



EUROPEAN
RENTAL
ASSOCIATION

Materiality and values chain

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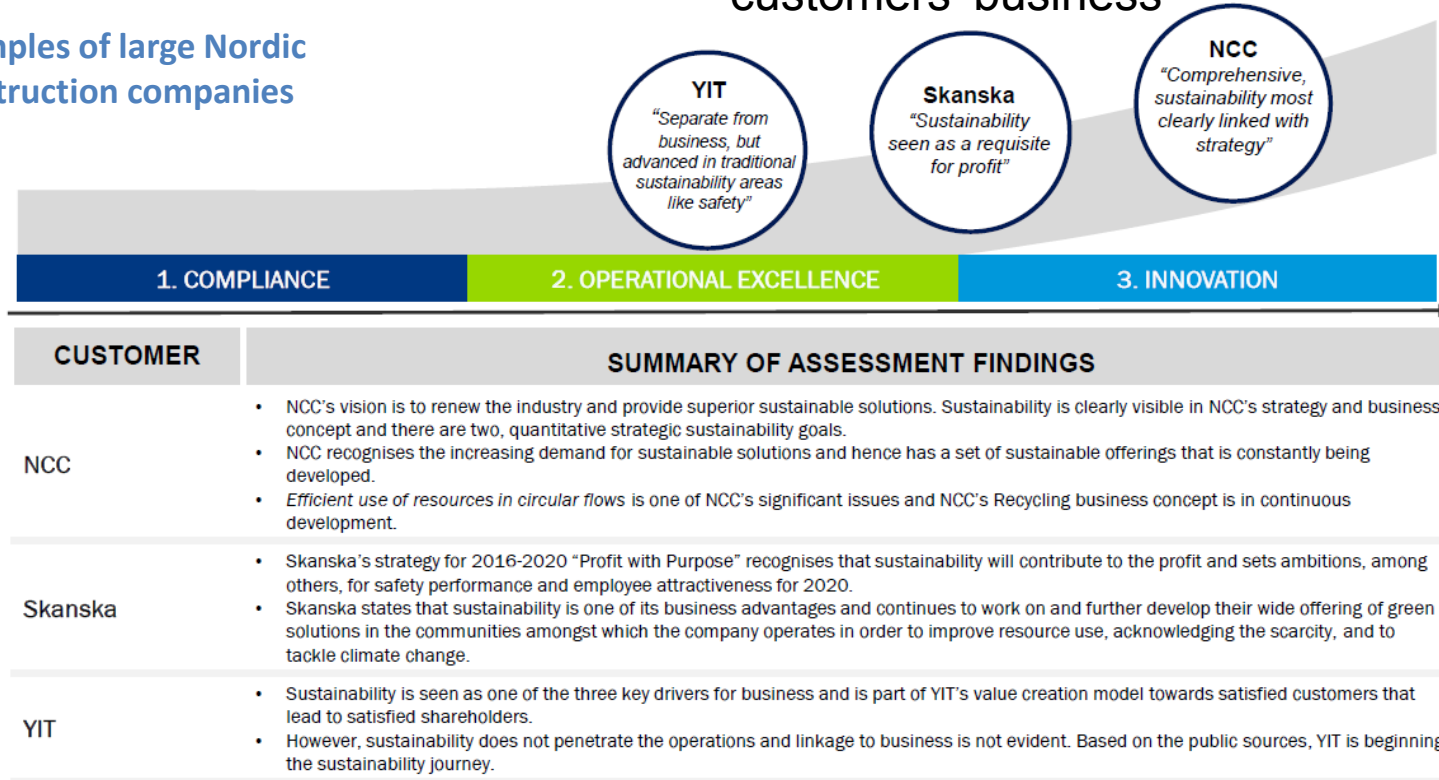
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Corporate sustainability (or corporate responsibility) stands for ‘how an organization contributes to sustainable development in and by its everyday business’.

