



CRAMO CARE

Cramo Group
Sustainability Report 2017

C R A M O

Contents

Sharing through rental – a well proven business model	4
Further developing our sharing platform	5

CRAMO CARE

Cramo Care – Our strategic approach to sustainability	6
Key elements and strategic targets of Cramo Care	7
Highest ethical standards	8

SUSTAINABLE CUSTOMER SOLUTIONS

Customer Care	11
Health and safety at customers' sites	12
Reducing customers' environmental footprint	12

DOING THINGS RIGHT

Employee Care	14
Employee key figures	16
Environmental Care	18
Social Care	20

GRI INDEX

Universal standards	22
Material topics	22

About the report

This report has been prepared in accordance with the GRI Standards: Core option.

The contents of this report cover sustainability issues identified as being business-critical to our stakeholders. Our primary stakeholders are our customers, employees, shareholders, business partners, regulatory authorities and local governments.

CONTACT

If you have questions regarding this sustainability report, please contact:
Anders Collman, Vice President, Sustainability,
anders.collman@cramo.com



About Cramo

Cramo is one of the industry's leading providers of equipment rental services in Europe and the leader in the rental of modular space solutions in the Nordic countries. Our equipment rental services comprise a full range of construction machinery and equipment as well as related services. Modular space solutions, delivered as turn-key projects, are divided into four segments: schools, daycares, office space and accommodation. These solutions are provided under the Cramo Adapteo brand.

Cramo had 2,533 employees at the end of the year 2017. It operates under the Cramo brand in twelve countries: Finland, Sweden, Norway, Denmark, Germany, Austria, Hungary, Estonia, Lithuania, Poland, the Czech Republic and Slovakia, and through its joint venture Fortrent in Ukraine and Russia.

The network of 300 depots provides a wide range of rental offerings adapted to local demand. With over 230,000 rental items and units, Cramo serves 150,000 customers, including construction companies, manufacturers, public sector agencies and private customers in the Nordic countries and in Central and Eastern Europe.

Cramo is a Nordic mid-cap industrial company listed on Nasdaq Helsinki Ltd. Our Group head office is located in Vantaa, Finland.

President and CEO: Leif Gustafsson

Chairman of the Board: Veli-Matti Reinikkala

CONTENT AREA	ANNUAL REVIEW	SUSTAINABILITY REPORT	CORPORATE GOVERNANCE STATEMENT
Business model and value creation	x		
Shape and Share strategy	x		
Cramo Care strategy		x	
Sustainability policies and their implementation		x	x
Strategic sustainability targets 2020 and outcomes 2017	x	x	
Other sustainability targets 2020 and outcomes 2017		x	
Sustainability-related risks and risk management	x		
Corporate Governance	x ²		x
GRI Standard-related information		x	

1 NON-FINANCIAL INFORMATION IS ALSO INCLUDED IN A SEPARATE NON-FINANCIAL INFORMATION REPORT AND IN THE BOARD OF DIRECTORS' REPORT

2 A SHORT VERSION OF THE STATEMENT

REPORTS:  

Sharing through rental – a well proven business model

Long before the sharing economy was defined as a concept associated with online solutions for sharing between individuals, there was a well-functioning model based on the same idea. For the rental industry, the idea of sharing has played a fundamental role since the 1960s. Sharing resources is the core of our operations.

Rental, as an alternative to owning, guarantees a high degree of resource efficiency and leads to environmental improvements such as transport optimisation and reduced emissions and waste. Renting as a business model is based on helping users share resources whenever possible. By providing users with easy access to a modern, efficient fleet of machinery and modules, just for the time they need them, Cramo helps customers achieve their own sustainability targets while helping to reduce overall resource use.

Every week, another 1,500,000 people around the world become urban citizens. Meanwhile, we face climate change and increasing resource scarcity.

Technological advances and efficient, responsible ways of sharing resources are critical in order to meet emerging and changing needs.

Cramo, a key player in the responsible sharing economy, aims to lead the way in advancing sustainability in the rental industry. Our customers can always trust that we work with great integrity and meet high business ethics standards as a supplier. As an employer, we want to offer safe, stimulating workplaces to all our employees. As a major buyer, we are well placed to influence manufacturers and demand energy-efficient and recyclable equipment, and as a corporate citizen, we want to contribute to a fair and sustainable society.



“By providing users with easy access to a modern, efficient fleet of machinery and modules, just for the time they need them, Cramo helps customers achieve their own sustainability targets while helping to reduce overall resource use.”

Leif Gustafsson
President and CEO

Further developing our sharing platform

Our business objective – to provide easy access to efficient rental solutions – offers clear sustainability advantages compared to purchasing equipment and modular space solutions. As shapers of the industry, we strive for continuous improvements. We want to contribute to our customers' financial as well as non-financial targets and be a responsible member of society.

During the year, our work to integrate sustainability into our day-to-day business through our Cramo Care programme continued. After just one year of implementation, we can already see some effects of the new strategy and the Cramo Care organisation launched in 2016. All Cramo countries now have a Cramo Care manager who, together with the country manager, focuses on local strategy implementation. In 2017, implementation started in all countries, resulting in, for example, a stronger focus on improved cooperation with customers and suppliers to develop even more sustainable rental solutions. Waste management has also been high on the agenda, together with a continuous strong focus on health and safety, energy efficiency and business ethics.

