

The image shows a blue Volvo truck equipped with a large hydraulic cleaning machine. The machine has a large circular opening revealing internal components, including a large spool of yellow hoses and various pipes. A worker in a blue and orange high-visibility uniform, wearing a blue helmet and safety glasses, stands next to the truck, holding a long yellow hose that extends to a manhole cover on the ground. The truck has a license plate that reads 'CTF-690' and 'VOLVO' branding on the rear. The background is a dark, textured wall.

Delete 

Delete Group Oyj

ANNUAL REPORT 2020

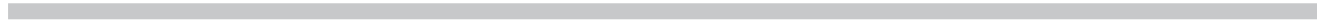


**ANNUAL REPORT
2020**

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DELETE – FOR A CLEANER AND BETTER FUNCTIONING SOCIETY

Delete is one of the leading environmental service providers in the Nordic countries.

Delete helps the industry to keep production running and to optimise maintenance shutdowns. Delete also helps municipalities and growing cities to keep the vital functions and infrastructure related to everyday living in function and the environment clean.

Delete's services enable a functioning society. Cleaning Services take care of eliminating dirt and preventing problems. Recycling Services help to reuse materials and utilise them for instance as a source of energy.

At the end of 2020, Delete employed 744 persons at 35 locations in Finland and Sweden.

In 2020, Delete divested its Demolition Services business (the operations in Finland were divested in January 2021). In the 2020 Financial Statements, The Demolition Services business has been reported as specified in the IFRS 5 standard Non-current Assets Held for Sale and Discontinued Operations and it is excluded from the Financial Statements for Continuing operations. Unless noted otherwise, all figures in this Annual Report concern only Continuing operations, i.e. Cleaning Services and Recycling Services.



KEY FIGURES 2020



**CLEANING SERVICES
NET SALES**

98.6

MEUR



**RECYCLING SERVICES
NET SALES**

23.4

MEUR



**CUSTOMERS
> 8,000**



**REUTILISATION
RATE**

99.6%



**PROFESSIONALS
744**



**PERSONNEL
SATISFACTION**

7.6

(1-10)



NPS

+46

(-100 - +100)

NET SALES**116.8****MEUR****ADJUSTED
EBITDA****13.6****MEUR****ADJUSTED
EBITDA****11.6%****OF NET SALES****PROFIT
(-LOSS) FOR THE PERIOD****-10.2****MEUR****OPERATIVE
CASH FLOW****8.8****MEUR****RETURN
ON EQUITY****-229.9%****EQUITY
RATIO****-1.2%****NET
DEBT****118.3****MEUR**

CEO'S REVIEW

NEW DELETE FOCUSES ON GROWTH AFTER A CHALLENGING YEAR

2020 was a challenging year for Delete, but despite the COVID-19 driven demand decline, we managed to improve our adjusted EBITDA percentage year on year. The improvements required a strong effort from the organisation under the circumstances of declining sales, tightening market pricing and some customer losses due to it.

The Group's net sales decreased 13 per cent year on year mainly due to lower net sales in the Cleaning Services business caused by the COVID-19 pandemic. Responding to the lower demand, we managed to plan and execute resourcing efficiently, partially enabled by temporary layoffs, exceptionally also in Sweden. As a result, our EBITDA in the fourth quarter improved, as did the adjusted full-year EBITDA percentage, although absolute EBITDA declined year on year.

Cleaning Services performed reasonably well under the circumstances, demonstrating a high level of flexibility responding to our customers' changing maintenance schedules, especially in the second quarter, while still delivering high quality and on time services. Despite the challenging market conditions and declining general demand due to the pandemic, I'm quite pleased with our capability to scale the operations accordingly and work on continuing efforts to improve productivity,

which we managed exceptionally well in Sweden.

Recycling Services' net sales declined by 17 per cent year on year, mainly due to the COVID-19 pandemic-related slowdown of incoming waste volumes and a large customer's decision to insource their waste processing during early 2020. Our recycling plants are currently in good operational shape and are clearly running better than before, although the reported operating profit declined on the back of a considerable increase in waste cost provisions. The investments required by the new environmental permits for the Rusko facility were completed last year and we have successfully improved the efficiency of our production process, which means that we are now able to separate and utilise waste more efficiently. A well-balanced material flow will also reduce our dependency on the REF



market that has been on a challenging level for the past few years.

In addition to optimising our operative resources in a suppressed market, our efficiency actions taken in 2020 decreased our administrative costs. Excluding non-recurring items mainly related to the divestment and financing projects, our administrative costs decreased over 40% year on year. In order to secure our operational capabilities, we have continued our fleet maintenance programmes as planned.

New Delete is more stable and stronger

In 2020, we initiated two key strategic efforts with partially overlapping purposes, when we started the divestment of our Demolition Services business and the restructuring of our financing structure. Both actions were completed in the first quarter of 2021. As a result, we have reinforced our capital structure and equity position by EUR 34.8 million after the year end 2020.

We are now aligned to execute our strategy of becoming a leading environmental services provider in the Nordic countries. Delete's business today consists of the stable Cleaning Services and Recycling Services businesses which generate a steady cash flow. The share of project business has remarkably decreased after the Demolition Services business was divested.

Responsibility is part of our everyday occupational health and safety work

The COVID-19 pandemic had only a minor impact on our personnel after all and we were able to

sustain a fully operational team with the ability to execute all tasks as planned. We have invested strongly in the prevention of the coronavirus at our sites, and also our customers have given us positive feedback on our actions. We will continue to follow the health and safety precautions every day, protecting not only our employees but also our customers and partners with whom we are in contact.

Most people at Delete do hard work in partly dangerous conditions, so I am happy that we had in 2020 several zero-incident months in both Finland and Sweden. Occupational safety shows a positive long-term trend which proves that our determined efforts are bearing fruit. We will continue our

occupational safety efforts, targeting zero incidents.

