

Palfinger AG

Corporate ESG Performance
Prime
 RATED BY
ISS ESG

Company Information

Country
Austria

ISIN
AT0000758305

Industry
Heavy Trucks & Construction & Farm Machinery

Key Results

Rating
B-

Decile Rank
1

Transparency Level
Very High

Status
Prime

Performance score
60.80

Prime Threshold
C+

Absolute Rating

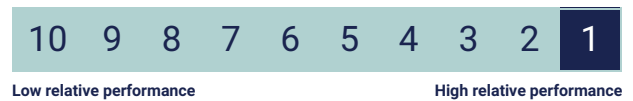


The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively

Transparency Level



Decile Rank

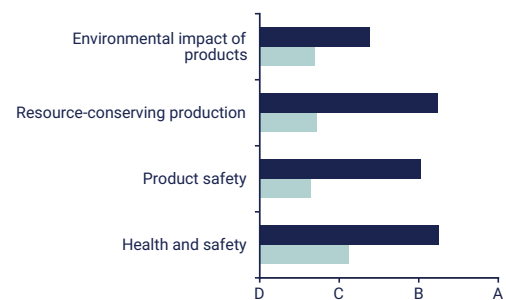


Industry Leaders

Company name (in alphabetical order)	Country	Grade
Alstom SA	FR	B-
KION GROUP AG	DE	B-
Palfinger AG	AT	B-

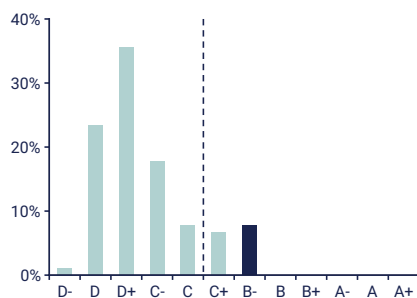
Legend: ■ Industry ■ Company --- Prime

Key Issue Performance

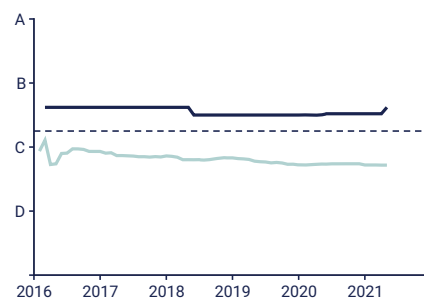


Distribution of Ratings

90 companies in the industry



Rating History



Palfinger AG

Analyst Opinion

Sustainability Opportunities

Palfinger produces lifting equipment, including loader cranes, timber and recycling cranes, access platforms, cranes for rail and bridge inspection and truck mounted forklifts. Moreover, the company offers marine cranes, boats, material handling equipment and services. By and large, Palfinger's products neither contribute to nor hinder solving global sustainability challenges. The company is committed to optimizing the energy efficiency of its products and provides information on improvements on a model-by-model basis for single products. Strategic targets in this regard are not evident.

Sustainability Risks

Palfinger addresses social risks such as occupational health and safety and assumes responsibility for its products. The company has implemented a comprehensive health and safety management system that is partly certified according to an international standard. Moreover, the company's work-related accident rate has decreased in recent years. With regard to product safety, Palfinger has implemented a strategic approach, conducting comprehensive safety tests and assessments for all relevant products. Additionally, the company is committed to reducing noise emissions. Furthermore, customers are provided safety data sheets as well as training, and the company monitors the safety performance of products during their use phase. Accidents with Palfinger's products are thereby analyzed and used for internal product safety improvements.

In its efforts to mitigate risks, Palfinger considers also environmental issues, especially related to its production processes. The company has implemented environmental and energy management systems and was able to decrease the greenhouse gas emission and energy intensity of its production processes in recent years. The company integrates life cycle assessments in its design and development process to a limited extent, to improve the environmental features of its products. The company further addresses material efficiency in its management strategies and integrates aspects such as recyclability or reparability in product design.

