Impact table

This abridged impact table presents the 13 sustainability topics with the greatest significance for PALFINGER. Risks are assigned to these from an external perspective (risks from the company to the topics). It also shows at which stage of the value chain their impacts occur and to which areas their impacts are allocated. Applicable guidelines, reporting standards, and topic-specific actions are also categorized accordingly. The ranking of the material topics corresponds to their long-term impacts and the overall relevance based on the materiality analysis conducted in 2017. A complete impact table including all 38 topics can be found in the sustainability disclosures in the annex to this report.

	Responsible employer Eco-eff	ciency in	producti	on	Sustainable products 🛞 Fair business	
		Impa	ict on v chain	alue		
Ranking	Relevant topics	Supply chain	Within the company	Product use	External perspective on risk	Actions
1	Product safety PALFINGER products shall be distinguished by utmost safety. The prevention of accidents during their use shall go beyond statutory requirements.		*	🌾 🐧	Failure to meet statutory requirements with regard to safety could present a risk to employees involved in the production process and to persons using the product in their everyday work. It could also result in environ- mental damage.	 Product data tracking for safety
2	Product research and development PALFINGER aims to invest more heavily in product research and development and offer the latest technologies.	۲	Ø \$	Q	If PALFINGER fails to keep pace with the latest devel- opments, outdated technologies may remain on the market and in the supply chain and result in loss of effi- ciency and profitability at the customer. The oppor- tunity to achieve technological leaps that could also contribute to solving urgent global problems would be missed. Sustainable consumer behavior cannot be achieved.	 Product development R&D process Training of R&D employees
3	Innovation in production PALFINGER aims to promote sustainable innovations and technologies in the production process in order to increase efficiency ("more output with less input").	6	<u>با</u>		Developments in the production process always go hand in hand with product developments. If these are neglected, customer requirements and global chal- lenges may not be met. Sustainable production and consumer behavior is not achieved. Inefficient, error- prone or possibly dangerous production processes can result in long-term damage if not improved.	Production R&D process
4	Viability of the business model PALFINGER must ensure the long-term viability of its business model and actively pursue trends (e.g. urbanization, rental instead of purchase, circular economy, etc.). PALFINGER aims to make a contribution to society.	۲	*	۲	If business models are not designed to be viable, nec- essary improvements such as those that could meet global challenges or reduce environmental harm are not made. Through their dependencies, suppliers and partners could also be negatively impacted in terms of their operations. It would be difficult to guarantee job security and additional social benefits.	GLOBAL PALFINGER ORGANIZATION Business model innovation (TCO)
5	Occupational health and safety must protect its employees against accidents and proactively promote occupational health and safety as well as preventive health care and social security provision. A good work-life balance should be achieved, since it contributes to the employees' well-being.	۲	*		If PALFINGER does not respect the health and safety of its employees, negative consequences could also result for external third parties. A lack of global health and safety standards could result in lengthy employee illnesses/injuries that institutions cannot proactively prevent. This ultimately leads to higher costs for health insurance companies and the insured. In a pandemic, employees are in danger of falling ill and may spread the infection both within the company and outside it unless effective action is taken at the workplace. A lack of initiatives to encourage a healthy life balance could cause employees to lose their sense of security in the workplace, which could lead to a reluctance to make long-term investments (construction of homes) or start a family, which would negatively impact the economy and demographic trends.	 Restructuring the GPO: Health protection, HSE and PALfit Concept for health, safety, environment, and quality Expansion of PALfit Global health initiative Occupational health specialist COVID-19 Group policy and Task Force HSE action plan

