



## GRI INDEX

**GRI G4-32:**   
 Report profile

According to the criteria of the Global Reporting Initiative (“Core”), all general standard disclosures and the specific standard disclosures for all aspects of relevance according to the materiality analysis have been described in this Report on the basis of G4 indicators. Moreover, additional indicators have also been treated. The following index contains the relevant references.

[www.palfinger.ag/en/sustainability/commitment](http://www.palfinger.ag/en/sustainability/commitment) 

References to the principles of the UN Global Compact have been listed here as well. The detailed progress report for the UN Global Compact is available on PALFINGER’s website.

### GENERAL STANDARD DISCLOSURES

General standard disclosures	Short description of information disclosed	Reference to page number in the Integrated Annual Report or to online information*
<b>Strategy and analysis</b>		
G4-1	Statement from the most senior decision-maker of the organization	Annual Report: Foreword by the CEO pp. 6–7
<b>Organizational profile</b>		
G4-3	Organizational profile: Brands, products and services	Annual Report: PALFINGER at a glance pp. 12–13
G4-4	Product overview	Annual Report: PALFINGER at a glance pp. 12–13
G4-5	Organizational profile: The organization’s headquarters	Annual Report: PALFINGER at a glance pp. 12–13
G4-6	Overview of most significant operations	Annual Report: Corporate locations of the PALFINGER Group pp. 224–225
G4-7	Nature of ownership and legal form	Annual Report: The PALFINGER shares p. 40 et seq.
G4-8	Markets	Annual Report: Industry review p. 47 et seq., Customer and dealer network pp. 52–53, Performance by segment p. 96 et seq.; Online information: Human rights aspects regarding the use of products p. 30
G4-9	Organizational profile: Scale of the organization	Annual Report: PALFINGER at a glance pp. 12–13
G4-10 & UNGC Principle 3	Employment profile	Annual Report: Human resources p. 89 et seq.; Online information: Employment trend at PALFINGER p. 16 et seq.; Omission: Only the total number of employees was broken down by gender.
G4-11 & UNGC Principle 3	Number of employees covered by collective bargaining agreements	Online information: Human rights p. 29
G4-12	Description of supply chain	Annual Report: Suppliers and purchasing pp. 54–55
G4-13	Changes in shareholder structure, changes in the supply chain, Significant organizational changes	Annual Report: The PALFINGER shares – Significant changes p. 40 et seq., Suppliers and purchasing – Procurement factors, markets and strategies p. 54 et seq., Legal changes within the PALFINGER Group p. 62 et seq.
G4-14 & UNGC Principle 7	Precautionary principle	Online information: Progress report for the UN Global Compact p. 61 et seq.
G4-15	Self-commitment to voluntary initiatives	Online information: Commitment p. 55
G4-16	Active memberships	Online information: Commitment p. 55

\* Page numbers refer to the pdf document.

**SUSTAINABILITY INDEX**

## GRI INDEX

<b>General standard disclosures</b>	<b>Short description of information disclosed</b>	<b>Reference to page number in the Integrated Annual Report or to online information*</b>
<b>Identified material aspects and boundaries</b>		
G4-17	Entities included in the consolidated financial statements	Annual Report: Companies of the PALFINGER Group IBC p. 227
G4-18	Defining the report content	Annual Report: Materiality analysis p. 204 et seq.; Online information: Materiality analysis pp. 40–41
G4-19	Material aspects: Economic performance, materials, energy, effluents and waste, products and services, supplier environmental assessment, employment, occupational health and safety, training and education, diversity and equal opportunity, supplier assessment for labour practices, human rights – investment, freedom of association and collective bargaining, supplier human rights assessment, anti-corruption, anti-competitive behaviour, compliance, customer health and safety, product and service labelling	Annual Report: Strategic priorities in 2013 – Sustainability p. 19 et seq., Materiality analysis p. 204 et seq.; Online information: Materiality analysis pp. 40–41
G4-20	Boundary within the organization for each material aspect	Annual Report: Suppliers and purchasing pp. 54–55, Sustainability report profile and boundaries pp. 207–208; Online information: Materiality analysis pp. 40–41
G4-21	Boundary outside the organization for each material aspect	Annual Report: Suppliers and purchasing pp. 54–55, Sustainability report profile and boundaries pp. 207–208; Online information: Materiality analysis pp. 40–41
G4-22	Restatements of reported information	Annual Report: How to use this Integrated Annual Report p. 4
G4-23	Changes in the scope and aspect boundaries	Online information: Materiality analysis pp. 40–41
<b>Stakeholder engagement</b>		
G4-24	List of stakeholders	Online information: Stakeholder management p. 42 et seq.
G4-25	Selection of stakeholders	Online information: Stakeholder management p. 42 et seq.
G4-26	Stakeholder engagement	Online information: Stakeholder management p. 42 et seq.
G4-27	Results of stakeholder engagement	Online information: Stakeholder management p. 42 et seq.