In 2020, we also continued the tradition of conducting an employee satisfaction survey with positive results. Despite the difficult situation, the overall rating in Finland rose slightly from the previous measurement, when it was already very high for the fourth time in a row. In Sweden, too, employee satisfaction developed favourably, although the effects of the COVID-19 pandemic are visible in the results. At the Group level, our employees are proud of working for Delete, and the work done for occupational safety also shows in the grades. What is especially great is that the response rate also increased significantly.

Towards growth and first-class customer experience

We trust that the demand for the Cleaning Services and Recycling Services businesses will gradually recover in 2021 and continue to implement our strategy, concentrating on improving efficiency and productivity.

Our main themes for 2021 are growth and sustainability. We aim to return on the path of organic growth and to create shareholder value through concentrating on environmental service business that will create a steady cash flow. We will grow by creating a first-class customer

WE WILL GROW BY PROVIDING FIRST-CLASS CUSTOMER EXPERIENCE AT ALL OUR ASSIGNMENTS. DOING THINGS RIGHT AT ONCE IN GOOD COOPERATION WITH OUR CLIENTS AND PARTNERS.

experience to our existing and future customers, doing things at once correctly at our sites, in good cooperation with our customers and partners. This has long been visible in our customer satisfaction measurements and we will continue on the same path. Our second goal is to concentrate on everyday sustainability. Occupational safety and the environment are of paramount importance to us also in 2021.

I would like to express my warmest thanks to our customers and partners for the confidence shown in us and our entire personnel for their outstanding work during the exceptionally hard year. This is a good starting point!

OPERATING ENVIRONMENT

FINLAND AND SWEDEN AS A MAIN MARKET

Delete offers cleaning and recycling services. Delete's core geographic markets are Finland and Sweden. In Finland, Delete is the market leader in cleaning services and among the four largest players in recycling services. In Sweden, Delete has a well-established position, and it is one of the largest providers of cleaning services. Delete does not have recycling service operations in Sweden.

The market characteristics in Finland and Sweden are similar, which offers the opportunity to operate across borders. Both markets provide opportunities to differentiate through references and strengths based on the size of the company, among others. Furthermore, both markets are protected by increasing barriers to entry due to, for example, need for special skills and equipment, investment needs, CSR capabilities, brand, the need for references as well as regulation.

Growth drivers

- Aging infrastructure supports a positive operating environment both in Finland and in Sweden. An increasing focus on environment and ever-tightening regulation increase the demand for specialised services and recycling
- Digitalisation and technology will create opportunities for innovative players in the market
- Overall demand for cleaning services has been impacted by COVID-19 to some degree, but the underlying long-term core demand is relatively resilient and stable
- Industrial customers continue to demand cleaning services capabilities to handle increasingly complex assignments with high-quality environmental, health and safety standards, which favours large professional players like Delete
- Industrial maintenance shutdown schedule will be busier in 2021 than in 2020
- Market demand for recycled fuel (REF) has continued at a low but stable level and is expected to develop favourably during 2021





CLEANING SERVICES

In terms of net sales, Delete is the largest provider of industrial cleaning services in Finland. The company aims to expand its business also in Sweden, where it is currently one of the largest players in the field.

The Cleaning Services business consists of a comprehensive industrial cleaning service offering as well as property services, such as high-power vacuuming and blowing services, industrial shutdown and maintenance, exposure vacuuming of sewers and well emptying, industrial cleaning, blast cleaning services and washing and cleaning of facades. In addition to conventional cleaning services, the company utilises the licensed Bang & Clean method, which is particularly suitable for cleaning various industrial boilers.

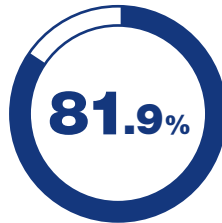
Delete's strength in Cleaning Services is based on good assignment planning and resource management, a broad range of equipment and a high level of technical competence.

Customers continue to demand capabilities to handle increasingly complex assignments with high-quality environmental, health and safety standards, which favours large professional players like Delete Group. Delete has a very comprehensive network of business locations in Finland and Sweden. Case by case, Cleaning Services can also be provided in other European markets.



NET SALES
98.6
MEUR

**ADJUSTED
EBITDA**
15.5
MEUR



81.9%
**OF DELETE
GROUP'S NET
SALES**

**ADJUSTED
EBITDA**
15.7%
OF NET SALES

CLEANING SERVICES KEY EVENTS IN 2020

Cleaning Services' net sales in 2020 was EUR 98.6 million (110.7). The decline of 11 per cent was mainly caused by COVID-19-driven lower demand for daily maintenance services for the industrial segment and postponed maintenance shutdowns. Adjusted EBITDA for 2020 was EUR 15.5 million (17.9) and adjusted EBIT was EUR 6.2 million (10.0). Productivity and efficiency were managed

through operational planning and temporary layoffs, and towards the end of the year, the profitability of Cleaning Services improved.

The underlying long-term core demand for cleaning services is relatively resilient and stable. Demand for the Cleaning Services business is expected to gradually recover in 2021.

**THE UNDERLYING LONG-TERM CORE
DEMAND FOR CLEANING SERVICES IS RELATIVELY
RESILIENT AND STABLE.**

CASE: INDUSTRIAL CLEANING

CAUSTICISER TANK WASHING ROBOT

Delete has developed a washing robot for cleaning causticiser tanks used in the chemical pulp industry. This robot cleans the tank safer and quicker when compared to the traditional method.

In the pulp production process, quicklime and green liquor are mixed with water in the slaker to



form limewater. Limewater is directed to the causticiser tank where the mixing process continues. This process accumulates deposit on the walls and structures, which must be removed during shutdown.

The traditional causticiser tank cleaning process is laborious and time-consuming and prone to significant safety risks. Sludgy material accumulated in the causticiser tank is usually removed by first rinsing and high-power vacuuming. After this, the employee stands inside the tank and water chisels the harder materials using a washing pistol.