As part of our Cramo Care strategy, our Group Management decided that all operations will be ISO-certified by 2020, with a focus on quality, environmental improvements, and health and safety. In 2017, we launched a project towards Group-wide certification. The project will also continue in the years ahead, incorporating all our operations step by step in the certificate.

Sharing is the core of our business. In 2017, we started to build a knowledge-sharing platform for the content in our Cramo Care strategy. Having operations in 12 different countries, with different circumstances and expectations in the sustainability field, is sometimes a challenge. At the same time, it also gives rise to new opportunities. Knowledge sharing is key in successfully implementing our Cramo Care strategy throughout the organisation, taking advantage of opportunities and managing challenges.

I am happy to share our work and main results for 2017 – and would like to extend my thanks to our stakeholders for their valuable support and cooperation.

“As part of our Cramo Care strategy, our Group Management decided that all operations will be ISO-certified by 2020, with a focus on quality, environmental improvements, and health and safety.”



Anders Collman
Vice President,
Sustainability



Cramo Care – our strategic approach to sustainability

Cramo Care is our strategy for integrating sustainability, step by step, into all parts of our business and is based on Cramo's values. 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.

KEY ELEMENTS OF INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

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. Sustainability has a direct impact on our internal

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

THE KEY ELEMENTS OF OUR CRAMO CARE STRATEGY ARE:

#1 Cramo as an active shaper of the rental industry, a driver of the sharing economy.

Responsible sharing is the core of our business. Our ambition is to play an active role in developing sustainable rental solutions, enabling our customers to provide safe working environments, cut their energy use, reduce their climate impact and minimise waste.

#2 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.

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

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

#4 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 Care

COMMITMENT AND PRINCIPLES

Code of Conduct and Business Ethics • Supplier Code of Conduct • UN Global Compact • ISO



STRATEGIC TARGETS

CUSTOMER CARE	EMPLOYEE CARE	ENVIRONMENTAL CARE	SOCIAL CARE
Most satisfied customers in the industry¹	Zero accidents	Zero emissions	Top ranking in business ethics
Target: CSI stable over 70 Outcome 2016: 72.6 Outcome 2017: 70	Target: LTIR ² < 5 by 2020 Outcome 2016: 13.7 Outcome 2017: 9.9	Target: CO ₂ emissions, scope 1 and 2 relative to sales (tonnes/MEUR), >20% decrease by 2020 vs 2016 Outcome 2016: 18.4 tonnes/MEUR Outcome 2017: 17.5 tonnes/MEUR	Target: 0 lawsuits (human rights, corruption, environment) Outcome 2016: 0 Outcome 2017: 0

1 All units, weighted average

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



Photo: Tommy Andreassen, PhotoView

Our stakeholders' top priorities

STAKEHOLDER GROUP	KEY EXPECTATIONS
CUSTOMERS	<ul style="list-style-type: none"> • Health and safety • Energy efficiency and climate impact • Resource efficiency and handling of waste • Business ethics
EMPLOYEES	<ul style="list-style-type: none"> • Health and safety • Business ethics • Skills development • Diversity and equality
INVESTORS	<ul style="list-style-type: none"> • Measurable targets • Risk assessment, including supplier performance • Top management commitment • Performance monitoring
STANDARDISATION BODIES	<ul style="list-style-type: none"> • Measurable targets • Sustainability integrated into the business strategy • Top management commitment • Performance monitoring

EXCEEDING STAKEHOLDER REQUIREMENTS

The foundation of Cramo Care 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. 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.

EFFICIENT INTERNAL OPERATIONS

Cramo Care establishes clear targets and ways to monitor performance and priorities for our Group management systems. It defines responsibilities at Cramo for developing strategy and policies as well as for ensuring effective implementation and continuous improvement.

HIGHEST ETHICAL STANDARDS

Customer care and satisfaction are key to Cramo's business success. It is vital that our customers 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 customers, distributors and suppliers.

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



“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

Cramo prioritises long-term collaboration with suppliers that adhere to the highest ethical standards and long-term sustainable profitability. Most of our machinery and equipment is purchased from suppliers in Europe, the US and Japan.

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.

WHISTLEBLOWING – FOLLOWING UP ON OUR CODE OF CONDUCT

Our whistleblowing mechanism provides a way for all our employees to report suspicions of misconduct, that is, actions not in line with our company values and which may harm individuals, the company or the environment.

This is an early warning system to reduce risks and an important tool for safeguarding high corporate governance standards and maintaining

customer and public confidence in our operations. Any concern or issue reported is treated seriously, fairly and promptly. Possible investigations are carried out in a discreet and confidential manner.

IMPLEMENTATION 2017

NEW CRAMO CARE POLICY

In 2017, we developed a new policy which sets out our ambitions for Cramo Care. To uphold our commitment, and to ensure the quality and relevance of our solutions, we work for continuous improvement. We also strive for innovative solutions and encourage joint development projects in partnership with our customers and other stakeholders.

CRAMO CARE MANAGERS IN EVERY COUNTRY

In order to accomplish our ambitions, we created a Group-wide structure of Cramo Care managers in every country. Together with the country managers and local specialist functions, Cramo Care managers work with local development and implementation of action plans, based on our Cramo Care strategy. In 2017, we had two Cramo Care manager meetings, which were aimed at creating a platform for sharing knowledge and experience.

CRAMO’S ETHICAL GUIDELINES

#1

We comply with laws and policies. We never compromise on integrity.

#2

We create safe and healthy work places. We celebrate competence and customer centricity.

#3

We never compromise on public and social responsibilities.