\* Page numbers refer to the pdf document.

General standard disclosures	Short description of information disclosed	Reference to page number in the Integrated Annual Report or to online information*
<b>Report profile</b>		
G4-28	Reporting period	Annual Report: Sustainability report profile and boundaries pp. 207–208
G4-29	Previous report	Annual Report: Sustainability report profile and boundaries pp. 207–208
G4-30	Reporting cycle	Annual Report: Sustainability report profile and boundaries pp. 207–208
G4-31	Contact to sustainability management	Annual Report: General information IBC p. 229; Online information: Contact p. 56
G4-32	GRI index	Annual Report: GRI index p. 209 et seq.
G4-33	External assurance	Annual Report: Independent assurance statement p. 216 et seq.
<b>Governance</b>		
G4-34	Governance structure and governance bodies, sustainability committees	Annual Report: Corporate governance report p. 28 et seq.; Online information: Sustainability management p. 38, Sustainability process and structure p. 39
G4-35 through G4-55	Governance structure of the organization, role and responsibility of the highest governance body, remuneration	Not mandatory in accordance with “Core”. Nevertheless, some information is reported “comprehensively” as follows: Annual Report: Corporate governance report p. 28 et seq.; Online information: Sustainability management p. 38, Sustainability process and structure p. 39
<b>Ethics and integrity</b>		
G4-56 & UNGC Principle 10	Code of Conduct	Annual Report: Fair business – Group guidelines and Code of Conduct p. 33
G4-57 & UNGC Principle 10	Internal and external mechanisms on compliance and integrity	Not mandatory in accordance with “Core”. Nevertheless, some information is reported “comprehensively” as follows: Annual Report: Fair business – Group guidelines and Code of Conduct p. 33
G4-58 & UNGC Principle 10	Reporting concerns about integrity	Annual Report: Fair business – Integrity Line p. 33

\*Page numbers refer to the pdf document.