“The safety risks concerning causticiser tank cleaning are posed, for example, by corrosive lye in the tank and tripping risks caused by the chiseled material on the tank floor. The cleaning work is

also extremely demanding physically,” says Timo Rantanen, Field Manager at Delete.

“The safety risks related to manual water chiseling will become a thing of the past when robots, which are safely controlled outside the tank, are used for cleaning. In addition, water can be sprayed more efficiently using robots than by manual chiseling, which means that the tank is cleaned quicker and better,” says Rantanen.

The cleaning robot was tested during the autumn of 2020, and the experiences were

positive. The customer was also extremely satisfied with the quality of the work.

“Top-class occupational safety is a matter of pride for us. We are constantly cooperating with our customers to develop new methods with a shared aim of making the work even safer and more efficient,” says Rantanen.

**THE SAFETY RISKS
RELATED TO MANUAL WATER
CHISELING WILL BECOME
A THING OF THE PAST WHEN
ROBOTS, WHICH ARE SAFELY
CONTROLLED OUTSIDE
THE TANK, ARE USED
FOR CLEANING.**

CASE: INDUSTRIAL CLEANING

PREVENTIVE MAINTENANCE OF HSY'S SEWER NETWORKS REDUCES COSTS

Sewers often contain significant amounts of grease, solid material and different objects that don't belong there, such as toys and household articles. Over the years, grease accumulates on the walls of the sewer pipes and starts to collect other dirt. When dirt builds up in the sewer, the diameter of the pipe is reduced and the sewer ceases to function as planned.

Delete offers properties and municipal water utilities as well as joint municipal authorities pipeline condition survey and cleaning services.

One of Delete's largest customers is the Helsinki Region Environmental Services HSY joint municipal authority. HSY is Finland's largest public environmental sector operator, which produces waste and water services for more than a million residents in the capital region. The total length of HSY's sewer network is approximately 5,100 km, of which approximately 2,900 km are waste and mixed sewers and 2,200 km storm sewers. The network includes approximately 100 km of sewer tunnels excavated in rock. HSY's sewage treatment plant handled nearly 150 million cubic metres of wastewater in 2019.

Delete has provided pipeline condition survey and cleaning services to HSY and other water utilities since 2012. The objective of this work is to ensure that the sewer network functions well, prevent potential blockages and clarify the structural and

functional condition of the sewer pipeline with internal imaging. On the basis of the imaging reports, the water utilities plan and budget possible renovation needs.

"Regular cleaning of pipes keeps the sewers in order, which prevents blockages. This also prevents water damage and, for example, sewer openings that are carried out as on-call work," says Teemu Pohjanoksa, Account Manager at Delete, and continues: "We are constantly developing our services together with our customers. In the near future, we will deploy the jetting nozzle cameras and recycled water combination, which will boost rinsing work and make it easier to determine whether a sewer needs further inspections. The jetting nozzle camera will be guided into the sewer in connection with the rinsing, which will immediately tell us whether the sewer needs additional inspections. This is a cost-effective method that helps the customer target more detailed inspections where there is a need for it. The recycled water combination is a

more environmentally friendly method for cleaning sewers, as the water utilised in rinsing the sewers is wastewater that has been collected in a tank. Then there is no need to interrupt the rinsing work and collect rinsing water separately from elsewhere in order to continue the work. Our operating model saves time, money and natural resources and ensures the high quality of our service."

In addition to the sewer condition survey and cleaning services, Delete offers maintenance services for wastewater and waste treatment plants, including the emptying and washing of different separators, pump stations, pools and wells.

Delete also has extensive and comprehensive range of equipment for bypass pumping. Bypass pumping is required, for example, when renovating the sewer network, bypassing pumping stations, emptying pools and controlling floodwaters.

"We offer bypass pumping for infrastructure construction and, for example, industrial bypass pumping services. Delete performs bypass pumping professionally with the turnkey principle, which means that we will design the well-dimensioned and economical solution. During the work, we will monitor that the bypass pumping is carried out as planned and take care of the backup arrangements against possible damage," says Pohjanoksa.

CASE: INDUSTRIAL CLEANING

SMELT SPOUT CLEANER ROBOT FOR A RECOVERY BOILER

Recovery boilers are the heart of a pulp mill. They are cleaned once per year for inspection and maintenance.

Many customers use a solution to clean smelt spouts in recovery boilers from the outside during regular washing time. Previously, some of the cleaning was done with robots from the outside, but one of the most dangerous tasks with cleaning the smelt spouts was done from the inside with handheld equipment.

Delete has developed a new type of fully automatised smelt spout cleaning robot. The robot makes it possible to completely clean the boiler from the outside without an employee having to be physically present in the dangerous area.

The equipment has been tested at several occasions, and the tests have shown the benefits of the solution. It is safer for the workers, as less time is needed for the workers to spend inside the boilers; the cleaning takes a shorter time, and it is more efficient than the traditional method.

After successful piloting, the system has been taken into use as a part of Delete's service offering. All the equipment is also CE marked.

CASE: INDUSTRIAL CLEANING

MOBILE WATER TREATMENT SOLUTION FOR A CHP PLANT

The customer has its own wastewater treatment plant at the combined heat and power plant (CHP) which for a period had problems with exceeding emission conditions. Delete was hired to ensure that the emission conditions are met.

Delete's answer was a mobile water treatment solution that ensures purified water during the planned maintenance stop/audit. Delete's mobile water treatment solution can handle a flow of up to 5 cubic meters/hour. The solution separates sand and combustion residues and purifies the water from heavy metals.

The CHP pumped out about 2.5 cubic meters per hour around the clock. In this case, lead and cadmium were the metals exceeding the limit values. The assignment lasted about 1 month, and a total of 2,000 cubic meters of water was purified during that time. With the help of Delete, the customer was able to release the process water to their own treatment plant.

RECYCLING SERVICES

Delete is one of Finland's largest construction and demolition waste recycling service providers. The Recycling Services business segment provides reception, recycling and processing services of solid construction and demolition waste and oily liquid waste as well as open large waste container services.

