

A woman in a black climbing suit and an orange helmet is climbing a vertical rock face. She is positioned on the right side of the frame, with her body angled towards the rock. The background shows a blurred forest and a body of water.

L&T'S STRATEGY – CREATING VALUE WITH CIRCULAR ECONOMY

Eero Hautaniemi,
President and CEO
Capital Markets Day 8 November 2019

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**NEW STRATEGY:
WE CREATE MORE VALUE
WITH CIRCULAR ECONOMY**



WE MAKE CIRCULAR ECONOMY A REALITY

FOR THE CUSTOMERS

We support our customers' responsibility, create excellent customer experiences and develop the best services in our industry.

FOR THE EMPLOYEES

We take care of our personnel and provide them with meaningful work and opportunities for development.

FOR SOCIETY

We combat climate change, bring forward new solutions for the circular economy and promote social responsibility through employment.

FOR THE OWNERS

We aim for rapid growth in our business operations promoting sustainable development with our unique competence in the circular economy. In addition to pursuing organic growth, we invest in the markets of the future.

WE CREATE
MORE VALUE WITH
CIRCULAR ECONOMY



HELPING CUSTOMERS REACH THEIR SUSTAINABILITY TARGETS

54.2%

The recycling rate of L&T's customers is 13 percentage points higher than the average recycling rate in Finland.



CREATING EXCELLENT CUSTOMER EXPERIENCES

L&T developed innovative caretaker services for Kojamo's Lumo rental apartments.

ACHIEVEMENTS:

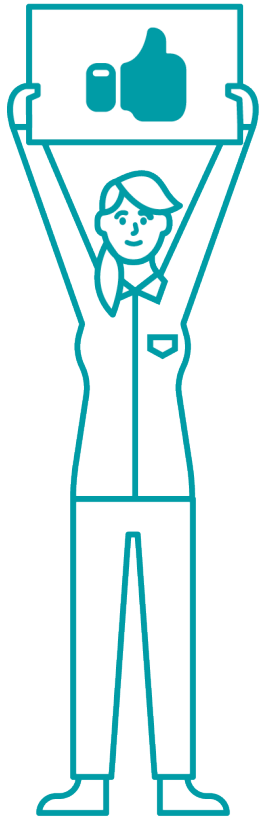


The customer satisfaction of the tenants were taken **TO A NEW LEVEL.**

-50% SHORTER processing time for maintenance requests.



VALUE FOR THE EMPLOYEES



EMPLOYEE RECOMMENDATION

72%

of our personnel in Finland are prepared to recommend L&T as an employer.

87%

of L&T's employees feel that their work is meaningful.

DIVERSITY IN FINLAND

15%

of our employees in Finland have immigrant backgrounds, with 85 different nationalities represented. The age distribution of the personnel is also very broad.

We work actively to employ immigrants, young people and people who are retraining or struggling to find employment.

INCLUSION OF THOSE WITH REDUCED ABILITIES

50 PERSONS ANNUALLY

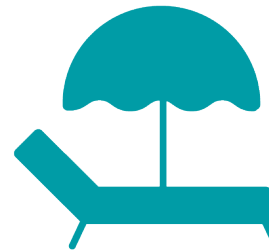
rehabilitated through L&T activities into new occupations, thus avoiding permanent incapacity for work, and at worst, exclusion from working life or social circles. L&T employs several hundred people with reduced working abilities, up to 7% of total personnel.

OUR RETIREMENT AGE

The average age of retirement among L&T employees was

63.2

years, two years higher than the Finnish national average. The average retirement age will rise to 64 years, with a long-term target of 65 years.



OUR OCCUPATIONAL SAFETY

In 2018, L&T employees reported

32,000

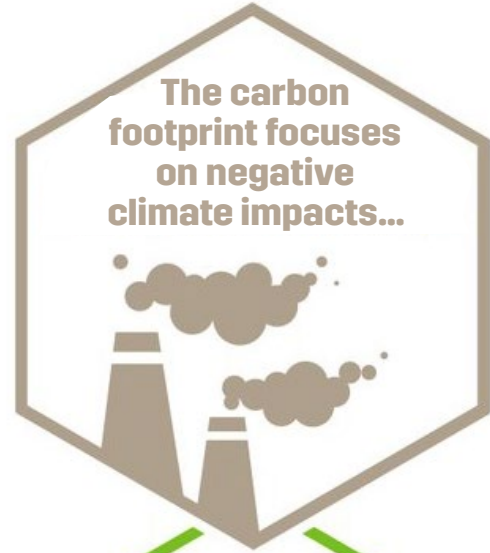
observations to improve safety. Our ultimate goal is zero accidents.