## SPECIFIC STANDARD DISCLOSURES

List identified aspects	List specific standard disclosures related to each identified material aspect and DMA	Reference to page number in the Integrated Annual Report or to online information*	Omission and/or deviating presentation
	Information on DMA (Disclosures on Management Approach) and sustainability programme	Online information: Sustainability management p. 38, Sustainability programme 2014 p. 47 et seq.	
<b>Category: Economic</b>			
<b>Economic performance</b>	<b>G4-EC 1:</b> Direct economic value generated and distributed	Annual Report: Taxes and subsidies p. 34, Consolidated financial statements for the year ended 31 Dec 2013 p. 106 et seq.; Online information: Monetary flows to stakeholders pp. 4–5	The description is limited to the economic performance.
	<b>G4-EC 4:</b> Financial assistance received from government	Annual Report: Taxes and subsidies p. 34; Consolidated financial statements for the year ended 31 Dec 2013 p. 106 et seq.; Online information: Monetary flows to stakeholders pp. 4–5	The presentation covers subsidies, investment grants and R&D grants. Tax relief has been included in the EC 1 indicator.
<b>Indirect economic impacts</b>	<b>G4-EC 8:</b> Significant indirect economic impacts, including the extent of impact	Annual Report: Long-term Group strategy – IWI study p. 16 et seq.	
<b>Category: Environmental</b>			
<b>Materials &amp; UNGC</b> Principles 7, 8	<b>G4-EN 1:</b> Materials used by weight or volume	Annual Report: Eco-efficiency in production – efficient use of raw materials p. 85	The description is limited to the economic value.
<b>Energy &amp; UNGC</b> Principles 7, 8	<b>G4-EN 3:</b> Energy consumption within the organization	Online information: Energy consumption at PALFINGER p. 6 et seq. and DMA	
<b>Energy &amp; UNGC</b> Principles 7, 8	<b>G4-EN 4:</b> Energy consumption outside the organization	Annual Report: Eco-efficiency in production – efficient use of raw materials p. 85; Online information: Energy consumption outside the organization p. 8 et seq., Environmentally compatible products p. 35 et seq.	An estimate is presented for the most important raw materials, steel and aluminium. Due to the variety of products and their uses, it is impossible to provide information on the absolute energy consumption of the products.
<b>Energy &amp; UNGC</b> Principles 7, 8	<b>G4-EN 5:</b> Energy intensity	Annual Report: Eco-efficiency in production – Energy efficiency p. 87; Online information: Energy efficiency p. 8 et seq.	
<b>Energy &amp; UNGC</b> Principles 7, 8	<b>G4-EN 6:</b> Reduction of energy consumption	Annual Report: Eco-efficiency in production – Energy efficiency p. 87; Online information: Energy efficiency p. 8 et seq.	The reduction is described exclusively in a qualitative manner.

\* Page numbers refer to the pdf document.

List identified aspects	List specific standard disclosures related to each identified material aspect and DMA	Reference to page number in the Integrated Annual Report or to online information*	Omission and/or deviating presentation
<b>Category: Environmental</b>			
<b>Energy &amp; UNGC</b> Principles 7, 8	<b>G4-EN 7:</b> Reductions in energy requirements of products	Online information: Reductions in energy requirements of PALFINGER products p. 10, Energy consumption during product use pp. 35–36	Due to the diversity of products and their uses, the measures are described in qualitative terms.
<b>Effluents and waste &amp; UNGC</b> Principles 7, 8	<b>G4-EN 23:</b> Waste	Annual Report: Eco-efficiency in production – Efficient use of raw materials pp. 85–86; Online information: Efficient use of raw materials p. 6, Reduction of hazardous waste p. 11 et seq.	Production waste eligible for recycling is not presented in absolute figures but rather expressed as a waste cuttings rate. Due to the relevance of this information, only hazardous waste is reported on. Hazardous waste is properly collected by the disposal contractor, which also confirms the disposal process.
<b>Products and services &amp; UNGC</b> Principle 9	<b>G4-EN 27:</b> Mitigation of environmental impacts of products	Annual Report: Research, development and innovation – Safe and efficient products p. 78.; Online information: Measures to mitigate environmental impacts of products p. 14, Environmentally compatible products p. 35 et seq.	
<b>Supplier environmental assessment &amp; UNGC</b> Principles 7, 8	<b>G4-EN 32:</b> Environmental protection in the supply chain	Annual Report: Suppliers and purchasing – Sustainability among suppliers pp. 56–57 and DMA; Online Information: Ecological impacts in the supply chain p. 14	
<b>Supplier environmental assessment &amp; UNGC</b> Principles 7, 8	<b>G4-EN 33:</b> Environmental protection in the supply chain	Annual Report: Suppliers and purchasing – Sustainability among suppliers pp. 56–57; Online information: Ecological impacts in the supply chain pp. 14–15, Impacts on labour practices in the supply chain p. 28 and DMA	The focus is on a description in qualitative terms.
<b>Category: Social</b>			
<b>Employment</b>	<b>G4-LA 1:</b> Total number of employees and employee turnover	Annual Report: Human resources pp. 89–90; Online information: Total number of employees and employees turnover p. 16 et seq.	Employee turnover and retirements are presented; newly hired employees are not included due to the recent transition to GRI G4 and due to the previous change in reporting systems.

\* Page numbers refer to the pdf document.