The company operates six recycling stations in Finland that provide good coverage of Finland's growing urban areas in the Helsinki region and the Pirkanmaa area. One of the company's strengths is the central location of the Kyläsaari transfer station, in close proximity to Helsinki's city centre and the customers based there.

Delete serves its customers in all stages of the processing of materials: reuse, recycling and reutilisation. In accordance with the EU waste hierarchy, Delete prioritises the reuse of materials, followed by recycling and, finally, the use of waste in energy production. At Delete's own recycling stations, more than 99 per cent of the materials are reutilised.

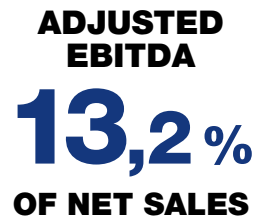
Delete produces recycled fuels and recycled wood chips from the waste it receives. Recycled fuels, or REF, can be used for purposes such as the

production of district heating, electricity and process steam for industrial uses. REF is primarily produced from energy waste from the retail and industrial sectors as well as sorted construction waste.

The Recycling Services business segment also uses waste concrete and bricks from demolition sites to produce crushed concrete which can be used in civil engineering projects. The grain size of crushed concrete makes it suitable for the sub-base layer, and it can be used for parking areas, streets, roads, sports grounds and storage fields, for example.

The Recycling Services business segment's services include the reception, recycling and processing of solid construction and demolition waste as well as oily liquid waste. The business segment also provides waste container services.





RECYCLING SERVICES KEY EVENTS IN 2020

Recycling Services' net sales in 2020 was EUR 23.4 million (28.1). The decline was mainly caused by COVID-19-related slowdown of waste volumes decline and the insourcing decision by a key customer. Due to lower volumes and considerable increases in the REF inventory cost provision, Recycling Services' profitability decreased from the previous year. Adjusted EBITDA was

EUR 3.1 million (3.4) and adjusted EBIT was EUR -0.1 million (0.8).

Market demand for recycled fuel (REF) has continued at a low but stable level and is expected to develop favourably during 2021. The demand for the Recycling Services business is expected to gradually recover in 2021.

**MARKET DEMAND FOR RECYCLED FUEL (REF)
HAS CONTINUED AT A LOW BUT STABLE LEVEL AND
IS EXPECTED TO DEVELOP FAVOURABLY
DURING 2021.**

MANAGEMENT OF CORPORATE RESPONSIBILITY AT DELETE

It is important for Delete to grow and develop the company's business responsibly. To develop and manage its operations in a sustainable way, Delete has introduced a Corporate Responsibility Programme covering the four most important areas of sustainability. The programme also reflects the ten principles of the UN Global Compact. The program is described more specifically on the following pages.

The following reported figures in the Corporate Responsibility section of the Annual Report include Assets Held for Sale and Discontinued Operations: Net Promoter Score NPS, Accident frequency (LWI, rolling 12 months), Absence due to sickness, CO₂ intensity, Total energy consumption, Total energy consumption intensity, Reutilisation

rate, Material handling, Number of audited suppliers, Reported cases (violations of Code of Conduct), Personnel satisfaction, Severe environmental cases, Minor environmental deviations, Number of personnel, Offices, Proportion of supervisors trained (Delete's training) and Number of staff with environmental training.

Delete's Corporate Responsibility Programme

Delete's Corporate Responsibility Programme covers the four most important areas of sustainability: Responsible business, Responsibility for people, Responsibility for the environment and Sustainable supply chain. The Corporate Responsibility Programme sets the KPIs for all central areas of sustainability. The programme is implemented, managed and reported on by the resources allocated to the group-level responsibility steering group.

Delete is also committed to the United Nations Global Compact (www.unglobalcompact.org) in the areas of human rights, labour rights, environmental protection and anti-corruption.

Delete's management system has been designed and certified to meet the requirements of the ISO 9001 and 14001 (Quality and Environment) and in Finland OHSAS 18001 and in Sweden ISO 45001 (Occupational Safety) standards. Furthermore in early 2021, the Finnish management system was audited for ISO 45001 as OHSAS 18001 deprecated.

Risk management

In the area of corporate responsibility, the major risks are related to occupational and environmental accidents. The risks are managed through continuous evaluation, planning, setting and implementing respective actions, governance and control process related to personnel, property and business, with the objective of preventing or minimising the impact of risks. Delete Group's management team conducts a yearly risk management evaluation that is reviewed by the Board of Directors. The evaluation also covers risks related to corporate

DELETE'S CORPORATE RESPONSIBILITY

AREAS



RESPONSIBLE BUSINESS



RESPONSIBILITY FOR PEOPLE



RESPONSIBILITY FOR THE ENVIRONMENT



SUSTAINABLE SUPPLY CHAIN

= CUSTOMER RESPONSIBILITY

THEMES

- Responsible operations
- Supporting customers' sustainable business
- Ensuring high-quality customer service

- Safety
- Job satisfaction
- Work ability
- Good management
- Equality

- Material and energy efficiency
- Supporting circular economy
- Clean environment

- Responsibility for subcontracting chain
- Responsibility for supply chain

INDICATORS

- Profitable operations
- No misconduct
- Customer satisfaction

- Accident frequency, preventive action
- Personnel satisfaction
- Absence due to sickness
- Qualified supervisors
- No harassment nor discrimination

- Total energy consumption
- CO₂ intensity
- Recycling rate, reutilisation rate
- Circular economy actions
- Cases of environmental damage
- Staff with environmental training

- Proportion of suppliers that have signed a responsibility commitment
- Number of audited suppliers

BENEFITS FOR OUR INVESTORS

Delete works continuously to improve the core areas of sustainable environment. The work supports Delete's strategy and profitability and helps Delete's investors and customers in their efforts for sustainability.

social responsibility. Risks are identified for both business areas and administration.

The yearly evaluation defines strategic and business risks as well as risk mitigation plans, which are

implemented and monitored by the business area management teams. However, daily risk management and mitigation takes place at the operating level supported by the management team's and support functions' guidance.