What role does Sustainability play in customers' business

Examples of large Nordic construction companies



Source: corporate websites of YIT, NCC, Skanska

**Maturity model:
Defines what role
sustainability
plays in the company's
business strategy**



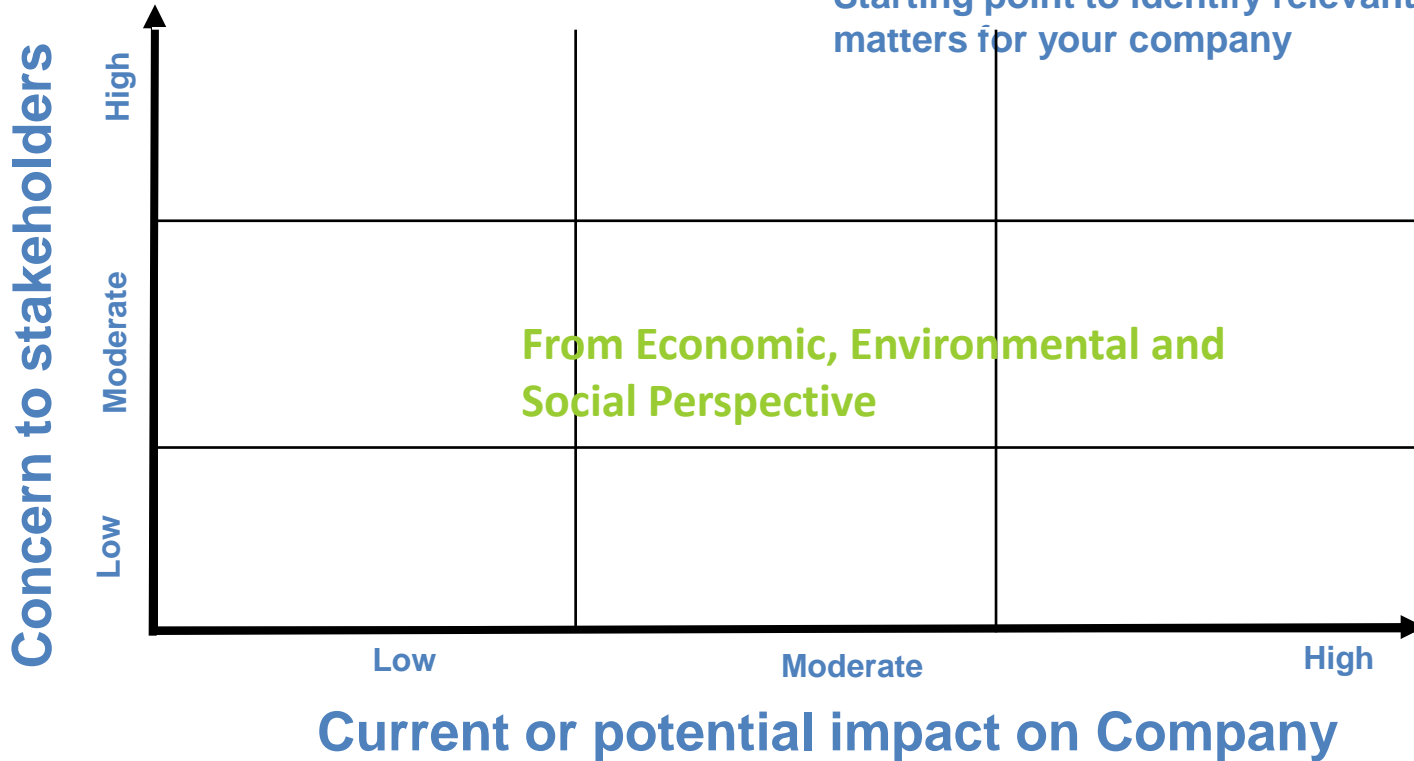
Source: Deloitte



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How to set your materiality matrix?

