2019:

1,000 (31 Dec 2018: 0)

Deemed independent of the Company and its major shareholders.



Christian Bubenheim

Board member since 2019; Member of the Audit Committee.

Born 1965, US and German citizen;
Diploma in Economics and Engineering.

Primary work experience:

CEO, Internetstores GmbH Stuttgart, Berlin, Lyon, Stockholm 2018; SVP Scout24 & GM AutoScout24 GmbH, Munich, Berlin 2015-2017; Division GM Consumables & Prime, Amazon Germany, Luxembourg 2008-2014; VP & GM Magellan GPS, Los Angeles, CA, 2002-2008; GM Intel Mobile & VP Xircom, Los Angeles, CA 2000-2002; GM Mobile Compaq Computer, Houston, TX, 1997-2000; Sr. Manager Apple, Munich, Cupertino, CA, 1991-1997.

Other positions of trust:

Board member: Dunlop Protective Footwear (Raalte, NL) and KfzTeile24 (Berlin, DE). Start-up mentor and investor Munich, Berlin, Barcelona.

Cramo shares on 31 Dec 2019:

0 (31 Dec 2018: -)

Deemed independent of the Company and its major shareholders.



Peter Nilsson

Board member since 2015; Member of the Remuneration Committee.

Born 1962, Swedish citizen;
M.Sc. (Econ.).

Primary work experience:

President and CEO, Sanitec Corporation 2010-2015; CEO, Duni AB 2004-2007; various Senior Management positions, Swedish Match Group 1987-2003.

Other positions of trust:

Board Chairman: Adapteo Plc, Lindab International AB, House of Flowers Sweden AB, Unilode Aviation Solutions International AG and Poleved Industrial Performance AB. Board member: Team Tråd & Galler Holding AB, J.H. Tidbeck AB, Wermer Förvaltning AB, Lindab LTIP17-19 AB, Signtronic Produktion AB, Kylpanel i Nassjö AB, Sandur ehf., Dagar ehf. and Navibus AB.

Cramo shares on 31 Dec 2019:

17,516 (31 Dec 2018: 7,516)

Deemed independent of the Company and its major shareholders.



Joakim Rubin

Board member since 2015; Chairman of the Audit Committee; Member of the M&A Committee.

Born 1960, Swedish citizen;
M.Sc. (Industrial Engineering and Management).

Primary work experience:

Partner and Chief Investment Advisor of EQT Public Value, EQT AB; Founding Partner, Zeres Capital Partners AB; Senior Partner, CapMan Group 2008–2015; several positions e.g. Head of Corporate Finance and Debt Capital Markets, Handelsbanken Capital Markets 1995–2008.

Other positions of trust:

Board member: Adapteo Plc, Hoist Finance AB and ÅF Pöry AB.

Cramo shares on 31 Dec 2019:

1,916 (31 Dec 2018: 1,916)

Deemed independent of the Company, but not independent of a major shareholder.



Raimo Seppänen

Board member since 2014; Member of the Remuneration Committee.

Born 1956, Finnish citizen;
Civil Engineer.

Head of Housing Repairs, YIT Construction Ltd., Housing Helsinki Metropolitan Area East unit (since 2006).

Primary work experience:

Specialist (Structural technology), Helsinki Housing Production Bureau (ATT), 2000–2006; General Site Manager, Head of Site Management for renovation and residential construction, Haka, Skanska, 1987–2000.

Other positions of trust:

Board Chairman: Rakennusmestarien Säätiö.

Cramo shares on 31 Dec 2019:

1,916 (31 Dec 2018: 1,916)

Deemed independent of the Company, but not independent of a major shareholder.

**Andrew P. Studdert**

Board member since 2019; Member of the M&A Committee.

Born 1956, USA citizen;
BA.

Primary work experience:

CEO, NES Rentals, Chicago, IL, USA 2004-2017; Various Executive Positions, UAL/United Airlines, Chicago, IL, USA 1995-2002; COO, 1999-2002; SVP, Fleet Operations, 1997-1999; CIO, Technology Division, 1995-1997; Various Executive Positions, First Interstate Bancorp, Los Angeles, CA, USA 1984-1994.

Other positions of trust:

Board member: IPAF (International Powered Access Federation).

Cramo shares on 31 Dec 2019:

6,500 (31 Dec 2018: -)

Deemed independent of the Company and its major shareholders.

Group Management

31 December 2019



Leif Gustafsson

President and CEO since 2016.

Born 1967, Swedish citizen;
Construction Engineer; Employed by Cramo since 2016.