Governance Opinion

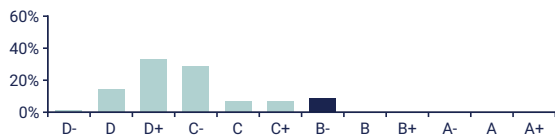
Regarding Palfinger's governance structure, the independence of Palfinger's chairman is limited, as he belongs to the Palfinger family, the company's largest and controlling shareholder. Moreover, none of the board members is considered independent, and therefore, the company's audit, remuneration and nomination committees' members are also not independent (as at March 22, 2021). Palfinger discloses its remuneration policy for members of the executive management team on an individual basis, including long-term components that could incentivize sustainable value creation.

There is no evidence of a board committee in charge of sustainability issues. Whether relevant sustainability performance objectives are integrated into the variable remuneration of the executive management team remains unclear. With regard to business ethics, Palfinger has implemented a group-wide code of conduct that covers relevant aspects such as corruption, fair competition practices, insider dealings as well as conflicts of interest in varying degrees of detail. Reasonable measures to ensure compliance are in place, e.g. the publication of the code in local languages, training, risk assessment and audit, as well as anonymous and confidential reporting channels.

Palfinger AG

A. Social and Governance Rating

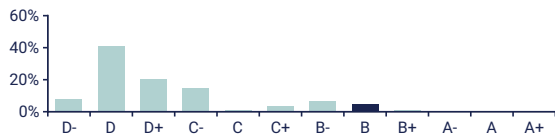
Weight: 40% Rating: B- Transparency Level : Very High



A.1. Staff and Suppliers

Weight: 16% Rating: B Transparency Level : Very High

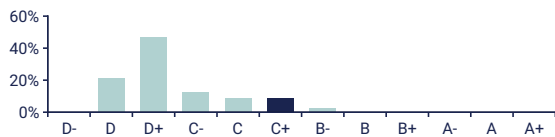
- staff
- freedom of association
- equal opportunities
- health and safety
- work-life balance
- pay and benefits*
- employment security
- training and education
- suppliers



A.2. Society and Product Responsibility

Weight: 16% Rating: C+ Transparency Level : Very High

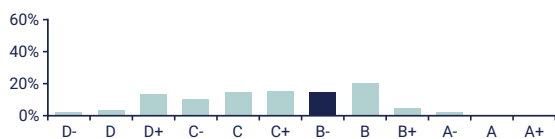
- society
- human rights
- community
- gov.relations/influence on publ.pol.
- stakeholder dialogue
- customer and product responsibility
- social impact of prod. and services
- social aspects along the value chain



A.3. Corporate Governance and Business Ethics

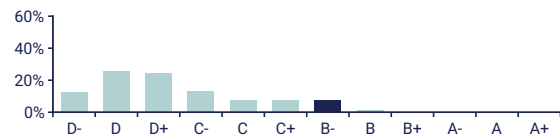
Weight: 8% Rating: B- Transparency Level : Very High

- corporate governance
- board independence
- shareholder democracy
- executive compensation
- business ethics



B. Environmental Rating

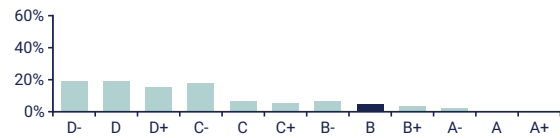
Weight: 60% Rating: B- Transparency Level : Very High



B.1. Environmental Management

Weight: 18% Rating: B Transparency Level : Very High

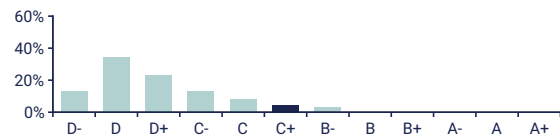
- environmental management system
- energy management system*
- climate change strategy
- water risk and impact*
- travel and transport*
- suppliers*
- green procurement*



B.2. Products and Services

Weight: 36% Rating: C+ Transparency Level : Very High

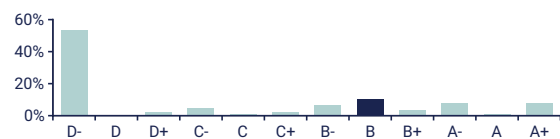
- env. impact of products and services
- env. aspects along the value chain



B.3. Eco-efficiency

Weight: 6% Rating: B Transparency Level : High

- energy efficiency
- carbon intensity
- water efficiency
- waste intensity*



*Only applicable if material for the industry.