Starting point to identify relevant sustainability matters for your company



Relate areas to importance for external stakeholders and for own company

Define target levels for the identified sustainability issues

Define in which sustainability issues you choose to be a forerunner (business critical matters) and in which you have the target to comply with minimum requirements

1. Compliance

Compliance with minimum requirements

2. Meeting expectations

Voluntary commitment to initiatives exceeding minimum requirements and expectations

3. Anticipation

Proactively identifying stakeholder expectations and developing performance to meet the expectations

4. Forerunner

Recognised as a forerunner creating expectations and showing leadership

Set measurement KPIs to follow development in the identified sustainability issues

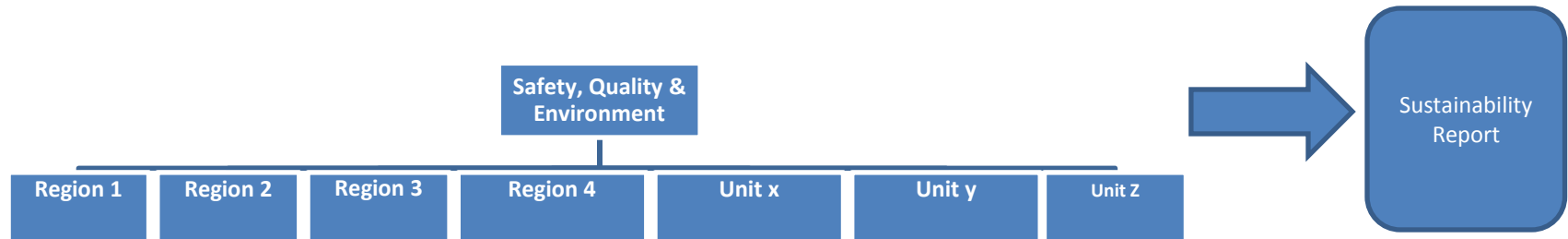
Define target levels for the chosen Key Performance Indicators

KPI Examples

KPI Environment	Units of measure	Current level 2014	Target level	Comments
% of CCs/HUBs that have washing place (of how many should have one)	%	Set baseline 2015	Set targets for 2016	▪ [Comments]
% of CCs/HUBs in washing place category 1, 2 and 3	%	Set baseline 2015	Set targets for 2016	
Overall consumption of energy (electricity)	MWh	22 179	5 % reduction	▪ [Comments]
% of CCs/HUBs using e.g. gas or oil instead of electricity	%	Set baseline 2015	?	

Name persons and part of organisation that is responsible for measuring development of identified sustainability issues

Integrate the follow-up on sustainability issues into the normal process of business reporting and follow-up



Equipment rental is the art of making equipment, that someone else produced, easily available to someone else to use. Close dialogues with all stakeholders, respecting their needs and interests is the basis for the RentalCo's positive development

	Typical focal areas
Employees	Health and Safety, working conditions, skills development, empowerment, non-discrimination, equality, diversity, employee satisfaction, professional and personal development
Direct business relations <ul style="list-style-type: none"> • Customers • Suppliers 	Work site safety, customer satisfaction, resource efficiency, business ethics (fair competition, fair distribution of value creation, anti-corruption)
Indirect business relations <ul style="list-style-type: none"> • Competitors • Owners/investors/banks • Regulatory authorities • Industry associations • Local society/media 	Business ethics (fair competitions, anti-corruption), compliance (law, regulations, contracts), transparency, social engagement
Environment	Resource efficiency, emissions, energy use, waste, circularity

Key expectations of our customers and employees



Customers



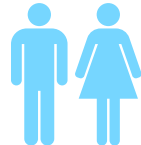
Health & safety

"0 lost-time accidents" (Lemminkäinen)



Energy efficiency & climate impact

"50% CO2 emissions reductions by 2020 compared to 2015." (NCC)



Employees



Resource efficiency (Waste)

"Min. 87 percent of waste sorted prior to leaving the construction site. Max. 8% of waste to landfill." (Peab)



Business ethics

"Zero ethical violations." (JM)



Skills development



Diversity & equality

Key expectations of our investors and standardisation bodies



Investors



Relevant issues and measurable targets, transparency

“Common ESG standards and targets for the group.” (Nordea Asset Management)