Primary work experience:

CEO, Stena Recycling International, 2012–2015; CEO, Stena Recycling AB, 2008–2012; CEO, YIT Sverige AB, 2005–2008; Division manager, YIT Sverige AB, 2003–2005; Division manager, ABB Contracting, 1999–2003.

Other positions of trust:

Board member: ERA (European Rental Association).
Member of Board of Trustees: SNS (Studieförbundet Näringsliv och Samhälle).

Cramo shares on 31 Dec 2019:

36,392 (31 Dec 2018: 24,463)



Aku Rumpunen

CFO since 2016.

Born 1974, Finnish citizen;
M.Sc. (Econ), M.Sc. (Geography); Member of Group management team since 2013; Employed by Cramo since 2012.

Primary work experience:

Senior Vice President, Group Business Control, Cramo Plc, 2013–2016; Business controller, Financial manager, YIT Construction Ltd, 2003–2012.

Cramo shares on 31 Dec 2019:

11,996 (31 Dec 2018: 7,340)



Hartwig Finger

Executive Vice President, Central Europe since 2018;
Managing Director, Cramo AG since 2018.

Born 1973, German citizen;
MBA; Member of Group management team since 2018;
Employed by Cramo since 2018.

Primary work experience:

President, Continental Europe Dwyer Group, 2015–2018;
Global Business Unit Manager, Imtech, 2014–2015; Self-employed, Interim Manager, 2013; CEO, Polygon Germany, 2005–2012; Deputy Managing Director, RISO Central & Eastern Europe, 2000–2005; Financial Controller, IMI Hydronic Controls Germany, 1994–2000.

Cramo shares on 31 Dec 2019:

251 (31 Dec 2018: 0)



Tatu Hauhio

Executive Vice President, Finland and Eastern Europe since 2013.

Born 1970, Finnish citizen;
M.Sc. (Econ.). Member of the Group management team since 2006; Employed by Cramo since 2004.

Primary work experience:

Managing Director, Cramo Finland 2006–2019; RK Group, Director for Project Rental and foreign operations 2004–2005; Suomen Projektivuokraus Oy, Business Development Director 2003; Cap Gemini Oy, IT consultancy, quality and risk management positions 1997–2002.

Other positions of trust:

Board member: Fortrent Oy.

Cramo shares on 31 Dec 2019:

30,617 (31 Dec 2018: 24,843)



Martin Holmgren

Senior Vice President, Fleet Management since 2013.

Born 1967, Swedish citizen;
B.Sc. (Business Administration); Member of the Group management team since 2009; Employed by Cramo since 2003.

Primary work experience:

Product Area Manager Fleet Management, Cramo AB, 2003–2008; Business Development Manager, Telia Mobile, 2000–2003; Supply Chain Manager, ABB, 1998–2000; Site Manager, Platzter Bygg, 1989–1995.

Cramo shares on 31 Dec 2019:

8,804 (31 Dec 2018: 4,616)



Sohana Josefsson

Senior Vice President, Marketing and Communications since 2019.

Born 1973, Swedish citizen;
MPP (Public policy); M.Sc. (Management); Member of the Group management team since 2019; Employed by Cramo since 2019.

Primary work experience:

Green Cargo AB, SVP Marketing and Communications 2015–2019; Green Cargo AB, various managerial positions 2008–2015; Schenker AB, Key Account Coordinator 2001–2007; TNT Sweden AB, Commercial Manager Norway 1998–2000.

Cramo shares on 31 Dec 2019:

0 (31 Dec 2018: -)



Mika Kouhi

Senior Vice President, M&A and Corporate Development since 2018.

Born 1978, Finnish citizen;
M. Sc. (Economics and Business Administration);
Member of the Group management team since 2018;
Employed by Cramo since 2013.

Primary work experience:

Group Head, M&A and Corporate Development, Cramo Oyj 2016–2018; Director, Business Development, Cramo Oyj 2016; Head of Finance, Cramo AG 2014–2016; Head of Project Management and Process Development 2013–2014; various managerial positions, e.g. Head of Finance and Associate Director Corporate Finance, Agennix AG 2006–2012.

Cramo shares on 31 Dec 2019:

3,196 (31 Dec 2018: 1,453)



Henrik Norrbom

Executive Vice President, Scandinavia since 2019;
Managing Director, Cramo AB.

Born 1977, Swedish citizen;
Diploma in Business Finance (IHM Business School);
Member of Group management team since 2019;
Employed by Cramo since 2019.

Primary work experience:

CEO, Skanova 2015–2019; Vice President & Head of Networks, Telia Sweden 2014–2015; COO and Sales Director, Eltel Networks AB 2012–2013; several managerial positions, Eltel Networks AB 2005–2012.

Cramo shares on 31 Dec 2019:

0 (31 Dec 2018: -)

Contacts

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