

CRAMO AND RESPONSIBILITY

As part of its social responsibility programme, Cramo sponsors SOS Children's Villages.
See more at www.cramo.com > Sustainability > Social responsibility

"At Cramo, we consider the effects on nature, people and society to be an integral part of building a strong, responsible business operation, and thus work to make continuous improvements in these areas. Our sponsorship of SOS-Children's Villages is part of this commitment", says Mr Anders Collman, Head of Corporate Communications at Cramo.



HARMONISED APPROACH TO SUSTAINABLE DEVELOPMENT

Cramo's commitment to sustainable business starts with its mission, vision, strategy and values, which create the framework for developing the Company's activities and products. At Cramo, we consider the effects on nature, people and society to be an integral part of building a strong, responsible business operation, and thus work to make continuous improvements.

Since 2009, Cramo has participated in the United Nations Global Compact. This entails a commitment to actively support the implementation of the UN's fundamental principles in the areas of human rights, labour rights, environmental sustainability and anti-corruption. Within the frame of the UN Global Compact, Cramo has formed its Code of Conduct for all employees.

Global guiding principles such as Cramo's Corporate Governance principles and Code of Conduct, together with the Group's values, ensure a harmonised approach for working towards sustainable development at Cramo.

See more at
www.cramo.com >
Investors >
Corporate
Governance

VALUES

- Credibility
- Creativity
- Commitment to all stakeholders

Read how
sustainability drives
Cramo's operations
on page 97



SOS-CHILDREN'S VILLAGES



CODE OF CONDUCT IN BRIEF

1. Compliance with laws and ethical codes

In all its countries, Cramo complies with all applicable national and international laws as well as ethical codes and commonly accepted practices.

2. Respect for human rights

Cramo complies with applicable labour and employment laws and promotes equal rights. Cramo respects freedom of association and does not accept forced, compulsory or child labour.

In order to recruit competent and motivated people, Cramo is committed to offering employees competitive salaries, opportunities for continuous personal development and a culture of trust and personal accountability.

3. No discrimination

Cramo does not accept improper discrimination and provides a working environment free of improper harassment.

4. Working hours and compensation

Cramo is committed to following the local applicable labour and employment laws. The company complies with all applicable regulations and provides, at a minimum, legally mandated benefits.

5. Management systems

While employees are responsible for their own development, every employee has the right to good leadership at Cramo. The Company promotes openness and honest communications and requires that all its suppliers are committed to the highest standards of ethical conduct and full compliance with all applicable national and international laws.

6. Way of working

Cramo promotes fair employment practices and values people in all its activities. Respect for the individual, equality and fairness are the basis of operations.

7. Confidentiality of information

Cramo follows local laws and regulations as well as confidentiality concerning the storage and use of information concerning its employees' personal data, assessment results or health-related data.

8. No conflicts of interest

Cramo expects integrity from its employees. Cramo does not accept the giving or receiving of bribes. Cramo does not provide financial support to political parties or other political groups or associations.

Implementation

Cramo works actively to ensure that its Code of Conduct is fully implemented and that its suppliers follow a similar code of conduct. The Company employs a number of methods to assess implementation.

The full Code of
Conduct can be
found at
www.cramo.com
> Corporate
Responsibility
> Personnel Policy

ENHANCING THE CRAMO SPIRIT

The difficult market situation led to significant personnel reductions and an increased use of the franchising model. Despite the challenges, the company continued its efforts to enhance the Cramo spirit and competence development, since competent, motivating and customer-oriented personnel are the key to the company's success.

LOCAL SUPPORT IN EACH COUNTRY

Cramo aims for an operating culture that is characterised by an entrepreneurial spirit and which is as transparent as possible. To support this aim, the Group's HR functions develop operating models and services and help deploy best practices.

The process of clarifying the roles of the Group's HR functions and those of each business was continued in 2009, as was the development of joint HR services and processes. A service concept was created for the HR functions, and a network of HR specialists was established. Risks associated with HR activities were identified, and measures aimed at harmonising the use of flexible hired work force were initiated.