RESPONSIBLE BUSINESS

Responsibility is a vital part of all Delete's operations. Delete expects that all of its employees comply with operating principles that contribute to responsible business. The company also actively develops its services to support its customers' responsibility and sustainable development.

Delete aims to be the best provider of environmental services in the Nordic countries and the trusted partner and provider of environmental services for customers. By taking care of the responsibility and sustainability of its business, Delete ensures the continuous development of its operations.

Delete is committed to support UN's Sustainable Development Goal 8, to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Delete's operations are certified in accordance with the ISO quality and environmental standards and OHSAS safety management system standards. Delete's safety management system was audited for ISO 45001 in spring 2021. Delete possesses the RALA (The Construction Quality Association in Finland) qualifications and is included in the Reliable Partner programme. These acknowledgements ensure that Delete is financially sound, tends to its social responsibilities and the information required by the Finnish Act on the

Contractor's Obligations and Liability when Work is Contracted Out, and has the necessary technical skills and resources to produce its services.

Code of Conduct

Delete's strategy, values and Code of Conduct guide the company's operations. The Code of Conduct supports the company's corporate responsibility programme and provides the framework for the ethical principles and operating methods that serve as the

NPS
+46
SCALE
-100-+100



foundation for the group's day-to-day decisions and expectations towards suppliers. The Code of Conduct covers compliance with generally accepted ethical principles, fair competition and legislation. They apply to areas such as anti-corruption, corporate ethics, hospitality, environmental safety and occupational safety.

Delete's management team and line organisation managers with the help of the support functions ensure that the Code of Conduct and the relevant policies and guidelines are implemented. The Code of Conduct helps create trust among employees, customers, suppliers, subcontractors, investors, shareholders and other stakeholders. The Code of Conduct is continuously communicated within the organisation and new employees receive training on the Code of Conduct as part of induction training.

Compliance with the Code of Conduct is also monitored through regular management reviews, and possible incidents are reported for corrective actions through Delete's Whistleblow system. The management reviews enable the development, sharing and implementation of preventive actions across all units. In addition to the Code of Conduct, Delete observes and applies several policies, principles and guidelines (Appendix 1).

In February 2020, a suspected fraud case against Delete Group by a former employee was reported by an external whistleblower. The company initiated an investigation together with the authorities which is currently ongoing. Delete Group has since implemented a series of control improvements.

Anti-corruption

Fair competition is one of Delete's key operating principles. Delete has implemented fair competition principles and does not condone any form of corruption, bribery or extortion. This applies to all the group's operations with respect to its competitors and customers as well as activities in industry associations.

Delete and its employees and others acting on behalf of the group may not offer, give or accept bribes or other illegal payments. Business partners and representatives of the authorities may not be offered any inappropriate financial benefits to promote Delete's business activity or other group interests.

Delete works systematically to strengthen business ethics, including Principle 10 of the Global Compact. The group's ethical guidelines and Whistleblow system support correct behaviour if an employee should face an ethical dilemma.

Taxes

Delete Group and all its entities complied with the tax laws and regulations in 2020 and the Group has no unpaid taxes or disputes with the tax authorities.

Employment effects

Delete employed on average 714 people in 2020. Demolition Services, reported as discontinued



operations, employed additionally on average 152 people in 2020. Skilled personnel who want to serve the customers in the best possible way is one of Delete's main strengths and the key to the company's success.

Customer satisfaction and reputation

To the customers, Delete is a trusted and a proactive partner in environmental services that strives to minimise the risks and environmental impacts of its services and monitors them constantly. The competence of personnel plays a key role in Delete's development of responsible business and the improvement of customer satisfaction. Delete

continuously assesses customer satisfaction and conducts Net Promoter Score (NPS) measurements. In 2020, the the NPS was +46 (scale -100 – +100). Customer satisfaction is measured and customer experience lead through continuous customer satisfaction survey tools. Our customers were especially satisfied with our professionalism, service level and our efforts regarding occupational safety work. The evaluation has been conducted since 2016.

Data protection

Delete's privacy policy and practices comply with the General Data Protection Regulation of the EU. There were no reported data protection violations or losses of data at Delete in 2020.



RESPONSIBILITY FOR PEOPLE

People are at the core of Delete's operations. Without high level experts Delete could not offer high quality services. Delete has certified occupational health and safety systems and the company invests in the occupational safety of its employees and subcontractors in many different ways. The company is a responsible employer that supports universal human rights and the rights of its employees and adheres an equality plan.

Human resource management, employment and standards

Delete's goal is to lead, manage and motivate employees every day in such a way as to maintain their enthusiasm, work ability and satisfaction. Delete's HR policy serves as the foundation of human resource management. The principles reflect Delete's values: Entrepreneurialism, Efficiency, Expertise, Respect and Responsibility.

The company's practical human resource management and leadership must support each other and comply with the guidelines set out in the HR policy. Legislation, collective labour agreements, OHS regulations and other obligations must be observed in all of Delete's activities without compromise.

Delete's Group management team and the HR function are responsible for the content and

development of the HR policy. Supervisors are responsible for the practical implementation of the HR policy. All employees are responsible for acting in accordance with the HR policy.

Delete's operations are certified according to the ISO (quality management systems) and OHSAS (occupational health and safety management systems) standards. The ISO and OHSAS standards are important tools in the group's efforts to continuously enhance quality and working environment standards throughout the group.

Delete operates responsibly and respects the rights of employees as well as universal human rights

Delete respects the rights of its employees and conducts its business with safe and attractive

working conditions. The group respects the freedom of association and collective bargaining.

Delete has zero tolerance for forced labour, child labour and discrimination. No incidents of violations of labour rights principles were reported to the group management in 2020.

Delete works systematically to strengthen its business ethics, also with respect to principles 1 and 2 of the Global Compact. Delete respects human rights within its sphere of influence and actively supports the Universal Declaration of Human Rights. No incidents of violations of human rights principles were reported to the group management in 2020, nor was Delete subject to other incidents involving human rights violations during the year.

