

SUSTAINABILITY PROGRAMME 2015/2016

The following table lists all the measures that form PALFINGER's sustainability programme for 2015/2016. In addition, it provides an overview of the current status of implementation of previous measures.

KEY	
In preparation	Measures from the previous year's sustainability programme were re-defined in the course of review and/or processing, after which they were reincorporated in the current programme.
Completed	These measures have been successfully implemented internally and do not require any follow-up measures, unless explicitly indicated.
Deferred/Cancelled	For internal reasons, these measures have been deferred or replaced by more target-oriented measures.
Sections marked in grey	These sections indicate measures from the previous Integrated Annual Report.
Sections marked in white	These sections indicate measures defined in the current reporting period.

FAIR BUSINESS

	Status
Corporate ethics and corruption prevention	
Strengthening corporate ethics	In preparation
Awareness for corporate ethics as a fundamental pillar of PALFINGER's Code of Conduct is to be promoted. In 2016, targeted communication and the group-wide PALiversity initiative, as well as the inclusion of this issue in the updated employee packages and in the internal communication channel Yammer, will make central contributions. In addition, a PMI process is to be developed.	
Training in corporate ethics for new employees	In preparation
PALFINGER is raising awareness for corporate ethics, for example through the group-wide PALiversity project. The primary focus is on the integration of the new companies in Russia and China. In addition, PALFINGER plans to produce a video explaining the Code of Conduct.	
Sustainability in the supply chain	
Follow-up to training on "Sustainable Procurement"	Completed
This training course aims to raise awareness for the Code of Conduct (human rights) and to provide an opportunity for an exchange of experience regarding previous supplier audits relating to ecological and social aspects.	
Viability of the business model	In preparation
Promoting complete PALFINGER solutions from one source will remain a priority. In this regard, financing models will be analysed.	
Regional procurement	In preparation
In the future, more initiatives to promote regional procurement are to be launched.	
Sustainability management	
Certified environmental management systems at additional sites	In preparation
Environmental management systems certified according to ISO 14001 will be introduced at the site in Elsbethen (Austria).	
Group conference for environmental and health officers	In preparation
All local officers for the environment, health and safety will exchange their experience and ideas. The group conference for 2016 is on the agenda. Objectives include creating a common sustainability culture at PALFINGER, standardizing definitions and optimizing reporting and the exchange of experience among personnel in charge of reporting.	
Targeted stakeholder communication	In preparation
A workshop to analyse PALFINGER's stakeholder groups and their involvement is scheduled for 2016. Due to the dynamic environment, another sustainability analysis was carried out in 2015. On this basis, measures for the specific control of communication strategies are being developed.	
Carbon Disclosure project	Deferred
PALFINGER aims to participate in the Carbon Disclosure initiative.	
Changeover to provider mix in reporting	Completed
A gradual changeover from country-specific GHG emissions to the local mix of providers was effected.	

ECO-EFFICIENCY IN PRODUCTION

PALFINGER has set itself the goal of improving energy efficiency and reducing hazardous waste by 1.8 percentage points every year starting in 2014. In addition, as a long-term objective, PALFINGER intends to have the attainment of sustainability benchmarks agreed upon as a criterion for variable salary components within the entire Group.