		Impa	act on v chain	alue		
Ranking	Relevant topics	Supply chain	Within the company	Product use	External perspective on risk	Actions
6	Product life cycle Hallmarks of PALFINGER products should be their lower weight, lower energy consumption and reduced need for operating supplies over the entire product life cycle. The product design must be high-quality, reliable, durable, and low-maintenance.	H	Ø	Ø	Failure to consider a product's entire life cycle could lead customers to make bad purchase decisions if they only take the initial product cost into consideration and disregard the use of consumables and supplies. These aspects could also be disregarded during the development phase in consequence. This could lead to a negative impact on the environment. Responsible patterns of production and consumption will not be achieved.	Best Invest Business model innovation (TCO)
7	Employee development PALFINGER should promote the training and further education of its employees and prepare them in good time for changes in their working environment (e.g. Industry 4.0, expert development).		Å		will make it difficult for them to stay in employment in the future (structural unemployment, age-related unemployment); the risk of injury could increase, particularly in production, and lower motivation could result in illness and substandard work. This can lead to	 Learning strategy & learning platform Leadership framework and program PALFINGER Campus Apprentice scheme in China
8	Energy efficiency and climate protection PALFINGER must strive to continuously optimize energy consumption and intra- company transport (e.g. on-demand logistics, e-drive, induction loops) and to reduce costs and emissions, this making an active contribution to climate protection. PALFINGER must aim for the highest building efficiency possible under regional conditions.	۲	Ŀ		protection, efficiency and the use of renewable energy technologies may decline, slowing the process of transformation in that direction. Failure to meet climate goals may lead to considerable government intervention and high taxes. CO ₂ emissions will also rise and the 1.5-degree target will not be achieved, which would have negative implications for the ecosystem and the economy. This negative impact will be multiplied if PALFINGER does not impose environmental requirements on its supply chain.	 Climate protection strategy Renewable energy Photovoltaic systems Exchange of information on environmental topics Energy efficiency tutorial Sustainable mobility Merchandise fan shop
9	Raw material requirements and efficiency In production, PALFINGER aims to use raw materials such as steel, aluminum, and glass fiber efficiently.	¢	6	2	Inefficient use of raw materials could increase waste volumes and lead to raw material shortages and higher product prices. This could lead to use of raw materials or substitutes whose extraction, production, or use is less socially or environmentally compatible, causes political crises as a result of relocation to resource-rich countries, or favors corruption and the emergence of black markets.	Steel supplier assessment
10	Attractive employment PALFINGER aims to be known as an attractive employer, to maintain a high employee retention rate and to create development opportunities (horizontally and vertically) within the company.		ŵ		opportunities provide for decent work conditions and economic growth. A lack of these can negatively impact purchasing power, result in fluctuations on the labor market, and increase emigration to more attractive countries. Corruption and discrimination may increase if values and principles are not adhered	 Establish an employer branding strategy HR system Job architecture Global pay raise process Talent and performance management
11	Corporate culture and values PALFINGER employees, in particular executives, should set an example when it comes to embracing PALFINGER's corporate culture, and act in accordance with its values of entrepreneurship, respect, and learning. This is intended, among other things, to lead to intercultural understanding, a higher level of recognition, appreciation, and an active exchange of knowledge.		Å		Values serve as an important moral compass for actions. A lack of culture and values – and the associated lack of role models – could lead to an increase in corruption and discrimination. Inequality could increase and the motivation to participate in the labor market could decrease. This could also negatively impact purchasing power and economic growth. Furthermore, moral decline endangers fundamental institutional principles and the quality of life within the employee community.	• Cultural analysis

Impact on value chain			alue		
Relevant topics	Supply chain	Within the company	Product use	External perspective on risk	Actions
12 Compliance with legal and ethical standards PALFINGER must act in an ethically correct manner. Laws are obeyed, taxes are paid properly, and action is taken to prevent corruption.	۲	. ≜ ⊗	۲	Long-term business relationships based on the principle of a partnership with customers, suppliers, and employees could suffer as a result of misconduct, which could also lead to a loss of contractual and legal security. Breaches of fair taxation, anti-corruption, anti-trust laws, etc. may lead to more international legislation and guidelines that restrict the ability to act. There could be an increase in global tax havens and incidents of corruption. Actions with a distorting effect on competition could result in an imbalance of power and thus in significant limitations for the end customer in particular.	 Compliance training Compliance risk assessment Human rights assessment Code of Conduct update Integration of sustainability topics in risk analysis
13 Industry 4.0 and digitalization PALFINGER must focus increasingly on the digitalization and connectivity of machinery; this also extends to its suppliers (open sourcing). Responsible handling of data, in particular rigorous data protection, must be guaranteed.	ŭ.	₩ ♦	2	If PALFINGER fails to prioritize digitalization, innovation, and data protection it will be difficult to meet the global challenges in many of PALFINGER's customer segments, limiting the advancement of innovative solutions. Working with partners to develop innovations could also be negatively impacted, and corruption topics (particularly with regard to data protection) could increase throughout the entire value chain as a result.	Digital transformation officer