15.2

**ACCIDENT
FREQUENCY
LWIF**

**ROLLING 12 MONTHS
TARGET <12
PREVIOUS YEAR 15.2**



Occupational safety is an integral part of Delete's operations and management

Employees are an essential resource for Delete's business operations and success. Delete's operations involve physically strenuous work that at times can include safety risks. To manage the risks related to personnel, Delete invests a lot of working hours and resources to ensure the best possible working environment and safety for its personnel.

Delete is committed to the goal of zero accidents and pays particular attention to safety management by subcontractors. The focus of our occupational safety is on preventive actions, i.e., risks and hazards are to be eliminated in advance where possible. If the risks cannot be mitigated, an optional way of accomplishing the work is defined. Safety is not compromised at Delete. The company requires that all employees pass standardised occupational safety card training. All employees are also required to pass the Safety at Delete course as part of the induction training and thereafter annually. In addition, site-specific safety training activities and qualifications set a high standard for safe work.

Delete has HSEQ and HR organisations in Finland and Sweden. The HSEQ organisations work to develop and support occupational health and safety processes. The HR organisations oversee the occupational health care system and the support for early intervention and well-being at work. The aim is to ensure a good working environment for all of Delete's employees.

The One Delete HSEQ system improves occupational health and safety and aims to identify risks proactively in order to reduce the frequency of accidents and sickness.

Delete uses Sherpa, a tool for reporting, planning, monitoring and following up on corrective and preventive occupational safety measures. The system also allows the monitoring of occupational safety statistics and performance at all levels of the organisation. Reports from the system are also available for the customers and Delete encourages collaboration in the area of safety also with other stakeholders, including competitors.

In spite of the strong efforts towards work safety at Delete, the group-level accident frequency (LWIF) was 15.2 in 2020, with the target being 12 or less. While the target was not achieved, positive development can be seen in many areas. In 2021, we will further increase our focus on occupational safety. The occupational safety team will work systematically to promote a safety-oriented company culture. In addition, our safety reward programme will be developed further to support preventive and customer oriented safety efforts.

Delete invests in preventive occupational health care and regularly measures employee satisfaction

To enhance employee well-being, Delete offers comprehensive occupational health care services to support personnel in connection with any occupational accidents and illnesses and ensure the best possible care and support for returning to work. Delete also invests in preventive occupational health care and supports sporting activities in various ways to improve employee well-being and prevent occupational illness.

Delete Pulssi is a yearly survey that measures job satisfaction among Delete's employees. By conducting

the survey, Delete aims to ensure that the employees are satisfied and that well-being at work is at the level they expect. The questionnaire covers topics such as well-being, workplace atmosphere, company development, occupational safety, the overall satisfaction score and the willingness to recommend Delete as an employer.

Occupational safety and high-quality supervisory work are emphasised in employee training

Delete wants to support competence development and encourages employees to develop themselves. The company offers many kinds of training opportunities to support the development of the competencies and skills of employees.

Comprehensive induction training is an important part of the training provided to new employees at Delete. The training includes an introduction to the organisation, safety, the work environment, tools and methods. Other important training activities include further training on occupational safety and environmental safety as well as working methods and the use of equipment.

4.61%

**ABSENCE
DUE TO
SICKNESS**

PREVIOUS YEAR 5.43%



To support high-quality supervisory work, Delete has provided annual supervisor training since 2014. Revised supervisor training was introduced in Finland in 2017 and the activity continued in 2020.

Delete follows an Equality Plan in its business operations

Delete considers equality a basic right for everyone and believes that everyone is equal at work. The company follows an Equality Plan in its business operations and takes a sustainable approach to ensuring the fair and equal treatment of employees. Delete actively supports the Universal Declaration of Human Rights.

Delete's Equality Plan supports equality at work and includes methods for preventing discrimination. The Equality Plan includes guidelines on recruitment, remuneration, leadership, training and personnel planning, and it has been drafted in compliance with the legislation pertaining to equality. The Equality Plan is supported by a separate action plan for the prevention of discrimination and harassment.

Equality is evaluated at the company yearly as part of the Delete Pulssi employee satisfaction survey. The Equality Plan is updated based on feedback. The plan is communicated to the organisation and made available to the personnel on Delete's intranet.

No equality-related incidents of discrimination or harassment were reported in 2020.





RESPONSIBILITY FOR THE ENVIRONMENT

Delete operates sustainably, using natural resources responsibly and continuously improving its standards of environmental protection. The focus of our environmental efforts is on preventive actions.

Policies regarding the environment are implemented through comprehensive environmental training as well as policies and instructions that guide our personnel's daily work.

Delete works systematically to strengthen business ethics, including principles 7–9 of the Global Compact. The group has defined environmental KPIs to follow with regard to fuel and energy consumption as well as CO₂ intensity. Taking environmental matters and safety seriously under all circumstances is something that Delete requires from all of its employees and subcontractors.

Operating in a manner that respects the environment also provides significant added value for Delete's customers. Knowing the environmental impact and legislation related to our work and compliance with the relevant requirements are fundamental to environmental management. Delete uses the One Delete system compliant with the ISO 14001 environmental management standard. The system is an important tool used by Delete to continuously

improve environmental performance. The system was successfully audited in 2020.

Delete recognises that its operations have negative impacts on the environment and the group constantly works to minimise these effects. The impacts of Delete's operations may include CO₂ emissions, noise, dust and odour emissions to the surrounding area. Environmental impacts also arise from the electricity, fuel and water consumption caused by Delete's operations.

The One Delete HSEQ system (ISO 14001) ensures that we meet our stakeholders' environmental expectations. Delete aims to continuously improve the energy efficiency of its own processes and the customers' processes. The company is continuing to provide environmental training to its employees with the aim of having all of the personnel complete the training. Trainings are on-going, and the latest one was organised in December 2020. At the end of 2020, 316 people had completed the training and received an environmental safety card.