INTERNAL ORGANISATION, ROLES AND RESPONSIBILITIES

GROUP MANAGEMENT

- Ownership of policies
- Ownership of Group sustainability strategy

VICE PRESIDENT, SUSTAINABILITY

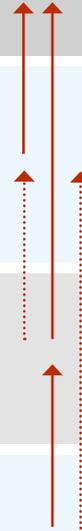
- Development, anchoring and monitoring of Group sustainability strategy and policies, together with Group specialist functions
- Ensure clear roles and responsibilities, monitor commitment on Group and country level
- Stakeholder dialogue
- Partnerships for sustainable development

COUNTRY MANAGER

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

CRAMO CARE MANAGER

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



HEADING FOR A GROUP ISO CERTIFICATE

As part of our Cramo Care strategy, we are striving for a Group ISO certificate, with a focus on quality, environmental improvements, and health and safety. In 2017, we started the process by setting up a steering group and a project group. The framework for a common management system was developed during the year. By the end of the strategy period, all operations will be covered by the certificate.

ADVANCING SUSTAINABILITY IN THE RENTAL INDUSTRY

Cramo is an active member of the European Rental Association (ERA) and a member of its Sustainability Committee, established in 2013. In 2017, ERA conducted a study on how to attract and secure future talent in the industry. The study resulted in a project aimed at defining and profiling jobs

in the rental industry. Another focus area during the year was the environmental benefits of the rental concept and the role of the rental industry in the construction industry value chain.

In 2017, Cramo also launched a project to start a dialogue with other organisations in the sharing economy. The aim of the project, which will continue in 2018, is to define the context for a responsible sharing economy.

SUPPORT FOR OUR COMMITMENT TO CIRCULAR ECONOMY

In 2017, Cramo and the European Investment Bank signed a EUR 50 million long-term loan agreement to support Cramo's European growth strategy and commitment to a circular economy. The loan will further enhance our potential to develop sustainable solutions that meet the changing needs of our customers.

2018

The implementation of the Cramo Care strategy will continue in 2018. We will set the framework for our common management system and launch the process of incorporating all operations in a Group-wide ISO certificate. We will continue to raise issues concerning sustainability and responsible sharing in the European Rental Association and other forums.





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

	TARGET	OUTCOME 2017	OUTCOME 2016
Customer satisfaction¹	CSI stable over 70 All operations covered by ISO 9001 by 2020	70 88% (relative to sales)	72.6 82% (relative to sales)
Health and safety (at customer sites)	10% increase per year from 2018 as regards the number of individuals participating in safety training 100% of Cramo countries ² providing external safety training by 2020	9,895 individuals 78%	10,622 individuals 67%
Resource efficiency (at customer sites)	13% reduction in energy use per square meter in rented modules and site huts by 2020 vs 2016 40% reduction in diesel powered heating equipment by 2020 vs 2016 70% reduction of Stage I-III diesel engines in rental equipment by 2020 vs 2016	168 kWh/sqm Diesel-powered heating equipment as share of total heating fleet, 12.4% Share of rental equipment with Stage I-III diesel engines, 39.5%	171 kWh/sqm Diesel-powered heating equipment as share of total heating fleet, 16% Share of rental equipment with Stage I-III diesel engines, 56%
Business ethics	0 lawsuits (human rights, corruption, environment)	0	0
Responsible suppliers	All contract suppliers have signed Supplier CoC by 2020 ³	48%	New Supplier CoC was developed in 2016, implementation started in 2017

¹ All units, weighted average

² Excluding countries with less than 3 depots

³ The Supplier Code of Conduct covers environmental, health and safety, human rights and anti-corruption and bribery matters

ISO Management Standard 9001 has been implemented for Equipment Rental in Finland, Sweden and Norway and for Modular Space in Finland, Sweden, Norway and Germany. Certification is ongoing, with all Cramo markets targeted.

IMPLEMENTATION 2017

INNOVATION THROUGH PARTNERSHIPS

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.

JOINT DEVELOPMENT PROJECTS

During the year, Cramo initiated several joint development projects together with experts and prominent stakeholders to drive the sharing economy and move the frontiers of sustainable business. Projects with customers cover areas like energy and fuels – how we together can find new ways to reduce the use of energy and fossil fuels at the construction site and in transport; waste-reducing measures – finding rental solutions on temporary constructions such as sundecks, stairs, storage rooms, temporary doors and gates etc. and accidents and incidents – learning more about the most frequent and critical situations and how to prevent them through mutual information sharing. Together with other stakeholders we address other areas such as promotion of professional sharing – in a forum with actors from other parts of the sharing economy, and social integration – how we as a company and as individuals can help provide experience and contacts with working life.

HEALTH AND SAFETY AT CUSTOMER SITES

Safety is our first priority and an integral part of our business. Cramo provides a wide range of safety equipment and safety training as well as more comprehensive safety solutions. Our vision is zero accidents at construction sites.

CRAMO SCHOOL

Cramo School is a successful concept for offering training to customers to efficiently raise awareness and improve competence in order to prevent accidents at construction sites. One of

Cramo School's strengths is connecting theory to practice – making participants actively aware that they should not take unnecessary risks and of how to work safely.

We receive a large number of requests for safety training from our customers. External safety training is already provided in Finland, Sweden, Norway, Germany, Austria, Latvia, Lithuania and Poland. A total of 9,895 individuals participated in Cramo's safety training in 2017.