@ GRI 102-47, 103-1

NaDiVeG

 $\ensuremath{\textcircled{}}$ Detailed GRI and sustainability disclosures, Impact table, p. 200

IMPACT TABLE

Responsible employer

Eco-efficiency in production

		Impa	act on v chain	alue			
Ranking	Relevant topics	Supply chain	Within the company	Product use	Coverage of guidelines GRI indicators NaDiVeG, SDG, UNGC	Intensity of reporting	Actions
1	Product safety PALFINGER products shall be distinguished by utmost safety. The prevention of accidents during their use shall go beyond statutory requirements.		•	Ø \$	• GRI: 416-1, 416-2	Quantitative presentation of product accidents and description of safety innovations for products	 Product data tracking for safety
2	Product research and development PALFINGER aims to invest more heavily in product research and development and offer the latest technologies.	۲	0	ø	 No GRI disclosures available NaDiVeG SDG: 9.1, 9.5, 12.2, 12.5, 13.3 	Quantitative presentation of investments in research and development	 Product development R&D process Training of R&D employees
3	Innovation in production PALFINGER aims to promote sustainable innovations and technologies in the production process in order to increase efficiency ("more output with less input").	6	∲ Ƙ∙		 No GRI disclosures available NaDIVeG SDG: 9.1, 9.4, 9.5, 13.2, 13.3 	Quantitative presentation of investments in research and development	Production R&D process
4	Viability of the business model PALFINGER must ensure the long-term viability of its business model and actively pursue trends (e.g. urbanization, rental instead of purchase, circular economy, etc.). PALFINGER aims to make a contribution to society.		•		• GRI: 201-1, 201-2 • SDG: 8.2, 8.3, 9.3, 9.4	Quantitative presentation of monetary flows to stakeholders, management systems as well as presentation in the context of the Management Report, risk management, economic performance, organizational profile	GLOBAL PALFINGER ORGANIZATION Business model innovation (TCO)
5	Occupational health and safety PALFINGER must protect its employees against accidents and proactively promote occupational health and safety as well as preventive health care and social security provision. A good work- life balance should be achieved, since it contributes to the employees' well-being.	۲			• GRI: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9 • NaDiVeG • SDG: 3.8	Quantitative presentation of accidents, fatalities, staff absences in the company's own production operations, absentee rate, and management systems, as well as description of initiatives	Restructuring the GPO: Health protection, HSE and PALfit Concept for health, safety, environment and quality Expansion of PALfit Global health initiative Occupational health specialist COVID-19 Group policy and Task Force HSE action plan
6	Product life cycle PALFINGER products shall be characterized by their reduced weight and their lower need for energy and operating supplies over the entire product life cycle. The product design must be high- quality, reliable, durable, and low- maintenance.	ú	0	ø	• GRI: 301-1, 302-1, 302-3, 305-1, 305-2, 305-3 • NaDiVeG • SDG: 12.5, 12.8 • UNGC: 7-9	Quantitative description of warranty costs and scrap as well as qualitative description of product innovations for quality enhancements as well as of safe and efficient products	Best Invest Business model innovation (TCO)
7	Employee development PALFINGER should promote the training and further education of its employees and prepare them in good time for changes in their working environment (e.g. Industry 4.0, expert development).		Ŵ		• GRI: 404-1 • NaDiVeG • SDG: 4.3, 4.4, 4.5, 8.6	Quantitative presentation of hours spent on training and further education, appraisal interviews as well as qualitative description of development programs	 Learning strategy & learning platform Leadership framework and program PALFINGER Campus Apprentice scheme in China