Energy efficiency and climate protection	Status
Continuation of lighthouse projects for energy efficiency	In preparation
PALFINGER will continue to place a focus on eco-efficiency in production and facility management: Efforts to enhance energy efficiency are initiated for new, in particular large, and hence energy-intensive, sites upon their inclusion in the PALFINGER Group.	
Best-practice pool of energy efficiency	In preparation
Information on measures that have been successfully implemented will be electronically exchanged between the local responsible officers in order to speed up the group-wide establishment of energy efficiency measures. Communication via SharePoint, as well as other media such as webinars and conference calls, will continue to be promoted.	
Local environmental protection officers	Completed
Every regional management ensures that local officers promote energy efficiency and environmental protection. Teams at all companies control a continuous improvement process. Due to organic as well as inorganic growth, this is regarded as an ongoing measure.	
Optimization of travel costs	Completed
As part of the Lean Administration project, group-wide video conference systems will be expanded in order to further optimize travel costs and their impact. The travel cost optimization is seen as a continuous process. In Austria and Slovenia, new systems were installed. Moreover, "Skype for Business" systems at the workplace are increasingly applied.	
Energy cooperation with SANY Heavy Industries	Deferred
Once the relocation of the production site to Rudong has been completed in China, a follow-up workshop on energy efficiency will be held.	
Energy Efficiency Directive	Completed
In order to meet the obligations under the EU Energy Efficiency Directive, an evaluation of the respective national implementation requirements and deadlines took place for sites in European countries in 2015. The requirements concerned 14 PALFINGER sites in 5 countries. In Austria and in Bulgaria, external audits will be performed, in Germany and Slovenia the ISO 50001 standard will be introduced.	
Energy audits	In preparation
In compliance with the Energy Efficiency Directive, energy audits took place at all Austrian sites and at Cherven Brjag, Bulgaria, in 2015.	
Introduction of ISO 50001	In preparation
At PALFINGER's German and Slovenian sites, certification under ISO 50001, which specifies requirements for energy management systems, is planned for 2016. The implementation of this measure at additional sites within the EU is currently being reviewed.	
Observance of efficiency standards in the new production hall in Ishimbay, Russia	Completed
The application of state-of-the-art technology standards when completing the new production hall in Ishimbay in 2015 has substantially raised energy efficiency once again.	
Paint shops and powder coating plants	In preparation
The existing paint shops and powder coating plants in Maribor and Lengau will be optimized.	
Modernization and expansion of plants	In preparation
PALFINGER plans to expand the building control systems at the Lengau and Köstendorf sites. At the Bulgarian sites, the plants will be expanded and a modernization programme will be launched.	
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Waste and hazardous substances	Status
Waste optimization project	In preparation
A waste optimization project is planned for the sites in Lengau, Köstendorf, Maribor and Tenevo. A first analysis of recyclable material flows has already been carried out.	
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Transport	Status
Transport optimization	In preparation
It is planned to optimize transports in the EMEA region. In this connection, a strategy to reduce transports will be developed as well.	

RESPONSIBLE EMPLOYER

Employee turnover and recruiting	Status
Establishment of an employer branding strategy	In preparation
A group-wide employer branding strategy, taking into account the increased use of social media, will be implemented at PALFINGER. Amongst other things, this has the object of enhancing PALFINGER's attractiveness as an employer.	
Personnel marketing	In preparation
In the future, PALFINGER plans to use additional new media for HR marketing purposes in order to actively promote its attractiveness as an employer. Measures to be taken in this connection include the development of a professional, group-wide recruiting platform.	
Onboarding process	In preparation
The onboarding process will be optimized; this is to enhance the integration of new staff members.	
Occupational health and safety	Status
Uniform global definition of accidents and uniform reporting	In preparation
In addition to absence periods, individual accidents will also be reported group-wide in accordance with a uniform definition regarding severity. This will contribute to the local continuous improvement processes.	
Group-wide minimum standards for occupational health and safety	Cancelled
PALFINGER acknowledges the significance of decent working conditions all over the world and is integrating this project as a priority to be dealt with by the PALiversity project team "Working Conditions".	
Expansion of PALfit	In preparation
The occupational health management PALfit was expanded in Croatia. In Germany, due to the social and legal restructuring, the implementation of PALfit will be a priority in 2016.	
First aid training	In preparation
This is to be offered at the PALFINGER College in Austria.	
"Healthy leadership"	In preparation
Industrial psychologists (focus: crisis communication) will give presentations to raise employees' awareness; as a follow-up, measures will now be implemented. The Austrian project is to be expanded and is planned to start at the Sites in Krefeld and Löbau.	
Training and education	Status
Introduction of group-wide staff review talks for indirectly productive	Completed
This measure was reinforced within the Company in the current reporting period. Evaluation and awareness enhancements have started at several sites. Implementation is carried out the local management and was integrated into the operational management systems.	
Continuation of the HR review	In preparation
In the medium term, the HR review is to be rolled out to lower management levels as well.	
Minimum standards for exit interviews	Completed
Well-structured exit interviews are to be conducted with employees leaving the Company. The measure was integrated into the operational management system.	
Coaching for executives	In preparation
The further establishment of coaching programmes for executives and the active communication of the availability of these programmes are to remain a continuing priority.	
Expansion of HR development	In preparation
The college programme is to be regionally expanded in order to further internationalize the idea of the PALFINGER College.	
Diversity and equal opportunity	Status
Expansion of the Diversity Circle	Cancelled
Instead of the Diversity Circle, the group-wide exchange of opinion takes place via the PALiversity project.	
PALiversity project "Corporate Culture"	In preparation
The objective pursued by this project is to obtain a holistic overview of PALFINGER's existing corporate culture, to strengthen the concept of "leadership by example" and to install a Corporate Culture Board, which will discuss concerns and develop additional strategies and initiatives. Based on a survey carried out in 2015 the corporate values were updated and afterwards communicated to all employees.	
PALiversity project "Recruiting"	In preparation
All employees were given access to the social-media platforms Xing and LinkedIn in 2015. In addition, a recruiting tool is to be implemented in the medium term.	