SAFETY WEEK IN POLAND

The annual safety week in Poland took place in May 2017, with the aim to increase safety awareness among contractors, sub-contractors and end-users in the construction industry. The project's initiators were the twelve largest construction companies of the country.

During the week, various safety training activities were carried out on thousands of worksites. Cramo Poland contributed by sending 18 speakers divided into six teams. The teams held 41 presentations on Polish worksites, focusing on safety at heights and the use of electrical tools. A total of 931 participants, including contractors, sub-contractors, managers and end-users, showed keen interest in the presentations and listened attentively. Due to the strong interest, Cramo Poland plans to increase the number of presentations during the 2018 safety week.

REDUCING OUR CUSTOMERS' ENVIRONMENTAL FOOTPRINT

Cramo is committed to continuously helping our customers reduce their energy use, which also results in lower costs and a smaller carbon footprint. Energy efficiency is a priority for all our customers, which makes our work to develop solutions for increased energy efficiency and a reduced environmental impact even more important.

Cramo develops customer solutions from a life-cycle perspective. With our broad experience, we are able to add to customer value by providing cost-effective solutions that minimise waste at construction sites – with the handling of hazardous waste being a top priority.



CONTRIBUTING TO A FOSSIL-FREE CONSTRUCTION SITE

Demand is generally growing in Norway for environmentally-friendly solutions and fossil-free construction sites. As a result, the Norwegian Rental Association initiated an environment and climate group in 2017 to examine how the rental industry will be able to meet these demands. Cramo Norway is participating in the group and the results are expected to give us valuable input for the continuous development of our fleet.

REDUCING OUR IMPACT ACROSS THE VALUE CHAIN

We aim to reduce our impact across the value chain and meet our customers' increased interest in sharing solutions as well as their expectations and demands for circularity. We also strive to apply a life-cycle perspective in all our decisions. To tackle challenges and seize opportunities throughout the value chain, we need to work in partnership with our suppliers, customers and other stakeholders.

IMPROVING OUR SITE HUTS AND MODULES

In 2017, we conducted an environmental and health assessment of our site huts. The assessment was carried out by an external party and involved

analysing every single site hut component, including the flooring, windows and insulation used. Both the direct impact and the impact from a life-cycle perspective were assessed.

The results were mainly positive, suggesting relatively low environmental and health impacts. Some improvements based on the external assessor's recommendations will be made in the near future.

We also have a strong focus on sustainability in developing new modules. The modules incorporate a high degree of natural materials, and wood is the main component, in some cases up to 65%. This careful selection of materials is an advantage at life cycle end. The environmental impact is comparatively low when wood, linoleum or other natural materials are used.

2018

In 2018, we will continue to develop our rental services in cooperation with our customers, suppliers and other stakeholders. Implementation of our common management system, including the ISO Management Standard 9001, starts.



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

	TARGET	OUTCOME 2017	OUTCOME 2016
Health and safety	LTIR ¹ < 5 by 2020 All operations covered by OHSAS 18001 or similar by 2020	9.9 63% (relative to sales)	13.7 60% (relative to sales)
Skills development	3 days of training per employee (on average) by 2020	1.75 days	1.75 days
Diversity and equality	0 discrimination lawsuits Share of female employees in the operational organisation ² , >15% by 2020 Share of female managers, >15% by 2020	0 10% 14%	0 11% 12%

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

2 Administrative HQ functions are excluded

OUR COMMON PEOPLE PROCESSES

#1

ATTRACT

#2

RECRUIT

#3

ONBOARDING

#4

EXIT

IMPLEMENTATION 2017

MONITORING EMPLOYEE SATISFACTION

We regularly monitor employee satisfaction. In the latest Cramo Group's Trust Index Survey, conducted in 2017 by Great Place to Work, Cramo achieved an average score of 68%. 76% of our employees agreed with the statement "Taking everything into account, I would say this is a great place to work!", indicating a positive overall workplace experience, above the survey average.

The survey indicated significant variation in the Group. As a result, countries have been asked to choose three local focus areas. Our new People Strategy and other projects carried out in 2017 with the aim of establishing common People Processes are also expected to have a positive overall effect on future survey results, and to reduce the differences between countries.

CRAMO SAFETY

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

In 2017, many Cramo countries had an extra focus on dust control. For example, the Czech Republic and Slovakia started a process to install dust suction devices in all depots that rent out tools. The project will be fully implemented in 2018. In Sweden, risk assessments on dust exposure in handling returned equipment were conducted, and in Estonia dust collectors were installed in all larger depots.

During the year we also started a process to implement a Group management system, including health and safety matters. We aim for Group-wide ISO certification covering all operations by 2020.

CRAMO DEVELOPMENT

Our overall business success depends on the commitment and engagement of our employees. Developing and securing key competences is important to us in order to meet existing and emerging customer demands.

"Our People Strategy provides a solid foundation for enhancing employee satisfaction and engagement. It gives us the necessary structure, clarity and credibility to succeed in shaping our performance-based culture, which allows us to excel in customer satisfaction."

Petra Schedin Stergel

Senior Vice President,
Human Resources Development

According to our policy, all employees should have an annual performance review. We use Cramo Dialogue as a tool for structured employee dialogues, and for monitoring and continuously enhancing employee satisfaction and engagement. It is an efficient tool for setting personal development targets and prioritising activities for improvement.

In 2017, we selected a set of leadership principles to be implemented throughout Cramo. This is the first step towards an even stronger focus on leadership development in the years ahead, giving all our employees an opportunity to grow.

CRAMO DIVERSITY

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.

