



Delete

Delete Group Oyj

ANNUAL REPORT 2021



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**ANNUAL REPORT
2021**

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FOR A BETTER FUNCTIONING AND CLEANER SOCIETY

Delete is one of the leading environmental full-service providers in the Nordic countries, a specialist that works for a better functioning and cleaner society.

We provide our customers in the industrial sector, construction and real estate and the public sector with cleaning and recycling services that are critical to their operations. We maintain security of supply by helping the industry to optimise its production and cities and municipalities to keep the infrastructure in good condition and the living environment comfortable. We receive, recycle and handle waste safely, reliably and responsibly.

At the end of 2021, Delete employed 643 persons at 33 locations in Finland and Sweden.

During 2020-2021, Delete divested its Demolition Services business. In the 2021 Financial Statements, Demolition Services is reported in accordance with IFRS 5 “Assets Held for Sale and Discontinued Operations” and is not included in the financials 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 2021



**CLEANING SERVICES
NET SALES***

110.2
MEUR



**RECYCLING SERVICES
NET SALES***

25.0
MEUR



**REUTILISATION
RATE**

99%



PROFESSIONALS

643



NPS

+67

(-100 – +100)



**PERSONNEL
SATISFACTION**

2.5 / 3

(Sweden), n/a in Finland

**) The Group's consolidated net sales was EUR 131.3 million with EUR 3.8 million of intercompany sales elimination between the business areas.*

NET SALES**131.3****MEUR
2021****ADJUSTED
EBITDA****13.0****MEUR****ADJUSTED
EBITDA****9.9%****OF SALES****PROFIT
(-LOSS)
FOR THE PERIOD****12.0****MEUR****OPERATIVE
CASH FLOW****13.9****MEUR****RETURN
ON EQUITY****131.4%****EQUITY
RATIO****15.8%****NET
DEBT****72.0****MEUR**

6 CEO'S REVIEW

FOUNDATION IN ORDER

Delete's year 2021 included good underlying development, but we are not satisfied with the operating result, suppressed by issues in a sizable one-off shutdown in the second quarter. The strong growth in 2021 was enabled by some industrial maintenance shutdowns postponed from 2020 and a number of signed new customer agreements.

In the Cleaning Services business, our net sales increased by 12 per cent. The growth was enabled by the above-mentioned maintenance shutdown, but we also signed a number of new contracts with both new and old customers who have returned to cooperate with us. The performance was positive, especially in Sweden, where the underlying profitability developed well. Unfortunately, the overall profitability of Cleaning Services decreased in 2021, suppressed considerably by the difficult one-off shutdown executed in the second quarter. The overall demand for cleaning services has been impacted by the coronavirus pandemic, but it is gradually recovering, and the underlying long-term core demand is relatively resilient and stable.

Recycling Services' net sales increased by 7 per cent from the previous year and performance improved significantly. The growth was enabled by the gradually recovering market, new customer acquisitions and expansion of the services offering in waste exit quotas. The profitability grew on the back of efficiency improvements in production, an active and improved REF market and strengthened production controls. The coronavirus pandemic still had some negative effect on the recycling volumes, compared to pre-pandemic levels in

2019, but the market is gradually returning to normal.

During 2021, Delete's corporate and capital structure, organisation, and management have been tuned in line with our strategy. At the beginning of the year, the financial restructuring and the divestment of Demolition Services were completed, and at the end of the year, the group completed a divestment of the remaining part of the non-core project business in Sweden. We also finalised the cost base restructuring that followed the Demolition Services divestment, with additional annualised savings of EUR 1.5 million.

Today, Delete is a stronger company than before with all the basics in order: we have a professional and committed staff, and the company's growth prospects for both the Cleaning and Recycling Services businesses are supported by the ever-increasing importance of sustainability and responsibility. The responsibility and safety work we do is bearing fruit. In 2021, we received top marks in supplier evaluations.

Looking forward, we believe our customers will 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. The significant number of new contracts with both new and old customers reflects satisfaction with our level of service. This year, we will focus on being able to provide even better services, targeting genuine partnerships with our customers, which enables us to work together and develop our customers' processes and increase their efficiency. As a result of our daily work, we enable a well-functioning and cleaner society.

In addition to focusing on strong customer relationships in 2022, we will focus on keeping up the positive and can-do attitude of our personnel. Despite some uncertainty related to the coronavirus pandemic, and the geopolitical uncertainties, we expect the underlying demand for Cleaning Services and Recycling Services to grow and our efficiency and productivity to improve compared to the previous year.