The group also offers proactive driving education to its employees to reduce fuel consumption and promote safe driving. Since 2018, the Group has exclusively used bio-based fuel at its Sölvesborg site, which the group's largest industrial cleaning site in Sweden. Furthermore, Delete is continuously



training its employees for environmentally friendly use of the equipment.

In 2020, there was a fire in the scrap metal waste pile at Delete's recycling facility at Tampere, Finland. This led to evacuation of the nearby residential area for a few hours due to smoke and steam from fire suppression and caused a partial production stop for the facility for a few days. No person damages or material property damages were caused. To avoid similar accidents in the future, Delete took prompt and determined actions which all were implemented in 2020.



SUSTAINABLE SUPPLY CHAIN

Delete is committed to support UN's Sustainable Development Goal12, to ensure sustainable consumption and production patterns. Delete requires that its suppliers comply with Delete's quality and safety standards as well as Delete's Code of Conduct. Delete also requires that its suppliers observe the UN Global Compact principles concerning human rights, labour rights, environmental protection and anti-corruption. The Group continuously evaluates and audits its suppliers to ensure compliance with the principles.

Delete has identified the typical risks of its industry as being related to the use of rented labour subcontracting and monitors these issues on a regular basis together with its suppliers. Risk management is based on ongoing audits and evaluation of subcontractors and suppliers. Delete also ensures that all rented labour is introduced to Delete's working methods. The subcontractors operating at Delete's sites must meet the same high-quality standards that Delete has set for itself and sign the respective agreements.

We audit a set of our main subcontractors annually and organise subcontractor education that is particularly focused on responsibility issues pertaining to the environment, working methods and safety. The number of audited suppliers in 2020 is 9 (31 in 2019).



The subcontractor audits also present an opportunity to actively and critically evaluate the policies and practices of other companies in the subcontractor

chain. Delete organises yearly training seminars for its subcontractors. The topics include safe working methods, quality, fair competition and ethics.

CORPORATE RESPONSIBILITY REPORT, SIGNATURES

In Helsinki, 23 March 2021

Martin Forss
Chairman of the Board

Åsa Söderström Winberg
Member of the Board

Christian Schmidt-Jacobsen
Member of the Board

Ronnie Neva-aho
Member of the Board

Tommi Kajasoja
CEO

THE BOARD OF DIRECTORS



MARTIN FORSS



ÅSA SÖDERSTRÖM WINBERG



RONNIE NEVA-AHO



CHRISTIAN SCHMIDT-JACOBSEN

MARTIN FORSS

Born 1962, M. Sc. (Econ.)
Chairman of the Board
(9 January 2020–)

- Unident AB,
Chairman of the Board
 - Matrix Biotech AG,
Member of the Board
 - Plantui Oy,
Member of the Board
 - Nextim plc,
Member of the Board
-
- Oral Hammaslääkärit Oyj,
CEO (2011–2018)
 - Puukeskus Oy,
Deputy Managing Director (2011)
 - Coor Service Management Oy Ab,
Managing Director (2007–2010)
 - Lassila & Tikanoja Oyj,
EVP, Corporate Planning and
Business Development
(2001–2007)
 - WM Jätehuolto Oy
(currently Lassila & Tikanoja Oyj),
CFO, (2000–2001)

**ÅSA SÖDERSTRÖM
WINBERG**

Born 1957, M. Sc. (Econ.)
Member of the Board
(9 January 2020–)
Chairman of the Board
(2017–9 January 2020)
Member of the Board (2014–2017)

- Scanmast AB,
Chairman of the Board (2013–)
 - Vattenfall AB,
Member of the Board (2013–)
 - OEM International AB,
Member of the Board (2015–)
 - Fibo AS,
Member of the Board (2016–)
 - Skanska AB,
Member of the Board (2020–)
 - Balco Group AB,
Member of the Board (2016–2020)
-
- Sweco Theorells AB,
Chief Executive Officer (2001–2006)
 - Ballast Väst AB,
Chief Executive Officer (1997–2001)
 - NCC Industry,
Marketing Manager (1994–1997)
 - NCC Construction AB, Communi-
cation Manager
(1991–1993)

RONNIE NEVA-AHO

Born 1967,
Secondary school graduate
Member of the Board (2017–)

- Kreate Oy,
Member of the Board (2015–)
 - Rototec Oy,
Member of the Board (2015–)
 - Access Point Oy,
Chairman of the Board (2013–)
-
- Delete Oy,
Vice President (2010– 2015)
 - Tehoc Oy,
Chief Executive Officer (1998–2011)

**CHRISTIAN SCHMIDT-
JACOBSEN**

Born 1970, M. Sc. (Econ.)
Member of the Board (2019–)

- Axcel Management Holding A/S,
Member of the Board (2016–)
 - Frontmatec Group ApS,
Member of the Board (2016–)
 - IsaDora AB,
Member of the Board (2019–)
 - Moment A/S,
Member of the Board (2021–)
-
- Icopal, Group,
Chief Financial Officer (2008–2015)
 - Chr. Hansen, Inc.,
SVP, Finance & Accounting (2006–
2008), VP, Corporate Development
(2005–2006)
 - Axcel,
Investment Manager (1999–2005)
 - Danske Bank Corporate Finance,
Associate (1994–1999)

GROUP MANAGEMENT TEAM



TOMMI KAJASOJA



VILLE MANNOLA



JANIKA VILKMAN



HENRI PESONEN



RAIMO HUHTALA



PETER REVAY

TOMMI KAJASOJA

Born 1974, M. Sc. (Eng.)
Chief Executive Officer (2018–)