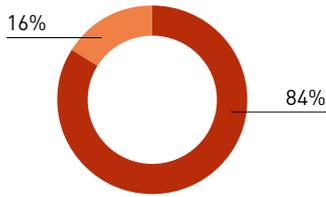
In 2017, we established a new diversity policy with Group-wide application. Implementation starts in 2018, with the aim of integrating a diversity perspective into all our strategies and processes. In 2017, a diversity perspective was used, for example, in drafting our People Processes to ensure that all processes are gender-neutral.

2018

In 2018, we will continue to have a strong focus on leadership development. We will develop leadership training as well as specific training units for key roles in the organisation. Another focus area in 2018 is to define Cramo Performance, our way of developing and securing key competences among our employees.

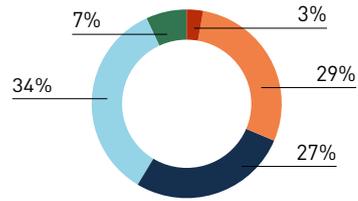
We have successfully implemented the OHSAS 18001 Occupational Health Management System or the like for Equipment Rental in Finland and Sweden and for Modular Space in Finland and Germany. Our aim is certification in all Cramo markets.

Number of employees in total: 2,533 (end of 2017)



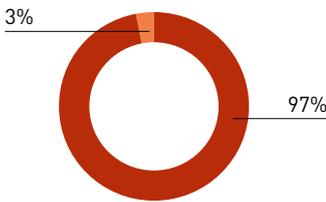
DIVERSITY - GENDER 2017

■ Men 2,128
■ Women 405



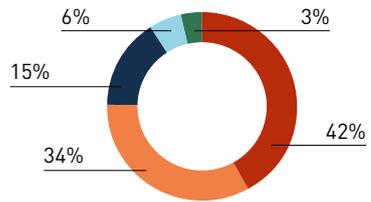
DIVERSITY - AGE 2017

■ -23: 76 ■ 24-35: 722
■ 36-45: 691 ■ 46-59: 872 ■ 60-: 172



EMPLOYEE CONTRACTS 2017

■ Permanent contracts 2,487
■ Temporary contracts 85



PERSONNEL BY SEGMENT¹ 2017

■ ER Scandinavia 1,050 ■ ER Finland and Eastern Europe 861 ■ ER Central Europe 388
■ Modular Space 147 ■ Group functions 87

EMPLOYEE TURNOVER

Total	450
Men	378
Women	72
- 23	36
24-35	161
36-45	111
46-59	105
60-	37

NEW EMPLOYEES

Total	552
Men	437
Women	115
- 23	76
24-35	238
36-45	114
46-59	114
60-	10

62%

EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS 2017

0

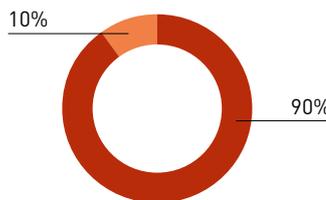
DISCRIMINATION LAWSUITS REPORTED IN 2017

22%

RATE OF NEW EMPLOYEE HIRES IN 2017

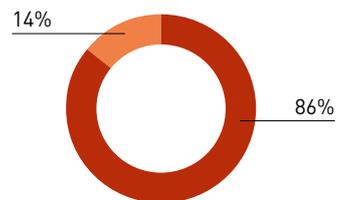
18%

EMPLOYEE TURNOVER RATE IN 2017



EMPLOYEES IN THE OPERATIONAL ORGANISATION 2017

■ Men 1,830
■ Women 214

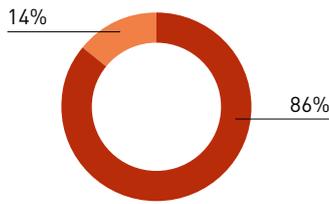


MANAGERS 2017

■ Men 407
■ Women 68

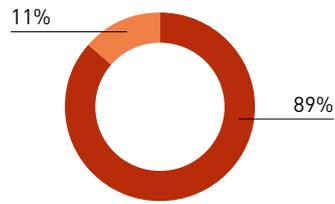
¹ Cramo's four business segments: Equipment Rental Scandinavia (Sweden, Norway), Equipment Rental Finland and Eastern Europe (Finland, Estonia, Lithuania, Poland), Equipment Rental Central Europe (Germany, Austria, Hungary, Czech Republic, Slovakia) and Modular Space (Finland, Sweden, Norway, Denmark, Estonia, Lithuania, Germany)

Board of Directors and Group Management by gender and age



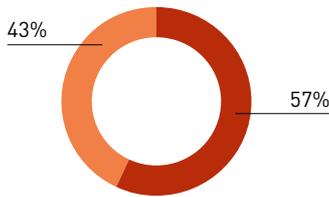
BOARD OF DIRECTORS 2017 (2016)

Men 6 (5)
Women 1 (2)



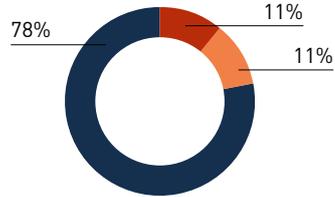
GROUP MANAGEMENT 2017 (2016)

Men 8 (8)
Women 1 (1)



BOARD OF DIRECTORS - AGE 2017 (2016)

-23: 0 (0) 24-35: 0 (0)
36-45: 0 (0) 46-59: 4 (5) 60-: 3 (2)



GROUP MANAGEMENT - AGE 2017 (2016)