List identified aspects	List specific standard disclosures related to each identified material aspect and DMA	Reference to page number in the Integrated Annual Report or to online information*	Omission and/or deviating presentation
<b>Category: Social</b>			
<b>Occupational health and safety</b>	<b>G4-LA 5:</b> Occupational health and safety programmes	Annual Report: Health and safety pp. 93–94; Online information: Occupational health management p. 19 et seq.	Occupational health and safety programmes of the Company are presented in general terms; a presentation in quantitative terms is not possible at the moment.
<b>Occupational health and safety</b>	<b>G4-LA 6:</b> Industrial accidents, occupational diseases and lost days	Annual Report: Health and safety pp. 93–94; Online information: Lost days, occupational safety and accident prevention pp. 21–22	Due to the recent transition to GRI G4 and the previous change in reporting systems, no presentation by gender is included.
<b>Training and education</b>	<b>G4-LA 9:</b> Hours of training per employee	Annual Report: Skilled labour pp. 91–92; Online information: Skilled labour pp. 23–24	Due to the recent transition to GRI G4 and the previous change in reporting systems, no presentations by gender and employee category are included.
<b>Training and education</b>	<b>G4-LA 10:</b> Programmes for skills management	Annual Report: Skilled labour pp. 91–92; Online information: Skilled labour pp. 23–24	Transition assistance programmes for the management of career endings resulting from retirement or termination of employment are not reported on.
<b>Training and education</b>	<b>G4-LA 11:</b> Employees receiving regular reviews	Annual Report: Attractive jobs for employees with individual responsibility pp. 90–91; Online information: Communication with employees p. 24	Due to the recent transition to GRI G4 and the previous change in reporting systems, no presentations by gender and employee category are included.
<b>Diversity and equal opportunity &amp; UNGC Principle 6</b>	<b>G4-LA 12:</b> Diversity and equal opportunity	Annual Report: Governing bodies of the Company and method of operation of the Management Board and Supervisory Board pursuant to sec. 243b para. 2 of the Business Code p. 28, Diversity pp. 94–95; Online information: Equal opportunity p. 25 et seq.	Percentages of employees in various age groups are indicated in the categories 0–30, 30–56, 56+. Due to the recent transition to GRI G4 and the previous change in reporting systems, no presentation by employee category is included.
<b>Supplier assessment for labour practices &amp; UNGC Principles 2–6</b>	<b>G4-LA 14:</b> Occupational health and safety in the supply chain	Annual Report: Suppliers and purchasing – Sustainability among suppliers pp. 56–57; Online information: Assessment of labour practices in the supply chain p. 27	
<b>Supplier assessment for labour practices &amp; UNGC Principles 2–6</b>	<b>G4-LA 15:</b> Occupational health and safety in the supply chain	Annual Report: Suppliers and purchasing – Sustainability among suppliers pp. 56–57; Online information: Assessment of labour practices in the supply chain p. 27	The focus is on a description in qualitative terms.

\* Page numbers refer to the pdf document.