12,000 safety walk observation rounds, 10,000 occupational safety sessions and more than 800 hazard assessments.



CARBON HANDPRINT



The carbon footprint focuses on negative climate impacts...



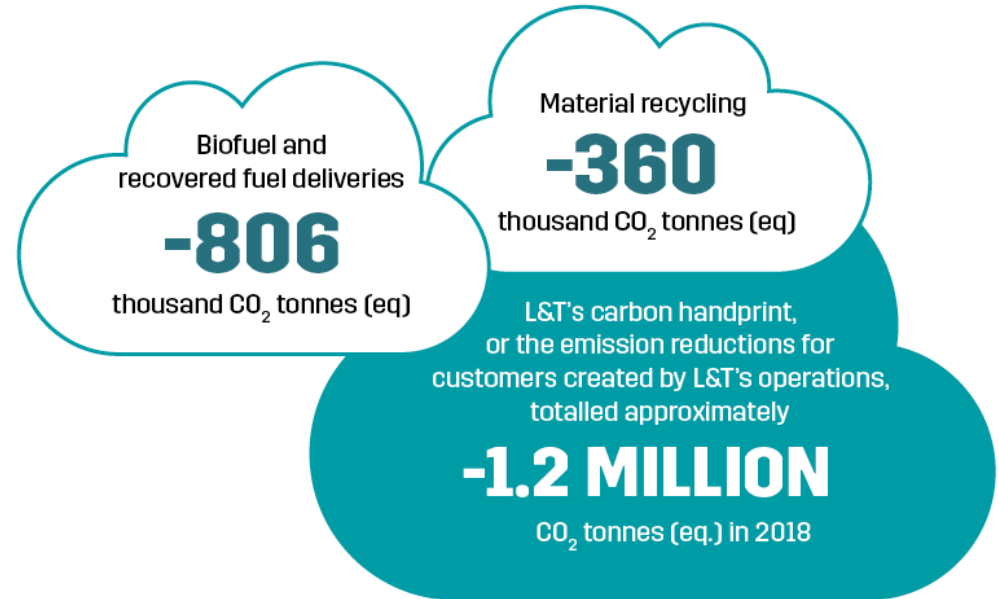
But the carbon handprint stands for GHG reductions i.e. positive climate impacts



L&T generates significant emission reductions for its' customers

= **BIG CARBON HANDPRINT**

OUR CARBON HANDPRINT



This corresponds to the annual emissions of approximately 120,000 Finns.

L&T's carbon handprint is an effective measure against climate change.





STRATEGIC DEVELOPMENT IS STEERED BY GUIDELINES MAXIMISING PORTFOLIO VALUE CREATION

PORTFOLIO GUIDELINES

- Aim to markets that outperform GDP growth, and in which
 - Top-3 market position can be obtained
 - L&T's services are not easily substituted
 - Competitive advantages can be achieved
 - There are circular economy synergies

STRATEGIC DEVELOPMENT

- Growth efforts especially focused on the Swedish market and Industrial Services
- Profitability turnaround in Facility Service Finland
- Investments in circular economy businesses
- Monitoring potential acquisitions to accelerate growth inorganically

L&T STRATEGY AIMS AT INCREASED STAKEHOLDER VALUE – L&T STRATEGIC TARGETS FOR THE PERIOD 2019–2024

TO CUSTOMERS	TO EMPLOYEES	TO SOCIETY	TO SHAREHOLDERS
Service promotion	Employee recommendation	Positive environmental impact	Profitable growth Solidity
NPS > 25	> 80%	Carbon handprint growth > Net sales growth Carbon footprint -50% by 2030 (from 2018 baseline)	Net sales growth > 5% ROI 15% Gearing < 125%