-23: 0 (0) 24-35: 1 (0)
36-45: 1 (2) 46-59: 7 (7) 60-: 0 (0)

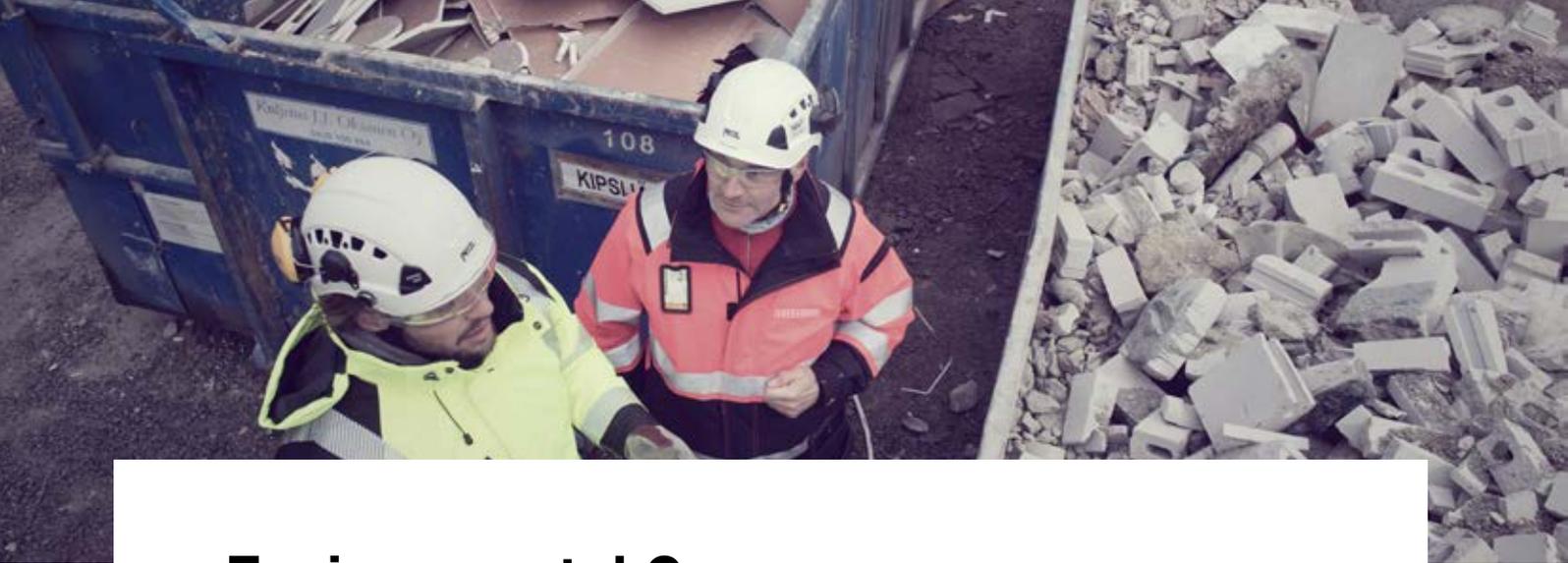
HEALTH AND SAFETY

	ER Scandinavia	ER Finland and Eastern Europe	ER Central Europe	Modular Space
Absentee rate ¹ (%)	5.1%	3.6%	6.5%	4.0%
- men	5.1%	3.3%	6.1%	4.8%
- women	5.1%	5.1%	8.2%	1.8%
Lost time injury rate ² (%)	5.1	11.4	13.1	26.4
- men	5.2	12.6	15.6	35.9
- women	4.3	4.3	0	0
Lost day rate ³ (%)	0.04%	0.17%	0.21%	0.11%
- men	0.03%	0.19%	0.25%	0.15%
- women	0.07%	0.05%	0%	0%

1 Total number of absence days/Total number of scheduled workdays

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

3 Absentee days due to occupational accidents or diseases/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 procurement decisions and the selection of suppliers as well as in our customer dialogues.”

– from the Cramo Care Policy

ENVIRONMENTAL CARE

	TARGET	OUTCOME 2017	OUTCOME 2016
Resource efficiency	CO ₂ emissions, scope 1 and 2 relative to sales (tonnes/MEUR), >20% decrease by 2020 vs 2016	17.5 tonnes/MEUR	18.4 tonnes/MEUR
	Energy use, scope 1 and 2 relative to sales (MWh/MEUR), >20% decrease by 2020 vs 2016	89.2 MWh/MEUR	94.5 MWh/MEUR
	Share of waste to recycling, >60% by 2020	53%	49%
	Share of waste to landfill, <15% by 2020	11%	21%
	Share of mixed waste, <20% by 2020	30%	38%
	All operations covered by ISO 14001 by 2020	88% (relative to sales)	82% (relative to sales)

IMPLEMENTATION 2017

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 modular space units to our customers. Items 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.

Another important aspect is reducing business travel. We promote and facilitate online and phone meetings whenever possible, and video conferences are increasingly used throughout the Group.

ALL DEPOT SIGNAGE TO BE UPGRADED WITH LED LIGHTING

In 2016, we decided to upgrade the lighting of all our depot signage at over 300 locations with LED lights. Implementation started in 2017 and will be completed in 2018. As a result of the upgrade, energy use as well as energy costs of depot signage are expected to be cut by 65%. In 2017, lighting was upgraded in 114 depots in Sweden, Finland, Estonia, Lithuania, Poland and the Czech Republic.