PALiversity project "International Mobility"	In preparation
In 2015, an international exchange programme was instituted: Talented employees from the individual regions may transfer to PALFINGER's headquarters for a certain period of time, bringing their own culture to Austria and at the same time embracing Austria's culture. This will facilitate an exchange of Corporate Functions to and from the regions. In addition, a value-oriented strategy development is to be initiated for mobility programmes.	
PALiversity-project "Working Conditions"	In preparation
There will be follow-up measures on group-wide minimum standards in regard to health and occupational safety as well as environmental protection. A first analysis of manufacturing and assembly sites has provided the necessary transparency of local conditions, on the basis of which improvement measures may be taken.	
PALiversity-project "Talent Management"	In preparation
The project intends to generate group-wide awareness for talent management. Afterwards, corporate targets are to be defined and the necessary HR requirements for a relevant tool are to be gathered and evaluated.	

Communication with employees	Status
New intranet	In preparation
A priority in 2016 will be the introduction of a new intranet in order to improve internal communications with PALFINGER's employees.	

Economic and social security: remuneration and freedom of assembly	Status
Continuation of Living Wages project	Cancelled
The focus in the PALiversity project "Working Conditions" was placed on general working conditions concerning health and environment, exclusive of the topic of living wages. Generating uniform international minimum standards in the area of living wages, proved to be extremely difficult. At the PALFINGER locations wages in excess of the respective regional standards are paid. This principle has long been followed by PALFINGER and will also be applied and regularly checked on in the future.	

SUSTAINABLE PRODUCTS

Research and development, product safety	Status
Safety systems SRC and RTC	Completed
Synchronized Rope Control (SRC) and the cable winch solution Rope Tension Control (RTC), both of which are already available on the market, were a priority in research and development as well as in implementation in 2015.	
PALcom 7	Completed
PALcom 7 is equipped with additional safety features such as a tilting sensor and an acceleration sensor. This series launch was completed in 2015. The launch of HPSC for timber and recycling cranes was also completed in 2015.	
Introduction of the P-profile	In preparation
The introduction of the new polygonal profile (P-profile) facilitates the construction of lighter models with more lifting force. In the future, this profile is to be used in other crane models as well.	
Review of dealer standards	In preparation
The purpose of the review of international dealer standards is to support the safe use of the products and to enhance product quality and longevity.	
Safety system	In preparation
In the context of the "Fall Protection Mode" of the DACHS project (DACHS stands for Germany, Austria, Switzerland and South Tyrol), the occupational safety mode of the crane is being further developed. Moreover, PALFINGER plans to introduce new control systems for developing countries. Safety will also be enhanced by the new training for operators.	
Mounting Competence Center (MCC)	In preparation
MCC as an integrated mounting unit has been established for loader cranes. The development of mounting standards is being promoted.	
Products for ecological and social purposes	Status
New website: environmentally friendly and safe products	In preparation
A general description of all PALFINGER products has already been made, and is now to be supplemented by a presentation of their environmental and safety advantages.	

🌐 GRI G4-DMA: Sustainability programme