Risk assessments, including supplier performance

“Conduct risk assessment of suppliers on ESG.” (Nordea Asset Management)



Standardisation bodies



Sustainability integrated into the business strategy

Conciseness, strategic relevance and future focused (IIRC)



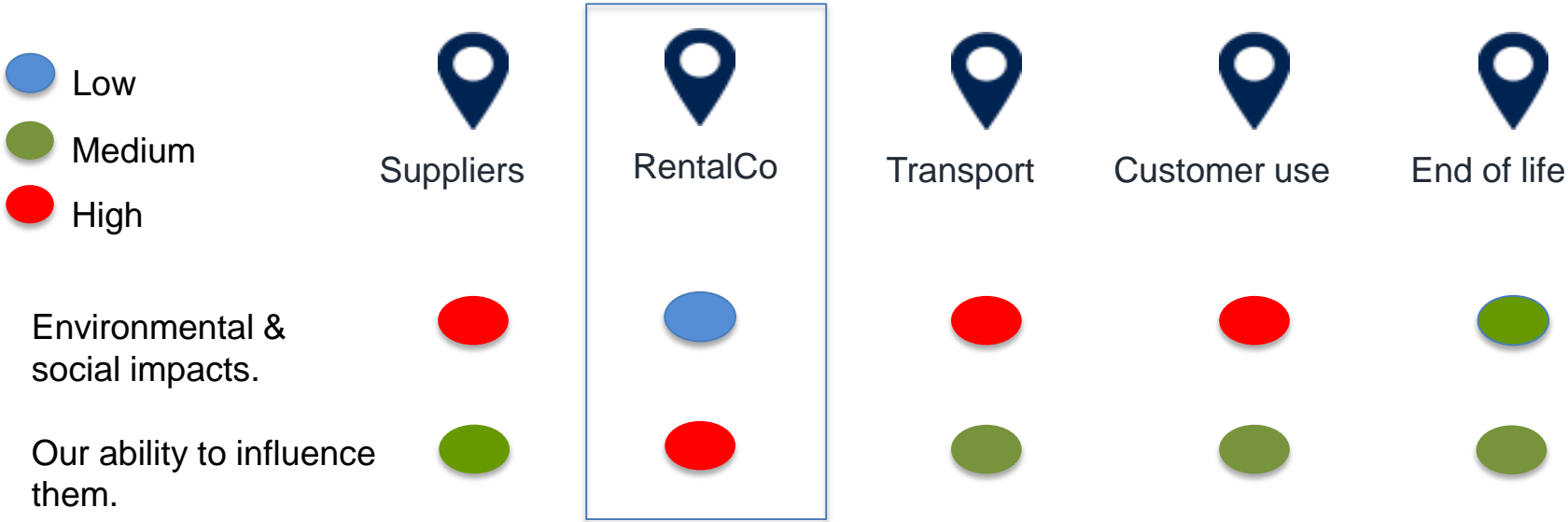
Top management commitment

Governance is an important part of the ESG approach (PRI)



Monitor performance

Understanding our impact across the value chain

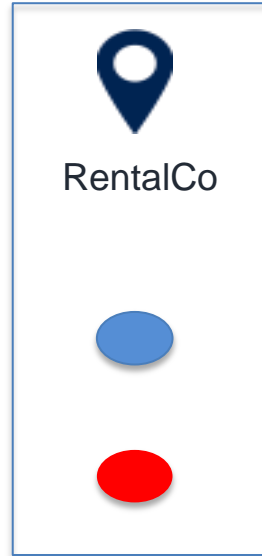


Our greatest impacts occur beyond our direct control. We have to work in partnership with suppliers, customers and other stakeholders to tackle problems and address opportunities. Including driving sustainability through our industry association (ERA).

- Low
- Medium
- High

Environmental & social impacts.

Our ability to influence them.



Understanding our impact across the value chain

RentalCo:

- HRD
- ethics training/Code of Conduct
- transparency
- energy use at depots
- fuels/emissions at depots
- chemicals handling
- waste management

Understanding our impact across the value chain

- Low
- Medium
- High



Suppliers

Environmental & social impacts.