CLIMATE EMISSIONS, TONNES CO₂

	ER Scandinavia	ER Finland and Eastern Europe	ER Central Europe	Modular Space
Direct energy use	2,259	2,671	1,256	393
– company-owned vehicles	2,086	2,629	1,174	284
– heating	173	43	82	109
Purchased energy	896	3,684	1,048	307
– electricity	258	2,703	858	307
– heating	638	980	190	0

ENERGY USE, MWH

	ER Scandinavia	ER Finland and Eastern Europe	ER Central Europe	Modular Space
Direct energy use	9,050	10,244	4,670	1,518
– company-owned vehicles	8,373	10,084	4,362	1,110
– heating	677	160	308	408
Purchased energy	23,278	11,248	2,295	1,345
– electricity	14,952	5,835	1,343	1,055
– heating	8,327	5,413	951	290

WASTE AND RECYCLING

	ER Scandinavia	ER Finland and Eastern Europe	ER Central Europe ¹	Modular Space
Total weight of waste, tonnes	2,188	1,643	35	651
Of which:				
– non-hazardous waste	1,680	1,615	28	631
– hazardous waste	508	28	7	20
Of which:				
– non-mixed waste	2,003	789	11	358
– mixed waste	185	854	24	293
Handling method, non-hazardous waste, %				
– recycling	700	906	5	319
– waste to landfill	104	302	15	73
– incineration	786	18	0	188
– other/unspecified	89	390	8	51
Handling method, hazardous waste, %				
– recycling	454	18	0	12
– waste to landfill	0	0	0	0
– incineration	27	0	0	0
– other/unspecified	27	10	7	8

¹ Germany is excluded due to difficulties obtaining the information required from suppliers

INCREASED 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.

During the year, we especially focused on hazardous waste handling and recycling waste throughout Cramo. In the majority of our depots and headquarters, sorting and recycling waste is part of the daily routines. In some countries, local circumstances complicate the implementation of an efficient system for waste handling. In those countries, Cramo investigates potential alternatives to improve the sorting and recycling of waste.

For example, in 2017, Cramo examined the possibilities of equipping all depots and the headquarters in the Czech Republic and Slovakia with containers for sorted waste and to ensure regular waste disposal, including required documentation. Implementation starts in 2018. In April 2017, Cramo in Estonia became a member of Estonian PackCycling (EPC), which provides the company with facilities to sort and recycle packaging material from delivered packages.

2018

Our focus on energy efficiency and waste handling will continue in 2018. We will complete our project of upgrading the lighting in all our depot signage with LED lights. We will also set the framework for and start the implementation of our Group-wide environmental management system, including the ISO Management Standard 14001.

ISO Management Standard 14001 has been implemented in Equipment Rental in Finland, Sweden and Norway and in Modular Space in Finland, Sweden, Norway and Germany. The ongoing certification targets all Cramo markets.



Photo: Tommy Andreassen, PhotoView

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 encourage our employees to contribute to local charity projects.”

– from the Cramo Care Policy

SOCIAL CARE

	TARGET	OUTCOME 2017	OUTCOME 2016
Business ethics	0 lawsuits (human rights, corruption, environment)	0	0
	All employees receive business ethics/CoC training annually ¹	77%	73%

¹ The Code of Conduct covers environmental, health and safety, human rights and anti-corruption and bribery matters

IMPLEMENTATION 2017

IMPLEMENTING OUR ETHICAL GUIDELINES

In 2017, we started implementation of our Code of Conduct which had been updated in 2016. The new Code of Conduct is now translated into local languages and communicated to all our employees.

RECEIVING EARLY WARNINGS THROUGH OUR WHISTLEBLOWING SYSTEM

Our whistleblowing service provides a way for all employees to report suspicions of misconduct, that is, actions not in line with our company values and which may harm individuals, the company or the environment. In 2017, one case was reported via the

whistleblowing system. The case was externally investigated. It did not result in any legal actions, but preventive actions have been taken.

NEW GUIDELINES FOR LOCAL ENGAGEMENT

Cramo wants to contribute to a fair and sustainable society. In 2017, we developed clear guidelines with the objective to encourage and support employee engagement in social responsibility activities. Starting in 2018, our employees are allowed to use a maximum of two working days to do voluntary work for a number of charity organisations selected by Cramo. We hope that our employees will uphold this commitment by contributing their own time.

2018

In 2018 we will develop a mandatory e-learning unit to support the implementation of our Code of Conduct. We will also start the implementation of our guidelines for local engagement.

“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.”

Leif Gustafsson
President and CEO

CASE

Forklift driving training for young refugees

In July 2017, Cramo School, in partnership with the Red Cross, arranged forklift truck training for a group of young refugees that came to Sweden as unaccompanied minors. The training was held at the Cramo Bredden depot with Olle Steiner as the instructor.

Fourteen young men aged 18–21 who were from various countries, including Somalia, Iraq, Eritrea, Afghanistan, and Ethiopia, and were granted asylum and issued the permits required participated in the training course.

“Social inclusion is the primary goal of our work,” says **Sophia Lagersten** from the Swedish Red Cross, when we meet with **Faysal, Said, Abdoufatah, Daron** and **David** to discuss their experience participating in forklift driving training at Cramo.

“Learning to drive the forklift was easier than I expected, and soon I will also take my driver’s licence for cars,” says David. “I will soon be a vehicle mechanic so experience from a place like Cramo would be a great opportunity,” says Said.