- Delete Finland Oy, Country Manager and Managing Director (2016–)
- Finnish Environmental Industries YTP, Member of the Board (2017–)
- Barona Oy, Member of the Board (2020–)
- Delete Finland Oy, Business Area Director, Industrial & Property Services (2014–2016)
- Maintpartner Group Oy, Vice President, Sales & Marketing (2013–2014), President, Expert Services (2012–2014), President, Baltic Countries (2012–2014), Head of Business Development (2010–2012)
- Maintpartner AB, Country President & Managing Director (2010–2011)
- Maintpartner Oy, Vice President, West & North Finland region, (2008–2010) and Manager, Business Development & Improvement, Finland (2007–2008)
- ABB Service, various managerial positions in Finland and New Zealand (2000–2007)

VILLE MANNOLA

Born 1979, M. Sc. (Econ.)
Chief Financial Officer (2017–)

- GS-Hydro Corporation, Group CFO (2015–2017)
- GS-Hydro Corporation, Director, Group Finance (2014–2015)
- GS-Hydro Corporation, Group Controller (2010–2013)
- Marioff Corporation, Head of Group Financial Planning and Analyses (2008–2010)

JANIKA VILKMAN

Born 1980, LL.M.
General Counsel (2013–)

- EY, Legal Counsel (2012–2013)
- Fondia Oy, Legal Counsel (2010–2012)
- Ernst & Young Oy, Legal Counsel (2007–2010)
- Ciba Specialty Chemicals Oy, Assisting Legal Counsel (2006–2007)

HENRI PESONEN

Born 1982, M.Sc. (Econ.)
Delete Ympäristöpalvelut Oy,
Business Area Director and CEO
(2018–)

- Delete Finland Oy, Business Controller, Demolition Services and Recycling Services (2015–2018)
- Stanley Security Oy, Business Controller (2010–2015)
- Oxford Instruments Analytical Oy, Financial Analyst (2007–2010)

RAIMO HUHTALA

Born 1961, Eng.
Business Area Director,
Cleaning Services, Finland (2016–)

- Delete Finland Oy,
Region Manager (2015 – 2016)
- Maintpartner Oy, Director of
Purchasing (2012 – 2014), Business
Area Director (2008 – 2012), Region
Director (2007 – 2008)
- Empower Oy, Business Area
Manager (2001 – 2008)
- KSValo Asennus Oy,
CEO (1999 – 2001)
- Keski-Suomen Valo Oy, Business
Unit Director (1997 – 1999),
Operations Engineer (1989 – 1997)
- Imatran Voima Oy,
Design Engineer (1986 – 1989)
- Kymi- Strömberg Oy,
Testing Engineer (1985 – 1986)

PETER REVAY

Born 1972
Country Manager and Managing
Director, Delete Sweden AB (2019–)

- Tunga Lyft AB,
Chief Executive Officer (2016–2019)
- ONE Nordic AB,
Business Unit Manager (2015–
2016)
- Maintpartner AB,
Managing Director (2010–2014)
- Cardo AB,
Purchasing Director (2008–2010)
- SPX Flow Technology, Purchasing
Director (2005–2008)

APPENDIX 1: POLICIES

Delete's sustainability work is guided by Code of Conduct setting out the ethics of operations. Code of Conduct is supported by several policies and guidelines.

Responsibility for people

Policies

- Delete Group Code of Conduct
- HR policy
- Induction instructions
- Development discussions
- Personnel and training plan
- Equality plan
- Instructions on harassment, bullying and emotional abuse
- One Delete handbook
- GDPR guidelines

Responsibility for the environment

Policies

- Delete Group Code of Conduct
- Environmental policy
- Waste treatment instructions
- Waste movement documentation
- Environmental review
- One Delete handbook
- Energy audit

Responsible business and Sustainable supply chain

Policies

- Delete Group Code of Conduct
- Supplier Code of Conduct
- Competition Law Instructions
- Delete Group Internal Audit Policy
- Delete Group Internal Control Policy
- Delete Group Disclosure Policy
- Delete Group Insider Guidelines
- Delete Group Remuneration policy

APPENDIX 2: PERFORMANCE INDICATORS

Responsibility KPI scorecard

Delete's responsibility work is closely monitored with the following meters set for each area. The metrics have been chosen carefully to meet the industry standards and to support Delete's strategy.

Responsible business and Sustainable supply chain

Compliance of Code of Conduct One reported violation of Code of Conduct during 2020.

Audited suppliers is the total number of audited suppliers.

Responsibility for people

Accident frequency LWI rolling 12 months is calculated with LWI accidents per million working hours that are reported with Sherpa.

Absence due to sickness is calculated from working days absent / number of staff x theoretical regular working time in days x 100.

Proportion of supervisors trained with Delete's own training is a percentage of trained supervisors versus all supervisors.

Personnel satisfaction is measured yearly by a Pulssi questionnaire targeting all Delete employees.

Responsibility for the environment

Total energy consumption is all used energy calculated together as MWh.

CO₂ intensity is carbon dioxide emissions per turnover, calculated from total carbon dioxide emissions in tons / turnover in Meur.

Total energy consumption intensity is total energy consumption in MWh / turnover in Meur.

Reutilisation rate is the share of reused, recycled and energy recovery waste from the Delete waste stations.

Number of staff with environmental training is the proportion of personnel with environmental training (in Finland meaning Environmental Safety Card).

APPENDIX 3: SCORECARD

KPI	GROUP LEVEL SCORE	
	2020	2019
Responsible business		
Reported cases (violations of Code of Conduct)	1	0
Audited suppliers	9	31
Responsibility for people		
Accident frequency LWI rolling 12 months	15.2	15.2
Absence due to sickness	4.61%	5.43%
Proportion of supervisors trained (Delete's training)	50.5% (Finland)	32% (Finland)
Personnel satisfaction	7.6/10	n/a
Responsibility for the environment		
Total energy consumption	65,670MWh	77,407MWh
CO ₂ intensity	114t CO ₂ / Meur	99t CO ₂ / Meur
Total energy consumption intensity	424MWh	379MWh
Reutilisation rate	99.6%	97.4%
Number of staff with environmental training	316 employees (37%)	276 employees (28%)

Delete^x

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