COMPETENCE DEVELOPMENT SUPPORTS THE STRATEGY

Competence development was increasingly linked to strategy implementation. Responsibility for determining the strategic competence areas was delegated to country-specific management teams, the development of which is supported by the training programmes of the Cramo Academy and Cramo School and by joint performance appraisal processes.

The structure and contents of the HR site on the company's intranet were harmonised with the aim of supporting the implementation of joint operating models while also accommodating local operations. A personnel magazine, published four times a year, was introduced to support internal communications.

MANAGEMENT CULTURE IN FOCUS

Competence development among the management and key employees was supported by means of the Cramo Academy training programme (see next page). In Sweden, resources were focused on supervisor and management training. In Finland and Central and Eastern Europe, several training events were organised with the aim of developing sales and customer account management skills.

Support was provided for the supervisors in Cramo's operating countries with regard to regular performance appraisals in the form of new appraisal guidelines and training material. Supervisors were also provided with training on how to use the results.

Performance appraisals were carried out almost everywhere in the Group during the year.

COMPETENCE DEVELOPMENT THROUGH JOB ROTATION

Harmonisation of job rotation practices, aimed at supporting professional growth and development, was begun, as was the development of career and development paths for fleet management and sales personnel. Measures promoting self-directed learning and competence development were continued. Further resources were invested in occupational health and safety, and training on the safe operation of cranes was organised in Finland, for example.

Joint recruitment and induction training processes were created to support operations in different countries.

MOTIVATING FORMS OF COMPENSATION

Cramo's aim is to offer motivating, competitive forms of compensation. In addition to the country- or subsidiary-specific performance-based bonus system, the company also applies a long-term incentive scheme (see pages 72–73 and 104). The Gunnar Glibberg award (EUR 15,000) is granted annually to a young manager of the future for competence development.

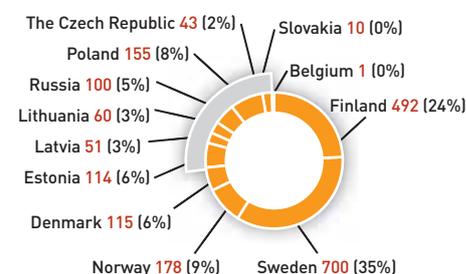
JOB SATISFACTION AT A GOOD LEVEL

The personnel survey piloted in 2008 was carried out at the end of 2009 throughout the Group with the exception of one of Cramo's operating countries. A total of 82 percent of the personnel expressed satisfaction with Cramo as an employer. The personnel particularly appreciated Cramo's objectives and values and supervisor-employee relationships. Improving the flow of information was identified as the major development target. A total of 65.5 percent of the personnel responded to the survey. The results, which will be reviewed and discussed in each unit, will help Cramo to further develop its operations.

The performance indicators of HR functions were also improved with the aim of enhancing group-level HR planning and reporting.

EMPLOYEES BY COUNTRY 31 DECEMBER 2009

CENTRAL AND EASTERN EUROPE 534 (27%)



KEY FIGURES

	2009	2008	CHANGE %
Average number of employees (FTE)	2,356	2,688	-12.4
Number of employees at end of period (FTE)	2,018	2,785	-27.5
Total number of employees	2,194	2,796	-21.5
of which permanently employed	2,103	2,680	-21.5
of which temporarily employed	91	116	-21.6
of which women	276	450	-38.7
of which men	1,918	2,346	-18.2
Personnel Expenses / Employee (1,000 €)	43.7	44.1	-0.7
Personnel Expenses / Sales, %	23.1	20.4	12.9



UNDERSTANDING

ABILITY TO UNDERSTAND BUSINESS DEVELOPED THROUGH TRAINING

Through Cramo Academy, a new leadership training programme aimed at management and key employees, Cramo supports development and implementation of the Group strategy.

Cramo Academy also acts as a powerful tool that enhances the creation of a common platform for building one Cramo. At the same time it strengthens commitment and assists in attracting, retaining and motivating Cramo's key personnel.

Cramo Academy consists of four modules built around Cramo Group's strategic themes. Each module accumulates know-how and serves as a discussion forum, forming a common framework for one harmonised Cramo. This is augmented by teamwork on assignments closely linked with Cramo's business.

Shared framework enforced

The first Cramo Academy was organised in 2009–2010 with HSE Executive Education. Some 35 key employees took part.