List identified aspects	List specific standard disclosures related to each identified material aspect and DMA	Reference to page number in the Integrated Annual Report or to online information*	Omission and/or deviating presentation
<b>Category: Social</b>			
<b>Human rights – Investment</b> & UNGC Principle 1	<b>G4-HR 1:</b> Human rights in investment agreements	Annual Report: Long-term Group strategy p. 16; Online information: Human rights p. 30	The focus is placed on a qualitative description of the activities.
<b>Freedom of association and collective bargaining</b> & UNGC Principle 3	<b>G4-HR 4:</b> Operations where the right to exercise the freedom of assembly may be at risk	Online information: Freedom of assembly p. 29	
<b>Supplier human rights assessment</b> & UNGC Principle 2	<b>G4-HR 11:</b> Human rights in the supply chain	Annual Report: Suppliers and purchasing – Sustainability among suppliers pp. 56–57; Online information: Impacts on labour practices in the supply chain p. 31	The focus is on a description in qualitative terms.
<b>Anti-corruption</b> & UNGC Principle 10	<b>G4-SO 3:</b> Operations assessed	Annual Report: Fair business – Internal audits p. 33	The presentation includes the operations assessed.
<b>Anti-corruption</b> & UNGC Principle 10	<b>G4-SO 4:</b> Anti-corruption communication	Annual Report: Fair business – Welcome package p. 34	The presentation contains a description without any quantitative disclosures.
<b>Anti-corruption</b> & UNGC Principle 10	<b>G4-SO 5:</b> Incidents of corruption	Annual Report: Fair business – Compliance violations p. 34	
<b>Anti-competitive behaviour</b>	<b>G4-SO 7:</b> Competition law	Annual Report: Fair business – Compliance violations p. 34	
<b>Compliance</b>	<b>G4-SO 8:</b> Significant fines	Annual Report: Fair business – Compliance violations p. 34	
<b>Customer health and safety</b>	<b>G4-PR 1:</b> Products for which health and safety impacts are assessed	Online information: Safety assessment, product labelling p. 33	
<b>Customer health and safety</b>	<b>G4-PR 2:</b> Incidents of non-compliance with safety provisions	Annual Report: Safe and efficient products p. 78; Online information: Safety assessment, product labelling p. 33	Accidents during use
<b>Customer health and safety</b>	<b>G4-PR 3:</b> Product information	Online information: Safety assessment, product labelling p. 33	The presentation focuses on the aspect of safe use.
<b>Product and service labelling</b>	<b>G4-PR 5:</b> Survey measuring customer satisfaction	Annual Report: Customers and dealer network pp. 52–53	The customer survey is described in qualitative terms.

\* Page numbers refer to the pdf document.


To the Board of PALFINGER AG

# INDEPENDENT ASSURANCE REPORT

## Limited assurance over disclosures and data in the Integrated Annual Report 2013 of PALFINGER AG

### Engagement

We were requested to perform a limited assurance engagement related to disclosures and data in the “Integrated Annual Report 2013” (hereafter **“Report”**) of PALFINGER AG.

 **GRI G4-33: Report profile**

Our limited assurance covered web content available at [www.palfinger.ag](http://www.palfinger.ag). The information is available in a pdf at <https://www.palfinger.ag/-/media/Corporate/Sustainability/reports/webreport2013.pdf?as=1&la=en>. In case that the reviewed pages contain links to other pages, we point out that we did not review the content of the other pages.

Our assurance engagement is based on the GRI G4 CORE Option. The scope of our audit is documented in the GRI Index.

Our procedures have been designed to obtain a limited level of assurance on which to base our conclusions. The extent of evidence gathering procedures performed is less than for that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

The “General Conditions of Contract for the Public Accounting Professions”<sup>1)</sup>, are binding for this engagement. According to that, our liability is limited and an accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence the maximum liability towards PALFINGER AG and any third party together is EUR 726,730 in the aggregate.



### **Limitations to our Review**

- Our limited assurance engagement did not include the chapter “Consolidated financial statements”.
- We did not test data derived from external surveys, we only verified that relevant disclosures and data are correctly quoted in the Report.
- We did not perform any assurance procedures on data, which were subject of the annual financial audit. We merely checked that data was presented in accordance with the GRI Guidelines.
- Limited assurance over prospective information was not subject to our engagement.

### **Criteria**

The information included in the Report was based on the criteria applicable in the year 2013 (“**The Criteria**”), consisting of:

- GRI Sustainability Reporting Guidelines G4, CORE Option<sup>2)</sup>

We assessed the information in the Report against these criteria. We believe that these criteria are suitable for our assurance engagement.

### **Management responsibilities**

PALFINGER AG’s management is responsible for the preparation of the Report and the company website information therein in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal control. Those are relevant to the preparation of the Report to eliminate material misstatements.

### **Our responsibilities**

It is our responsibility to express a conclusion on the information included in the Report as well as the additional webbased information documented in a separate pdf on the basis of the limited assurance engagement.

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants’ ISAE3000<sup>3)</sup> and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC), which includes requirements in relation to our independence.