Sirpa Ojala
CEO



OPERATING ENVIRONMENT

FINLAND AND SWEDEN AS THE MAIN MARKET

Delete offers cleaning and recycling services.

The main markets for Delete 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 offers recycling service operations only in Finland.

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
- Generally increasing sustainability awareness and ever-tightening regulation continue to support the growing demand for recycling services
- Digitalisation and technology will create opportunities for innovative players in the market
- The underlying long-term core demand for cleaning services is relatively resilient and stable
- Customers continue to demand cleaning services capabilities to handle increasingly complex assignments with high-quality environmental, health and safety standards
- Industrial maintenance shutdown schedule is expected to be busier in 2022 than in 2021
- Market demand for recycled fuel (REF) is expected to grow driven by the increased use of alternative fuels





CLEANING SERVICES

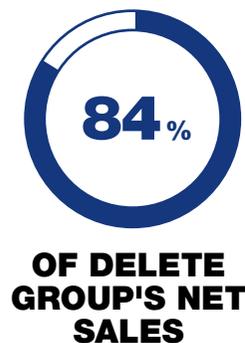
In terms of net sales, Delete is a leading provider of industrial cleaning services in Finland. The company is growing also in Sweden, where it is currently one of the largest players in the field.

The Cleaning Services business consists of a comprehensive industrial cleaning service offering as well as real estate services, such as high-power vacuuming and blowing services, industrial shutdown and maintenance, exposure vacuuming of sewers and well emptying, 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 industrial boilers in certain circumstances.

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 with the ability to deliver also in difficult times.

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.



CLEANING SERVICES KEY EVENTS IN 2021

Cleaning Services' net sales in 2021 was EUR 110.2 million (98.6). The growth of 12 per cent was mainly driven by a sizable non-recurring shutdown and several new customer contracts. Adjusted EBITDA for 2021 was EUR 13.7 million (15.5) and adjusted EBIT was EUR 2.7 million (6.2). The overall profitability of Cleaning Services decreased in 2021, suppressed considerably

by the difficult one-off shutdown executed in the second quarter and losses sustained by a non-core operation, since divested W-Tech Entreprenad AB.

The underlying long-term core demand for cleaning services is relatively resilient and stable. Demand for the Cleaning Services business is expected grow in 2022.

THE UNDERLYING LONG-TERM CORE DEMAND FOR CLEANING SERVICES IS RELATIVELY RESILIENT AND STABLE. DEMAND FOR THE CLEANING SERVICES BUSINESS IS EXPECTED GROW IN 2022.

**) The Group's consolidated net sales was EUR 131.3 million with EUR 3.8 million of intercompany sales elimination between the business areas.*

CASE: CLEANING SERVICES

METSÄ TRUSTS DELETE IN PROCESS CLEANING

After a two-year break, Delete made a comeback as a process cleaning service provider at Metsä Fibre's Äänekoski bioproduct mill and Joutseno pulp mill. The service agreements entered into force on March 1 2022, and they strengthen the partnership between Delete and Metsä, as well as the determined development of cleaning services and cooperation between these two companies.

Delete has strong experience in process cleaning in the forest industry, and we are constantly developing our operations in cooperation with our customers' production, maintenance and other stakeholders. Delete often plays a critical role in the implementation of annual maintenance, and we are constantly improving our planning process to ensure safe and smooth downtime. In on-site cleaning, we focus on high-quality basic workmanship in order to keep our customers' processes going and to help maximise production between annual maintenances.

Commercial success in the service business is the result of many factors. For years, we have worked hard to exceed customer expectations in terms of safety, quality of service, customer care and orderliness. The excellent feedback that we have received from the Rauma pulp mill, and of carrying out the annual maintenance of the Äänekoski bioproduct mill, has contributed to the deepening of Metsä's and Delete's cooperation. Metsä Fibre relies especially on our safety-oriented approach and uncompromising professionalism.

"Metsä Fibre wants to be the number one in the world in its own business, in the production of pulp and sawn timber. To support this goal, we need the best and most professional partners, from whom we expect an uncompromising safety attitude, quality and efficiency of operations and continuous improvement. We have seen Delete meet these requirements in process cleaning, and we believe Delete will be able to always develop further. Delete's strength has been their professionalism in the field, the basic workmanship which we can rely on. I believe that we can trust in this in the future as well," said Erkkä Tahvanainen, Production Development Director at Metsä Fibre.