"There was a real emphasis on a shared understanding of how sustainable value growth will be created and maintained", Mr Martti Ala-Härkönen, CFO at Cramo, sums up the first module. "I was pleased to see how committed our management and key personnel are to developing and implementing our strategy", he continues.

"The second module focusing on financial indicators and fleet optimisation opened up new approaches to profitability in country operations. In practical terms, this means that we will concentrate more on understanding product and depot-level

profitability in the future, managing our business with common key performance indicators. By optimising our operations and fleet management, we believe that we can improve operational efficiency and thus provide a wider product range, better customer service and reasonably priced services and solutions", notes Mr Bernard Michalczewski, MD Cramo Poland. "Cramo Academy reinforces our common platform and allows us to review and renew our way of thinking and operating both at the Group and operating country levels", Mr Michalczewski continues.

"The importance of customer orientation at every level was crystallised in the third module when we were challenged to assess Cramo through our offering and customer needs and to combine them in the best possible way. As a result, we will review our customer segmentation and increasingly start to measure ROI at the customer and project level as well. Because this will boost business understanding throughout Cramo, it will enable us to combine our offering with customer needs in a more profitable way", says Mr Petri Moksen, Operational Director for Modular Space Rental in Finland. "This will be reflected in the improved creation of customer value and better managed customer processes", Mr Moksen adds.

The fourth module at Cramo Academy, starting in early 2010, will focus on how to develop Cramo's leadership culture and use the Company's values in leadership. Practical tools for developing personal leadership skills and for leading change will also be reviewed.

Based on the excellent feedback from all participants, Cramo plans to continue with the Cramo Academy in 2011.

Value-based leadership at Cramo

Value-based leadership principles based on Cramo's values – credibility, creativity and commitment – ensure consistent and fair treatment of personnel:

- Leadership is based on respect for individuals;
- Leaders promote a culture of trust and personal accountability;

- Skilful leadership promotes excellent performance and a readiness to commit, which enhances the customer's competitiveness; and
- The success of individuals stems from sound teamwork and a coaching culture.

LEADERSHIP IN QUALITY, SAFETY AND ENVIRONMENT

Cramo contributes to sustainable development in society by taking quality, environmental and safety considerations into account in the Group's operations. While Cramo respects all local laws and regulations, the aim is always to reach higher – to be number one in QSE matters.

More on quality, safety and environmental issues at www.cramo.com > Sustainability, Environment and Safety sections

Cramo's work with quality, safety and environmental issues differs between markets and is the most advanced in the Nordic countries, where this work has become an ever-more important argument for customers choosing rental solutions.



ISO 9001
ISO 14001

Cramo's operations in Sweden, Denmark and Norway are certified according to ISO 9001 (environmental) and ISO 14001 (quality management), and in Finland ISO 9001 (environmental). Other markets are to follow.

Continuous improvement in occupational safety plays a vital role in Cramo's industry and the Group takes safety aspects into consideration throughout its operations. Improvements in processes and quality management systems are manifested in better service, fewer errors, higher productivity and greater occupational safety.

Effectively implemented work with environmental performance, quality and safety constitutes an important basis for the development of Cramo's operations. The Company focuses on preventive work, energy efficiency, low emissions and waste. Cramo not only provides a top range of quality products, but also helps to minimise the environmental impact and improve the working environment at customer work sites. Furthermore, Cramo evaluates its suppliers on a continuous basis and works to improve collaboration with suppliers in order to ensure high quality standards.

QSE PROGRAM INITIATED TO ENSURE NUMBER ONE POSITION

Cramo aims to be number one in its industry on QSE in each market it operates in. To ensure this, in 2009 Cramo initiated a programme that develops a roadmap for how QSE work should be run in the different parts of the Group over the next three years.

"Leadership in QSE is identified as one of Cramo's distinctive capabilities. By initiating this programme, we ensure that we meet not only all the existing legal requirements but also those of the most demanding strategic customers. In the long run, this enables us to exploit first mover advantage and create a real competitive advantage," says Mr Martin Freland, Environmental and Quality Manager, Cramo Sweden, and responsible for the QSE program at Cramo.