Our ability to influence them.



Manufacturers/suppliers:

- Supplier Code of Conduct
- Supplier selection criteria
(resource efficiency, emissions, energy use, durability, re-cyclability)
- Customer feedback to suppliers
(safety/incidents, ergonomics, user friendliness)
- Comparability

Understanding our impact across the value chain



Low



Medium



High



Customer use

Environmental & social impacts.



Our ability to influence them.



Customer use:

- natural resources and capital savings by sharing
- energy saving solutions
- fuel saving accessibility/transports optimisations
- time saving site logistics services
- human capital saving safety solutions

Understanding our impact across the value chain

- Low
- Medium
- High



Transport

Transport:

- co-ordination/optimisation
- emissions requirements (engine standards)

Environmental & social impacts.



Our ability to influence them.



Understanding our impact across the value chain



Low



Medium



High



End of life

Environmental & social impacts.



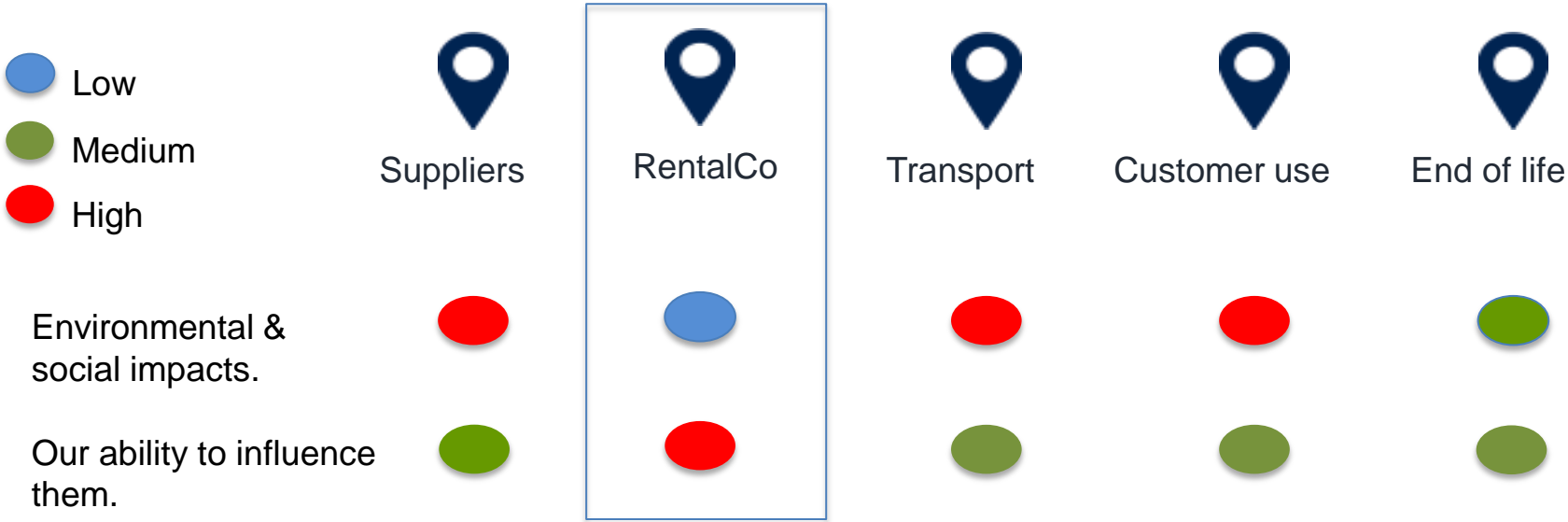
Our ability to influence them.



End of life:

- re-cyclability and re-usability
- disposal/disassembly/design
- upgrading/modernisation
- waste management

Understanding our impact across the value chain



Our greatest impacts occur beyond our direct control. We have to work in partnership with suppliers, customers and other stakeholders to tackle problems and address opportunities. Including driving sustainability through our industry association (ERA).

Thank you! ... and let's start with
the workshop 😊