### **What we did to form our conclusion**

We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. The assurance engagement was conducted at the Client's headquarters in Salzburg. Our main procedures were:

- Obtained an overview over the industry as well as the characteristics and governance of the organization;
- Interviewed a selection of Group and functional senior managers and executives to understand key expectations and identify systems, process and internal controls processes to support them;
- Reviewed Group level, Board and Executive documents to assess awareness and priority to understand how progress is tracked;
- Examined risk management and governance processes related to sustainability and critical evaluation of the representation in the report;
- Performing analytical procedures at Group level;
- Performance of site visits in Salzburg to review progress and obtain evidence of performance. In addition we reviewed data samples at site level for completeness, reliability, accuracy and timeliness;
- Preparation of the assurance over sustainability data at foreign sites through local EY assurance teams;
- Reviewed data and processes on a sample basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner;
- Reviewed the coverage of material issues against the key issues raised in the stakeholder dialogues, areas of performance covered in external media reports and the environmental and social reports of PALFINGER AG's peers;
- Evaluated the materiality assessment, including sector specific megatrends and aspects of SASB<sup>4)</sup>, IIRC<sup>5)</sup> und GRI;
- Challenged a sample of statements and claims in the Report against our worksteps and the GRI principles;
- Reviewed whether the GRI G4 Guidelines were consistent with the CORE Option;
- Assessed completeness of UNGC reporting against the links with the "10 principles" of the UNGC as outlined in the GRI G4 guidelines.<sup>6)</sup>

### **Our Conclusion**

Based on the scope of our review nothing has come to our attention that causes us to believe that the disclosures and data in the Report were not prepared, in accordance with the criteria identified above.

Vienna, 31 January 2014

ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H.

Brigitte Frey m.p.

ppa. Christine Jasch m.p.



1) version of 21 February 2011 (AAB 2011) issued by the Chamber of Public Accountants and Tax Advisors, section 8  
[http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB\\_2011\\_englische\\_Fassung.pdf](http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB_2011_englische_Fassung.pdf)

2) <https://www.globalreporting.org/reporting/g4/Pages/default.aspx>

3) International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000), effective for assurance statements dated after January 1, 2005.

4) <http://www.sasb.org/wp-content/uploads/2013/10/SASB-Conceptual-Framework-Final-Formatted-10-22-13.pdf>

5) <http://www.theiirc.org/international-ir-framework/>

6) <https://www.globalreporting.org/resource/library/UNGC-G4-linkage-publication.pdf> p. 24.



SERVICE

# DEFINITION OF PERFORMANCE INDICATORS

## ECONOMY

<b>Capital employed</b>	reflects capital investment and is calculated as <ul style="list-style-type: none"> <li>• intangible assets</li> <li>• plus property, plant and equipment, shareholdings</li> <li>• and net current assets</li> </ul>
<b>Earnings per share</b>	is the ratio of the consolidated net result for the period to the weighted average number of shares outstanding
<b>EBIT</b>	(Earnings Before Interest and Taxes)
<b>EVA</b>	(Economic Value Added) indicates the Company's economic profit: <ul style="list-style-type: none"> <li>• ROCE minus WACC</li> <li>• multiplied by average capital employed</li> </ul>
<b>Free cash flows</b>	is the net amount of cash available to service internal or external borrowing: <ul style="list-style-type: none"> <li>• cash flows generated from operations</li> <li>• plus interest on borrowings</li> <li>• minus tax shield on interest on borrowings</li> </ul>
<b>Gearing ratio</b>	is a measure relating to the Company's debt: <ul style="list-style-type: none"> <li>• ratio of net debt and</li> <li>• equity in per cent</li> </ul>
<b>Net debt</b>	is calculated as <ul style="list-style-type: none"> <li>• non-current and current financial liabilities</li> </ul> minus <ul style="list-style-type: none"> <li>• long-term and short-term securities</li> <li>• long-term loans</li> <li>• cash and cash equivalents</li> </ul>
<b>NOPLAT</b>	(Net Operating Profit Less Adjusted Taxes) is composed of <ul style="list-style-type: none"> <li>• EBIT</li> <li>• minus taxes on EBIT</li> </ul>
<b>ROCE</b>	(Return on Capital Employed) shows the rate of return generated on capital invested in the Company: <ul style="list-style-type: none"> <li>• ratio of NOPLAT to</li> <li>• average capital employed (from reporting date of previous year to reporting date of current year)</li> </ul> in per cent
<b>ROE</b>	(Return on Equity) is a measure of the Company's profitability that presents earnings in relation to equity employed: <ul style="list-style-type: none"> <li>• ratio of after-tax earnings and</li> <li>• average equity as a percentage</li> </ul>
<b>WACC</b>	(Weighted Average Cost of Capital) is a measure of the average cost of capital employed (debt and equity)
<b>Working capital</b>	is the net surplus of current assets over current liabilities