The new service agreements are very significant to Delete in terms of the company's growth goals. Delete now serves Metsä Group at three Metsä Fibre pulp mills, and Metsä Board's board mills in all integrates. We also provide services of our various units within the framework agreement to other Metsä Group's production plants in Finland. In Sweden, Delete has been a service provider for the Husum plant for long time already.

Although the Joutseno and Äänekoski plants are already familiar to Delete, the takeovers have been planned and implemented as if they were completely new sites. Thus, we are able to ensure safety and the quality of cleaning services from the very beginning. We will continue to serve Metsä at all their production facilities in a customer-oriented manner, combined with our own professional skills. The reliable performance of on-site cleaning and the efficient planning and implementation of downtime will continue to be the cornerstones of Delete's success, as we little by little start focusing also on the competitive tendering of the bioproduct mill under construction in Kemi. Delete aims to further strengthen its position as the leading process cleaning provider in the Nordic countries.



CASE: CLEANING SERVICES**WE DELETE YOUR PROBLEMS ALSO IN SWEDISH – NOW ALSO FROM OUR LULEÅ AND ÖREBRO SITES**

Delete Group Oyj has now 13 working sites around Sweden, thereof 9 in the Northern and Middle parts of the country since two new ones opened year 2021, one in Luleå and another one in Örebro. We are doing strong – we are today a leading provider of industrial cleaning services in Sweden.

Delete performs high-standard and environmentally friendly industrial cleaning for industry, construction and real estate sector customers all over Sweden, in a cost-effective way – and under time pressure, whenever needed.

Sootblasting is one specialty in our portfolio. Blasting of industrial steam boilers has been a proven method for years already.

We at Delete don't only adopt good new methods and practices developed by others in the industry,

but we constantly develop new technologies and methods ourselves for the benefit of our customers.

Two new sites – Luleå and Örebro

Sweden is a very significant, and expanding, area for Delete. Hence two new sites were established in Sweden during 2021, in two important industrial centres, one in Luleå and the other one in Örebro.

"We believe that local sites can serve our customers better. Therefore, we opened a new site in November in an active northern region, Luleå, where we see a lot of potential for growing our business. Our experts have already run several interesting, large industrial cleaning assignments in Luleå and in the neighbouring areas, at power plants for example," said Tomas Norrman, Regional Manager of Delete Service AB, and continued:

"Örebro, 160 km west from Stockholm is another vital heavy industrial city where we opened a new site, also in November 2021. Competition in the region is active, but we have gained important contracts already, in a major paper mill for instance. Customers are happy, of course, to see Delete entering the market. We have a core team of professionals at our Örebro site in place, and a large-scale trainee hiring programme is ongoing."

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.

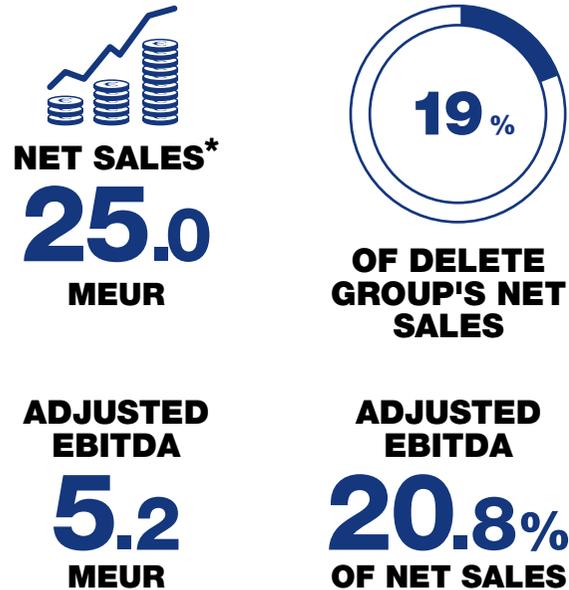
Delete operates seven recycling stations in Finland that provide good coverage of Finland's growing urban areas in the Helsinki region and the Pirkanmaa area. One of the company's strengths is the central location of the Kyläsaari transfer station, in close proximity to Helsinki's city centre and the 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 sorted construction waste as well as from the retail and industrial sectors.

The Recycling Services business segment also uses waste concrete and bricks from demolition sites to produce crushed concrete aggregate 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.