Sustainable products

Fair business

		Impact on value chain		alue			
Ranking	Relevant topics	Supply chain	Within the company	Product use	Coverage of guidelines GRI indicators NaDiVeG, SDG, UNGC	Intensity of reporting	Actions
8	Energy efficiency and climate protection PALFINGER must strive to continuously optimize energy consumption and intra-company transport (e.g. on-demand logistics, e-drive, induction loops) and to reduce costs and emissions, this making an active contribution to climate protection. PALFINGER must aim for the highest building efficiency possible under regional conditions.	۲	R.		• GRI: 302-1, 302-3, 305-1, 305-2, 305-3 • NaDiVeG • SDG: 13.2, 13.3 • UNGC: 7-9	Quantitative indicators and management systems, as well as qualitative description of energy efficiency and climate protection	 Climate protection strategy Renewable energy Photovoltaic systems Exchange of information on environmental topics Energy efficiency tutorial Sustainable mobility Merchandise fan shop
9	Raw material requirements and efficiency In production, PALFINGER aims to use raw materials such as steel, aluminum, and glass fiber efficiently.	6	♦	Ø	• GRI: 301-1 • NaDiVeG • SDG: 12.5, 12.6 • UNGC: 7-9	Quantitative presentation of raw material requirements, waste cuttings rate and hazardous waste as well as qualitative description of raw material requirements and efficiency	Steel supplier assessment
10	Attractive employment PALFINGER aims to be known as an attractive employer, to maintain a high employee retention rate and to create development opportunities (horizontally and vertically) within the company.		ŵ		• GRI: 102-8, 401-1, 405-1 • NaDiVeG • SDG: 4.3, 4.4, 5.1, 8.3, 8.5 • UNGC: 3-6	Quantitative presentation of employee development, fluctuation and diversity, as well as qualitative description of the attractive employer	 Establish an employer branding strategy HR system Job architecture Global salary & wage increase process Talent and performance management
11	Corporate culture and values PALFINGER employees, in particular executives, shall set an example when it comes to embracing PALFINGER's corporate culture, and act in accordance with its values of entrepreneurship, respect, and learning. This is intended, among other things, to lead to intercultural understanding, a higher level of recognition, appreciation, and an active exchange of knowledge.		ŵ		• GRI: 102-16, 102-17 • NaDiVeG • SDG: 8.3 • UNGC: 10	Quantitative presentation of employee survey as well as qualitative description of corporate culture and values	Cultural analysis
12	Compliance with legal and ethical standards PALFINGER must act in an ethically correct manner. Laws are obeyed, taxes are paid properly, and actions are taken to prevent corruption.	۲	*	0	• GRI: 102-16, 102-17, 205-1, 205-3, 206-1, 207-1, 207-2, 307-1, 417-2, 417-3, 419-1 • NaDiVeG • SDG: 5.1, 8.7, 8.8, 10.2, 10.3, 16.2, 16.3, 16.5 • UNGC: 10	Presentation of violations, if any, and description of initiatives regarding corporate ethics and corruption prevention	 Compliance training Compliance risk assessment Human rights assessment Code of Conduct update Integration of sustainability issues into risk assessment
13	Industry 4.0 and digitalization PALFINGER must focus increasingly on the digitalization and connectivity of machinery; this also extends to its suppliers (open sourcing). Responsible handling of data, in particular utmost data protection, must be guaranteed.	\$ H	й 0 0	2	 No GRI disclosures available NaDiVeG SDG: 9.4 	Qualitative description of digitalization and industry 4.0	Digital transformation officer