## HUMAN RESOURCES

<b>Employee turnover</b>	Employee turnover is defined as the ratio of the number of employees that have left the Company during a year to the total headcount as at the reporting date. It is expressed as a percentage.
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## ENVIRONMENT

<b>Index: Energy consumption per production output</b>	This indicator shows the degree to which the energy input is utilized. It takes into account electricity, fuel (petrol, diesel, kerosene, CNG) and heating energy (fuel oil, natural gas, liquid gas, propane, butane). The energy input is determined in relation to the output of each individual site. The index makes it possible to compare individual sites despite different output units: The energy efficiency in 2011 has been defined as 100 per cent. A lower rate in a subsequent year means higher efficiency (i.e. less energy per output). To calculate the energy efficiency for the entire Group, the mean value (energy efficiency of all sites) is weighted by the energy consumption of each site.
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<b>Index: Hazardous waste per production output</b>	The volume of hazardous waste is measured at each site. The applicable regional laws determine whether a certain type of waste is classified as hazardous. In order to compare individual sites and calculate a Group value, the volume of hazardous waste is determined in relation to the output volume of the individual production site and an index is formed (2011 = 100 per cent). In calculating Group-wide indexes, the various production sites are weighted by the volume of waste produced in the year under review.
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<b>Suppliers with excellent and good environmental management</b>	Suppliers are classified according to how many elements of environmental management they have in place. These elements include, for example, a certified environmental management system, environmental aspects in planning processes, review of environmental impact, environmental programmes and environmental targets or training programmes.
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<b>Share of PALFINGER products used for ecological and social purposes in Group revenue</b>	This indicator shows which opportunities for innovation and marketing sustainable product applications have and how they are used. PALFINGER lifting solutions for ecological purposes and industries comprise special products for the railway, offshore, biomass and recycling sectors. Social purposes include access systems and marine rescue systems. Other PALFINGER products, such as truck mounted knuckle boom cranes, some of which are sold to biomass producers, fire brigades or the recycling industry, are excluded.
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# CORPORATE LOCATIONS OF THE PALFINGER GROUP

## AUSTRIA

### PALFINGER AG

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg
- ### EPSILON Kran GmbH.
- Christophorusstrasse 30, 5061 Elsbethen/Glasenbach

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg
- ### PalAir GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger Area Units GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger CIS GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger Europe GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

- Moosmühlstrasse 1, 5203 Köstendorf

- Kapellenstrasse 18, 5211 Friedburg

### Palfinger European Units GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger GmbH

- Betriebsstrasse I / Objekt 9, 2482 Münchendorf

### Palfinger Marine- und Beteiligungs-GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

- Moosmühlstrasse 1, 5203 Köstendorf

### Palfinger North America GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger Russland GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger Sany International Mobile Cranes Sales GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger South America GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### Palfinger systems units GmbH