All the young men are half-way through Swedish college, mostly vocational education with a technical focus. “We are ready to step in,” says Faysal. “We want to work, we want to be able to pay taxes and to contribute. It is not easy to get a foothold in the labour market, but things like this are small steps in the right direction.”

About project YES

The Red Cross-financed project YES (Youth Empowerment Superforce) is aimed at creating physical meetings and more in-depth contacts for unaccompanied minors, and to offer a common and safe arena and a coherent link in their migration into the labour market.

During an eight-month period the Red Cross helped organise 5,600 hours of work-related activities for more than 250 young refugees.

Read more about what three young refugees, Faysal, Daron and David, think about the training at Cramo on our website.

GRI index

REPORTS:



Universal standards

	PAGE
GRI 101 FOUNDATION 2016	
GRI 102 GENERAL DISCLOSURES 2016	
102-1 Name of the organisation	3
102-2 Activities, brands, products, and services	3
102-3 Location of headquarters	3
102-4 Location of operations	3
102-5 Ownership and legal form	3
102-6 Markets served	3
102-7 Scale of the organisation	3, AR
102-8 Information on employees and other workers	16
102-9 Supply chain	8-9
102-10 Significant changes to the organisation and its supply chain	During 2017 Cramo divested the operations in Latvia, Kaliningrad and the equipment rental operation in Denmark.
102-11 Precautionary principle or approach	18
102-12 External initiatives	7
102-13 Membership of associations	10
102-14 Statement from senior decision-maker	4
102-16 Values, principles, standards, and norms of behaviour	9
102-18 Governance structure	10, AR
102-40 List of stakeholder groups	8
102-41 Collective bargaining agreements	16
102-42 Identifying and selecting stakeholders	8
102-43 Approach to stakeholder engagement	8
102-44 Key topics and concerns raised	8, 12, AR
102-45 Entities included in the consolidated financial statements	AR
102-46 Defining report content and topic boundaries	8
102-47 List of material topics	7
102-48 Restatements of information	No restatement
102-49 Changes in reporting	No changes
102-50 Reporting period	January 1–December 31, 2017
102-51 Date of most recent report	March 8, 2017
102-52 Reporting cycle	Calendar year
102-53 Contact point for questions regarding the report	2, 24
102-54 Claims of reporting in accordance with the GRI Standards	2
102-55 GRI content index	22–23
102-56 External assurance	No assurance

Material topics

	PAGE
CUSTOMER CARE	
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	8
103-2 The management approach and its components	6–9, 11
103-3 Evaluation of the management approach	11
GRI 205 ANTI-CORRUPTION 2016	
205-2 Communication and training about anti-corruption policies and procedures	9, 20
205-3 Confirmed incidents of corruption and action taken	11, 20–21
GRI 302 ENERGY 2016	
302-5 Reductions in energy requirements of products and services	11
GRI 307 ENVIRONMENTAL COMPLIANCE 2016	
307-1 Non-compliance with environmental laws and regulations	11, 20
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	
308-2 Negative environmental impacts in the supply chain and actions taken	8 A more detailed mapping of environmental impacts in the supply chain will be conducted in 2018
GRI 414 SUPPLIER SOCIAL ASSESSMENT 2016	
414-2 Negative social impacts in the supply chain and actions taken	8 A more detailed mapping of social impacts in the supply chain will be conducted in 2018
GRI 416 CUSTOMER HEALTH AND SAFETY 2016	
416-1 Assessment of the health and safety impacts of product and service categories	All rental items and units are regularly assessed for health and safety impacts and improvements.
GRI 419 SOCIOECONOMIC COMPLIANCE 2016	
419-1 Non-compliance with laws and regulations in the social and economic area	11, 20

		PAGE
EMPLOYEE CARE		
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	8
103-2	The management approach and its components	6–9, 14
103-3	Evaluation of the management approach	14
GRI 401 EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	16
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2016		
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	17 There were no work-related fatalities in 2017
GRI 404 TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	14
404-2	Programmes for upgrading employee skills and transition assistance programmes	15
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and employees	16–17
GRI 406 NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken	14

		PAGE
ENVIRONMENTAL CARE		
Material topics: Resource efficiency, Reduced environmental footprint, Increased circularity		
GRI 103 MANAGEMENT APPROACH 2016		
103-1	Explanation of the material topic and its boundary	8
103-2	The management approach and its components	6–9, 18
103-3	Evaluation of the management approach	18
GRI 302 ENERGY 2016		
302-1	Energy consumption within the organisation	19
302-3	Energy intensity	18
GRI 305 EMISSIONS 2016		
305-1	Direct (Scope 1) GHG emissions	19
305-2	Energy indirect (Scope 2) GHG emissions	19
305-4	GHG emissions intensity	18
GRI 306 EFFLUENTS AND WASTE 2016		
306-2	Waste by type and disposal method	19
SOCIAL CARE		
Material topics: Local engagement, Business ethics		
GRI 103 MANAGEMENT APPROACH 2016		
103-1	Explanation of the material topic and its boundary	8
103-2	The management approach and its components	6–9, 20
103-3	Evaluation of the management approach	20
GRI 205 ANTI-CORRUPTION 2016		
205-2	Communication and training about anti-corruption policies and procedures	9, 20
205-3	Confirmed incidents of corruption and action taken	11, 20–21
GRI 307 ENVIRONMENTAL COMPLIANCE 2016		
307-1	Non-compliance with environmental laws and regulations	11, 20
GRI 419 SOCIOECONOMIC COMPLIANCE 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	11, 20

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