In 2009, an initial review of current QSE status was carried out in the different countries. The review will be followed up by on-site visits. On the basis of analysis, a plan to introduce and develop QSE in the various countries will be presented. As a result, the Group-level QSE requirements and processes should be in place in 2013.

Cramo was awarded the "Made in St. Petersburg" Golden Quality Mark in the category "Service – Construction Equipment Rental".



"The approach to environmental matters varies somewhat between countries. In Sweden, one of the QSE focus areas is to develop processes and solutions to meet the high requirements of demanding customers, for example, developing energy savings at construction sites, environmentally-adapted oils and fuels, products for environmentally-safe handling and machinery that meets environmental demands. At the same time, other countries have to focus on more basic environmental requirements such as safe handling of chemical products and waste", Mr Freland adds.

An example of meeting high customer requirements is on page 31

SUSTAINABILITY DRIVES OPERATIONS

Cramo is committed to providing profitable growth and increasing shareholder value. This requires efficient, profitable and competitive Company operations. A good economic performance establishes a platform for the other aspects of sustainability – environmental and social responsibility.

See more about this success on pages 8-9

Cramo aims to create value for all of its stakeholders as part of its mission. The focus is on profitability and net debt reduction. The success of the Company depends on its ability to meet their expectations.

Cramo provides its customers with rental solutions and services that fulfil their needs and expectations. The development of high-quality and environmentally sound solutions depends on long-term collaboration with customers. By combining its product portfolio with an extensive offering of services, Cramo can create total rental solutions for every need and situation, for the short or long term.

With suppliers, Cramo aims to build long-term partnerships in order to ensure that both parties are able to respond to Cramo's product and ethical requirements.

To be able to recruit competent and motivated people, Cramo is committed to offering employees competitive salaries, opportunities for continuous personal development and a culture of trust and personal accountability. Cramo applies and follows local employment legislation in every country and respects local collective labour agreements. Pension cover is based on the legislation and agreements in force in each country.

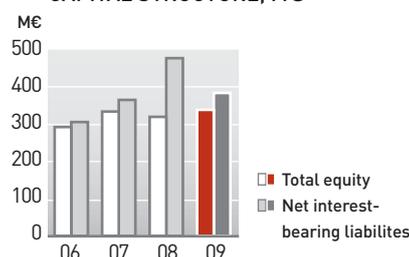
Cramo contributes to the well-being of the local communities in which it operates by paying social security charges and taxes to the governments of different countries. Furthermore, Cramo strives to support the positive development of local communities in which it operates. As part of its social responsibility programme, Cramo sponsors SOS Children's Villages. Cramo aims to distribute approximately one third of the Group's annual profit as a dividend.

See more on page 93

See more at www.cramo.com > Sustainability > Social responsibility

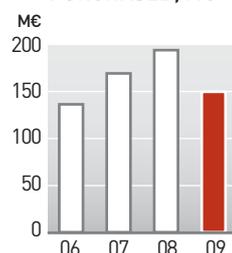
See more on page 8

CAPITAL STRUCTURE, M€



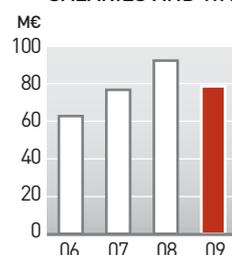
Net debt was clearly reduced in 2009

MATERIALS AND SERVICES PURCHASED, M€



Decline in purchases in 2009 reflected overall decline in business volumes

SALARIES AND WAGES, M€



Personnel reductions were necessary in 2009 to adjust operations to the difficult market situation

ECONOMIC IMPACT

	M€	2009	2008	CHANGE, %
Customers				
Net sales in 2009				
M€ 446.7				
(M€ 579.8)				
Other operating income				
M€ 7.3				
(M€ 16.9)				
Suppliers of materials and services				
- Materials and services and other expenses		244.3	304.3	-19.7
- Gross capital expenditure		31.5	201.2	-84.4
Personnel				
- Employee salaries, wages and bonuses		79.2	93.0	-14.8
Public sector and society				
- Taxes and social security charges		23.2	30.1	-23.0
Owners and financial community				
- Finance expenses		24.4	29.4	-17.0
- Dividends		-6.1	19.9	-69.2