188ttn

AMOUNT
PROCESSED

99.5%

REUTILISATION
RATE

RECYCLING SERVICES KEY EVENTS IN 2021

Recycling Services' net sales in 2021 was EUR 25.0 million (23.4). The growth was enabled by the gradually recovering market, new customer acquisitions and expansion of the services offering in waste exit quotas. Recycling Services' profitability increased from the previous year thanks to efficiency improvements in production, an active and improved REF market and strengthened production

controls. Adjusted EBITDA was EUR 5.2 million (3.1) and adjusted EBIT was EUR 2.1 million (-0.1).

Market demand for recycled fuel (REF) has stabilised and is expected to grow through 2022, driven by the increased use of alternative fuels. The demand for the Recycling Services business is expected to grow in 2022.

MARKET DEMAND FOR RECYCLED FUEL (REF) HAS STABILISED AND IS EXPECTED TO GROW THROUGH 2022

**) The Group's consolidated net sales was EUR 131.3 million with EUR 3.8 million of intercompany sales elimination between the business areas.*

CASE: RECYCLING SERVICES

DELETE IS CONSTANTLY DEVELOPING NEW TOOLS AND METHODS TO HELP ITS CUSTOMERS AND THE ENVIRONMENT

Delete Group is one of Finland's largest construction and demolition waste recycling and processing companies. We take care of the reuse and recovery of materials and refine our operations and the industry towards recycling targets. Over the past year, we have developed a new reporting tool that will be piloted in early 2022.

Delete's goal is to be the number one company offering environmental services in the Nordic countries. Our Recycling Services serve our customers

at all stages of material handling. We systematically prioritise the recycling of materials, which is the most recommended, energy-efficient and CO₂ friendly form of recycling and waste processing. About 99 per cent of the material handled at Delete's own recycling stations is recycled.

"In waste management, efficient and accurate separation of different materials is paramount to achieving the best results, and we have developed the separation process to its peak. During recent years, we have invested, e.g., in the development of the separation of wood waste, and we are now able to separate 90% of the wood from mixed waste material," comments Henri Pesonen, Director of Recycling Services at Delete.

The separation of waste into different components for further recovery is an important goal also in the new Finnish waste law, which entered into force in July 2021, and obliges separate collection of waste. Due to separate collection, our customers need more detailed information about the amount of their waste components and about the degree of recovery. To meet this need, we have developed an efficient and easy-to-use reporting tool that we offer free of charge to all our customers. The tool has been trialled since the beginning of 2022, and it will be launched for all our customers after the pilot phase.

"Our new reporting tool enables data to be reported in accordance with BREEAM and LEED environmental certification requirements. We are also currently developing direct data transfer through an interface between our and our customers' IT systems, a solution that allows customers to automatically transfer the data generated by our reporting tool to their own system," tells Pesonen.

The separate collection required by law is handled professionally and cost-effectively through Delete's Recycling Services. With our state-of-the-art expertise and technology, we take care of the waste processing reliably, in accordance with the latest environmental requirements.





Delete supports the UN sustainable development goals 8, 9, 11, 12 and 13.

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 programme is described more specifically on the following pages. The figures reported in the corporate responsibility report do not include the Demolition Servicess business divested in January 2021.

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 responsible business operations support the UN sustainable development goals 8, 9, 11, 12 and 13.

Delete's management system has been designed and certified to meet the requirements of the ISO 9001 and 14001 (Quality and Environment) and ISO 45001 (Occupational Safety) standards.

Risk management

In the area of corporate responsibility, 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 social responsibility. Risks are identified for both business areas and administration.

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.

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 its employees comply with operating principles that contribute to responsible business. Every Delete employee attends the "Responsibility at Delete" training as part of induction and thereafter every year. 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 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.

NPS
+67
SCALE
-100--+100

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 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 management reviews that 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). Additionally, Delete's anonymous Whistleblow channel enables reporting possible incidents.

In February 2020, the company received a report of a suspected misconduct against Delete Group by a former employee. The company initiated an investigation together with the authorities which is currently ongoing. Delete Group has since improved and tightened its control processes even more.

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.

No incidents of violations of the Anti-corruption principle were reported to the Group management in 2021.

Taxes

Delete Group and all its entities comply with the tax laws and regulations, and the Group has no unpaid due taxes.

Employment effects

Delete employed on average 667 people in 2021. 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 2021, the the NPS was +67 (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.

In 2022, Delete will conduct a thorough customer satisfaction survey facilitated by a third party. The result will be published later.

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 2021. All processing of personal data complies with the General Data Protection Regulation and regulations. The safety of the company's IT environment is at a high level.



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: entrepreneurship, professionalism, trust, safety and sustainability.