- Franz-Wolfram-Scherer-Strasse 24, 5020 Salzburg

### STEPSA Farmkran Gesellschaft m.b.H.

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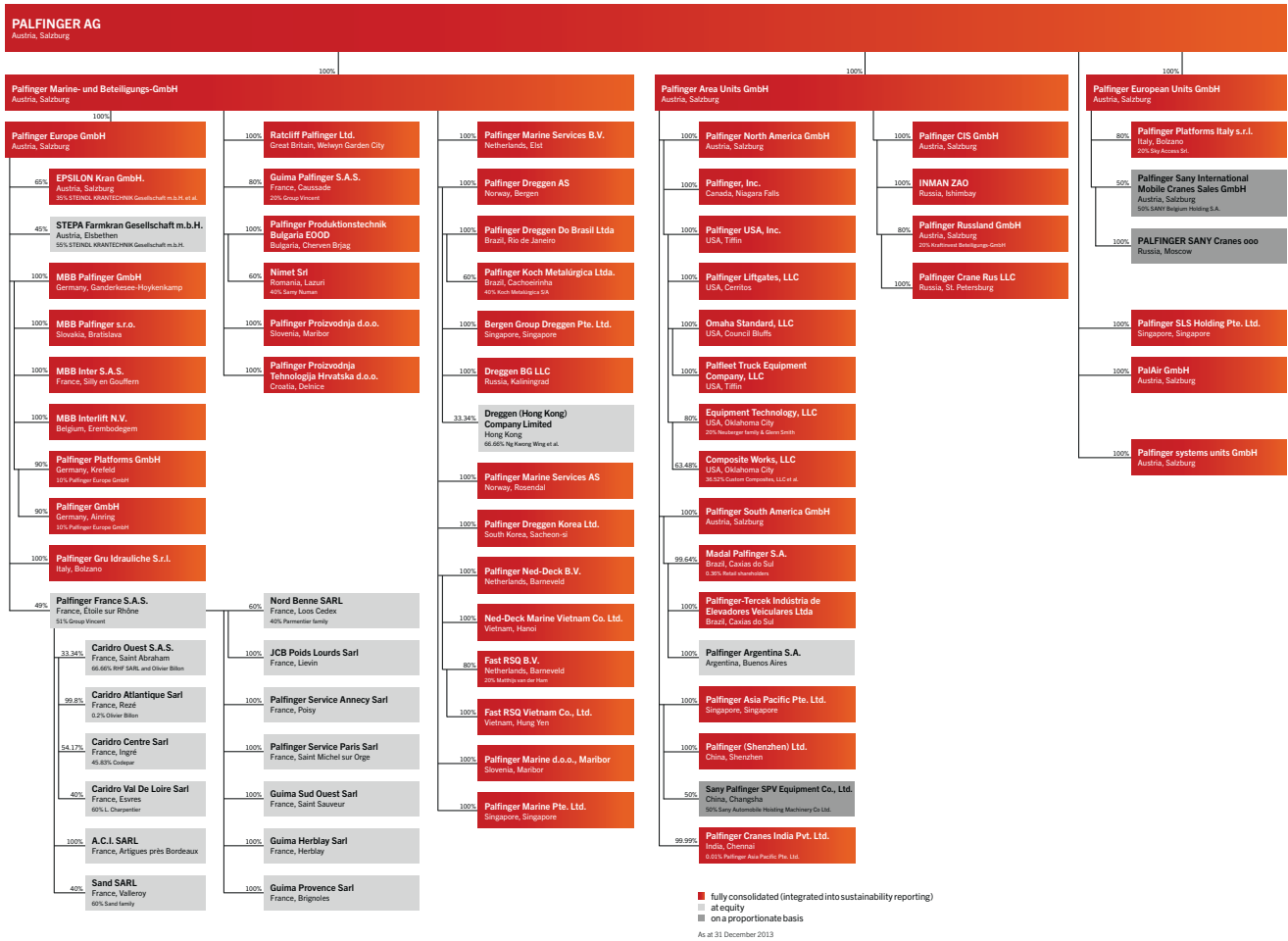
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■ fully consolidated (integrated into sustainability reporting)  
 ■ at equity  
 ■ on a proportionate basis  
 As at 31 December 2013

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This Integrated Annual Report contains forward-looking statements made on the basis of all information available at the date of its preparation. Forward-looking statements are usually identified by the use of terminology such as "expect", "plan", "estimate", "believe", etc. Actual outcomes and results may be different from those predicted.

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