		Impa	act on v chain	alue			
Ranking	Further topics	Supply chain	Within the company	Product use	Coverage of guidelines GRI indicators NaDiVeG, SDG, UNGC	Intensity of reporting	Actions
14	Alternative power systems PALFINGER should offer alternative drive systems (e.g. electric, hybrid).		Ø	ø	 No GRI disclosures available SDG: 13.2 	Qualitative description of product innovation	
15	Effluents and wastes At PALFINGER sites hazardous waste and substances should be avoided, safely stored and disposed of in an environmentally sound manner or, if applicable, be reused.	H	₽		No GRI disclosure reported SDG: 12.4, 12.5	Presentation of waste cuttings rate and development of hazardous waste, description of the state of the art of electroplating and paint shops, description of product innovations	
16	Working conditions PALFINGER shall establish uniform minimum standards in order to guarantee globally applicable working conditions for its employees. This is designed to create safe and healthy jobs.		* ©		• GRI: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 412-1 • NaDiveG • SDG: 3.8, 8.5, 10.2, 10.3, 10.4 • UNGC: 1-6	Quantitative presentation of occupational health and safety, human rights topics as well as a qualitative description of working conditions	
17	Eco-efficient products In order to avoid possible risks to the people and the environment, PALFINGER products should prevent noise and emissions during operation and be free from hazardous substances (e.g. chromium VI). Furthermore, product variants with biodegradable hydraulic oil should be offered.	Ĩ.	0	Ø 8	• GRI: 305-1, 305-2, 305-3 • NaDiVeG • SDG: 12.2, 12.4, 12.5, 13.2, 13.3 • UNGC: 7-9	Quantitative indicators and qualitative description of emissions, product innovations for quality enhancement, state of the art galvanizing lines and coating lines as well as publication of scrap rate and development of hazardous waste	 Definition of environmentally friendly products within the framework of the PDP process CO₂ emissions from product use PALFINGER lubricants
18	Overall performance PALFINGER is to increasingly become a full-service provider for one-stop solutions.		۲	۲	No GRI disclosures available	Qualitative description of the overall performance of PALFINGER	PALdrive platform
19	Fair remuneration PALFINGER should offer fair remuneration regardless of age, gender, origin and other diversity factors, as well as ensure local minimum wages.		. 		 No GRI disclosure reported NaDiVeG SDG: 5.1, 10.4 	Qualitative description of wage level	Global salary & wage increase process
20	Employee motivation PALFINGER should provide an environment, which motivates its employees further. Innovative incentive systems, especially for agile teams, shall support this.		<u>.</u>		 No GRI disclosures available 	Qualitative description of employee motivation	
21	Regional responsibility PALFINGER sites shall become actively involved at a regional level and must invest in public welfare (e.g. donations, sponsoring, development programs). Good relations must be maintained with local residents.		≜ ⊗		• GRI: 203-2 • NaDiVeG	Qualitative description of regional responsibility	

		Impact on value chain		alue			
Ranking	Further topics	Supply chain	Within the company	Product use	Coverage of guidelines GRI indicators NaDiVeG, SDG, UNGC	Intensity of reporting	Actions
22	Diversity and equal opportunities PALFINGER should promote diversity and offer equal opportunities to all employees - regardless of age, gender, origin and other diversity factors. Discrimination must be actively prevented.	۲	•		• GRI: 405-1, 406-1 • NaDiVeG • SDG: 5.1, 5.5, 10.2, 10.3 • UNGC: 3-6	Quantitative presentation of women quota, generations and discrimination cases, as well as qualitative description of diversity strategy, employees with disabilities and of the initiatives	 Diversity scheme Objectivity in the recruitment phase Talent and performance management
23	Correct corporate governance The company should be governed properly and guarantee the independence of the Supervisory Board, involvement of shareholders, and transparent remuneration of top management. The importance of acting in accordance with defined corporate values must be emphasized.		۶		• GRI: 102-18, 102-19, 102-20, 102-21, 102-22, 102-24, 102-32, 415-1 • NaDiVeG • SDG: 10.3 • UNGC: 10	Presentation of compliance management and violations, if any	
24	Sustainability in the supply chain: Suppliers PALFINGER shall take an interest in whether suppliers pay attention to environmental protection and to their social responsibility. Suppliers that show commitment in these areas must receive advantages from PALFINGER.	6 E.	R1		 GRI: 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2 NaDIVeG SDG: 8.3, 8.7, 8.8, 12.6, 13.2, 13.3 UNGC: 1-10 	Quantitative description of supplier assessments and their results	Steel supplier assessment
25	Product recyclability Already in the development phase, PALFINGER products should be designed in a way that they can be easily disabled (decommissioning) and recycled at the end of the life cycle.	Ĩ.	ũ r	0	 No GRI disclosures available SDG: 12.5 	Presentation of waste cuttings rate and development of hazardous waste, description of the state of the art of electroplating and paint shops, description of product innovations	
26	Communication with employees All employees shall be informed about major corporate developments in a timely manner. Communication with and among employees shall take place at an elevated international level and be characterized by the common corporate values.		Å		• GRI: 402-1 • SDG: 10.2, 10.3	Qualitative description of communication with employees	 New intranet Internal communication concept
27	Modern workplaces PALFINGER aims to create structures, processes, and environments that ensure flexible, agile, and mobile workplaces. These should take into account the interests of present and future employees (working time models, working from home, parental leave, expatriation rules, etc.).		Å		 No GRI disclosures available SDG: 51, 5.4, 5.5, 8.3, 10.4 	Qualitative description of modern workplaces	
28	Sustainability in the supply chain: Dealerships PALFINGER shall take an interest in whether dealerships pay attention to environmental protection and to their social responsibility. Dealers that show commitment in these areas must receive advantages from PALFINGER.			Ø \$	• GRI: 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2 • NaDiVeG • UNGC: 1-10	Qualitative presentation of dealership relations	