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, occupational health and safety management systems) standards. The ISO 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. There were no incidents reported in 2021.

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. There were no incidents reported in 2021.

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

Delete is committed to the goal of zero accidents and is a member of the Zero Accidents Forum. The company also 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. Safety actions include for instance daily risk assessment and risk observations, safety meetings, and incident investigation in business areas to prevent similar incidents.

If the risks cannot be mitigated, an optional way of accomplishing the work is defined. Safety is not compromised at Delete and no work is done at the expense of safety.

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's operations are based on the company's five safety principles and the principle that "there will be no accidents at our site if it is up to me".

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



12.9

**ACCIDENT
FREQUENCY
LWIF**

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

5.04%

**ABSENCE
DUE TO
SICKNESS**

PREVIOUS YEAR 4.61%



the occupational health care system and support 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.

In 2021, Delete took into use Guru, a new occupational safety steering system that is used for reporting, planning, monitoring and following up on corrective and preventive occupational safety measures. In addition, the system enables more efficient sharing of information on safety development with the organisation and is significantly better in terms of usability and equipment independent. The system is the company's main tool for monitoring occupational safety statistics and performance at all levels of the organisation. Reports from the system are also available for the customers and partners, and Delete encourages collaboration in the area of safety also with other stakeholders, including competitors.

Delete's Group-level LWIF was 12.9 in 2021, with the target being 12 or less. While the target was not achieved, positive development is visible in many areas. In 2022, we will further increase our

focus on occupational safety and set our targets accordingly. Our occupational safety team will work systematically to promote a safety-oriented company culture. Delete has introduced a safety awarding program to further develop and support safety efforts. The safety award program was renewed in December 2021 with staff with the right attitude and customer-oriented safety work rewarded monthly.

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 offers the personnel for instance the E-Passi employee benefit system and the possibility of an employment benefit bicycle. Delete has also taken out work capacity insurance as additional insurance for its employees, which is intended to safeguard working capacity and speed up return to work in case of 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.

To support high-quality supervisory work, Delete has provided annual supervisor training since 2014. Revised supervisor training was introduced in Finland in 2017. In 2022, there will also be significant investments in managerial training in recurrent trainings.

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 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 2021.



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 8–9 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 re-audited in 2021.

Delete recognises that its operations have also 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, odour and dust 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. Environmental safety card trainings are on-going with the goal to train all employees. The latest trainings were organised in November-December 2021. At the end of 2021, 296 people had completed the training and received an environmental safety card.

Delete also offers proactive driving training to its employees to reduce fuel consumption and promote safe driving. In addition, in 2022, the company launched a campaign to reduce fuel consumption, rewarding staff for improved economical use of equipment. 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

Sustainable activity

EUR million	Revenue	OPEX	CAPEX
Cleaning Services			
Renewal of waste water collection and treatment	1.0	0.8	0.0
Collection and transport of non-hazardous waste in source segregated fractions	4.7	4.1	0.5
Recycling Services			
Collection and transport of non-hazardous waste in source segregated fractions	6.6	5.1	0.0
Material recovery from non-hazardous waste	9.8	7.7	0.1

training its employees for environmentally friendly use of the equipment.

Disclosure according to the EU Taxonomy Regulation

The EU Taxonomy Regulation, which will progress in phases, partially entered into force in 2021. The first delegated act, the Climate Delegated Act, was introduced in 2021 and covers the first two of the six environmental objectives: climate change mitigation and adaptation. In 2022, another delegated act will be published, the Environmental Delegated Act, which addresses four other environmental objectives.

In the reporting for 2021, the share of revenue, capital expenditure and operational expenditure that is taxonomy-eligible, i.e., in accordance with the Climate Delegated Act, are published. For 2021, no

assessment of Taxonomy alignment with detailed technical screening criteria is required.

We have assessed the taxonomy-eligibility of Delete's business based on the descriptions in Annex I (climate change mitigation) and Annex II (climate change adaptation) of the Climate Delegated Act as well as NACE codes. The EU Taxonomy Regulation will enter into force in stages and is therefore still unfinished. Delete's assessment of the taxonomy-eligibility of its operations may change with the new guidelines and regulations entering into force. With the entry into force of the Environmental Delegated Act, the targets will be extended to include the use of resources and the circular economy, which are closely related to Delete's Recycling Services business.

According to Delete's interpretation of NACE code, we have assessed certain operations of Delete Group as taxonomy-eligible. We estimate these businesses to account for 9% percent of our net sales.



SUSTAINABLE SUPPLY CHAIN

Delete is committed to support UN's Sustainable Development Goal 12, 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 2021 was 13 (9 in 2020). 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, 24 March 2022

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

Sirpa Ojala
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
 - Dentognostics Holding AG,
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, (1995–2001)

**ÅSA SÖDERSTRÖM
WINBERG**

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

- 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–)
 - JM AB,
Member of the Board (2007–2019)
 - Balco Group AB,
Member of the Board (2016–2020)
 - Scanmast AB,
Chairman of the Board (2013–2021)
 - ELU AB,
Chairman of the Board (2007–2017)
-
- 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,
Communication Manager
(1991–1993)
 - Fellow to the Royal Swedish
Academy of Engineering Sciences

RONNIE NEVA-AHO

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

- Musopia Oy,
Member of the Board (2021–)
-
- 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 A/S,
Managing Partner (2015–)
 - Axcel Management Holding A/S,
Member of the Board (2016–)
 - Frontmategroup ApS,
Member of the Board (2016–)
 - IsaDora AB,
Member of the Board (2019–2021)
 - DANX Holding I,
Member of the Board (2021–)
 - Moment Group ApS,
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



SIRPA OJALA



VILLE MANNOLA



JANIKA VILKMAN



PETER REVAY

SIRPA OJALA

Born 1963, M.Sc. (Eng.)
Chief Executive Officer (2021–)

- Valor Oy,
Senior Advisor (2021–)
- Colliers International
Finland Group Oy,
CEO (2016–2019) and Member of
the Board (2018–2019)
- M-Brain Oy,
CEO (2015–2016)
- Digita Oy,
EVP Broadcasting 1999–2005,
CEO (2005–2015) and
Member of the Board (2012–2015)
- Interinfo Finland Oy,
CEO (1997–1999)
- UPO Kodumasinat Balti AS,
CEO and Chairman of the Board
in three Baltic subsidiaries
(1995–1997)

-
- Natwest Nordisk Renting AB,
Member of the Board (2020–)
 - Yleisradio Oy,
Member of the Board (2020–)
 - Elenia Oyj,
Member of the Board (2018–)
 - Several other Board positions
2001–2020

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 (02/2022–)

- General Counsel,
DEN Group (11/2021–02/2022)
- General Counsel,
Delete Group (2013–2021)
- EY,
Manager (2012–2013)
- Fondia Oy,
Legal Counsel (2010–2012)
- Ernst & Young Oy,
Legal Counsel (2007–2010)
- Ciba Specialty Chemicals Oy,
Assisting Legal Counsel
(2006–2007)

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)

Shareholdings

Ax DEL Oy owns 86% of Delete
Group Oyj's shares. 14% of the
shares are owned by key employees
of the company (including the Board

of Directors and Group Management
Team) and certain other minority
shareholders.

APPENDIX 1: POLICIES

Delete's sustainability work is guided by Code of Conduct and Corporate Responsibility Policy 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
- Corporate Responsibility Policy
- 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
- Corporate Responsibility Policy
- 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
- Corporate Responsibility Policy
- 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 carefully chosen to meet the industry standards and to support Delete's strategy.

Responsible business and sustainable supply chain

Compliance of Code of Conduct is the number of reported violation cases of Code of Conduct in a given year.

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 Guru.

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's employees.

Responsibility for the environment

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

CO₂ intensity is carbon dioxide emissions per net sales, calculated from total carbon dioxide emissions in tonnes / net sales in Meur.

Total energy consumption intensity is total energy consumption in MWh / net sales in Meur.

Reutilisation rate is the share of reused, recycled and energy recovery waste from Delete's 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	2021	2020
Responsible business		
Reported cases (violations of Code of Conduct)	0	1
Audited suppliers	13	9
Responsibility for people		
Accident frequency LWI rolling 12 months	12.9	15.2
Absence due to sickness	5.04	4.61%
Proportion of supervisors trained (Delete's training)		50.5% (Finland)
Personnel satisfaction	2.5/3 Sweden, (n/a Finland)	7.6/10
Responsibility for the environment		
Total energy consumption	66,020MWh	65,670MWh
CO ₂ intensity	107 t CO ₂ / Meur	114t CO ₂ / Meur
Total energy consumption intensity	405 MWh / Meur	424MWh
Reutilisation rate	99.5%	99.6%
Number of staff with environmental training	296 employees (46%)	316 employees (37%)

Delete^x

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