		Impa	act on v chain	alue			
Ranking	Further topics	Supply chain	Within the company	Product use	Coverage of guidelines GRI indicators NaDiVeG, SDG, UNGC	Intensity of reporting	Actions
29	Environmentally friendly transport The transport of raw materials, components and PALFINGER products should be kept short and eco-friendly.	Ĩ.	Ħ	Ø	• GRI: 305-1, 305-2, 305-3 • NaDiVeG • UNGC: 7-9	Qualitative description of transport	• CO ₂ emissions due to transport
30	Solutions for developing and emerging countries PALFINGER products should also be affordable in less developed countries in order to make physical labor easier.		Ø	Ø 0	 No GRI disclosures available SDG: 1.4, 8.2 	Qualitative description of lifting solutions for developing and emerging countries	
31	Efficiency of water consumption The water consumption in PALFINGER production should be constantly reduced.		L		No GRI disclosure reported NaDiVeG SDG: 6.3	Qualitative description of the efficient waste use	
32	Product information and fair marketing Users shall be provided with product information and training in order to ensure safety and environmental protection when using PALFINGER products. Promotion of the products must be honest and transparent.			Ø 💝	• GRI: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-9, 102-10, 102-11, 102-12, 102-13, 417-2, 417-3 • NaDiVeG • UNGC: 3-9	Qualitative description of product information and marketing	Customers in system
33	Products for ecological/social use PALFINGER should increasingly strive for product innovations for the use in environmental and social fields. This has already been achieved in the case of cranes for wind energy plants, access systems for people with disabilities or Davit Systems (rescue boats).		0	Ø 0	No GRI disclosures available	Qualitative description of product innovation	
34	Regional procurement and production PALFINGER should procure regionally and produce in the region, where the products are placed into the market.	1 0	¢	0	No GRI disclosure reported	Qualitative description of regional procurement and production	
35	Freedom of association PALFINGER should uphold freedom of association and guarantee freedom of expression.	۲	i		• GRI: 102-41, 407-1 • NaDiVeG • UNGC: 1-6	Qualitative description of freedom of association	
36	Stakeholder involvement PALFINGER should openly inform customers, suppliers, employees as well as all other cooperation partners and involve them in the development of the company.	۲	* *	0	• GRI: 102-40, 102-41, 102-42, 102-43, 102-44 • NaDiVeG • UNGC: 3-6	Quantative presentation for the purposes of stakeholder management	Targeted stakeholder communication
37	Biodiversity PALFINGER should preserve nature conservation, especially biodiversity, at its sites.		L		No GRI disclosure reported NaDiVeG SDG: 14.1, 15.5	Qualitative description of biodiversity protection	
	Second hand market In the future, PALFINGER should collaborate with its dealers to promote the second-hand market of products, thus promoting the control and a possible upgrade of used products. GRI 102-47, 103-1		ø	Ø *	No GRI disclosures available	Qualitative description of second-hand market of PALFINGER	

@ GRI 102-47, 103-1

🖹 Group management report, Sustainability management, p. 43; Group management report, Impact table, p. 49