

Africa as well as Far East and/or for the PALFINGER Group. As eco-efficiency in production does not affect any sites in the regions Rest of Europe or Middle East and Africa, no figures were indicated for these regions for the related aspects.

🌐 **GRI G4-18, G4-22, G4-28, G4-29, G4-30**

📄 **Strategic sustainability aspects, page 21; GRI index, page 226**

SUSTAINABILITY PROGRAMME

The following table lists all the individual measures that form PALFINGER’s sustainability programme, broken down by the four sustainability aspects identified by PALFINGER. It provides an overview of the current status of implementation as well as the time horizon for these measures. In addition, a short summary can be found in the chapter on sustainability management.

📄 **Sustainability management, page 31**

○ New ◐ In preparation ● Completed ⦿ Cancelled/Deferred

RESPONSIBLE EMPLOYER		Status	Goal
PALFINGER has set the goal of employee turnover below 10 per cent as well as staff absences due to industrial accidents below 0.11 per cent starting in 2016.			
Occupational health and safety			
Uniform global definition of accidents and uniform reporting	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.	◐	2017
Expansion of PALfit	The occupational health management PALfit is being expanded in several countries. In 2016, this was accomplished in Croatia and China. In Germany, the project has been deferred for the time being due to restructuring measures under company law. In 2017, PALfit is to be established at additional sites.	◐	2017
First aid training	First aid training was to be offered at the PALFINGER College in Austria. In 2016, these courses were provided outside the college programme.	●	2016
“Healthy leadership”	Industrial psychologists (focus: crisis communication) will give presentations to raise employees’ awareness; follow-up measures are also to be implemented. The Austrian project will be expanded further and will also be introduced at other sites.	◐	2017
Crisis intervention team	In Austria, a crisis intervention team will be trained in order to be able to manage crises in the best possible way.	○	2017
Attractive employment possibility			
Establishment of an employer branding strategy	In 2016, the establishment of an employer branding strategy was promoted through regional workshops, and the use of social media was increased. In the future, a group-wide employer branding strategy will be integrated. One of the objectives of this strategy is to enhance PALFINGER’s attractiveness as an employer at all corporate locations worldwide.	◐	2017
Personnel marketing	In the future, PALFINGER plans to use additional new media for HR marketing purposes in order to actively promote its attractiveness as an employer. In this connection, a project for a group-wide recruiting platform was launched.	◐	2017
On-boarding process	The on-boarding process was optimized in 2016, for instance in North America. In 2017, additional initiatives are to be carried out in various areas to enhance the integration of new staff members.	◐	2017
Training and education			
Continuation of the HR review	In 2016, the HR review was rolled out to other management levels.	●	2016
Coaching for executives	In 2016, the establishment of coaching programmes for executives was continued and the availability of these programmes was actively communicated. Further measures for the future are being planned.	◐	2017
Expansion of HR development	The college programme was regionally expanded in Austria and North America. The idea of the PALFINGER College is to be continuously internationalized.	◐	2017

RESPONSIBLE EMPLOYER		Status	Goal
Diversity and equal opportunity			
PALiversity project "Corporate Culture"	The objective pursued by this project was met: A holistic overview of PALFINGER's corporate culture was obtained. The concept of "leadership by example" was strengthened, a Corporate Culture Board was installed and additional strategies and initiatives were developed. The corporate values were updated, based on the results of a survey. In the future, a focus will be placed on communicating these new values.	●	2016
PALiversity project "Recruiting"	All employees were given access to the social media platforms Xing and LinkedIn. In addition, the set-up of a recruiting tool was started.	◐	2017
PALiversity project "International Mobility"	Under an international exchange programme talented employees from the individual regions may transfer to PALFINGER's headquarters for a certain period of time; participants in this programme also act as culture bearers. In addition, an exchange of corporate functions to and from the regions was facilitated. Moreover, a value-oriented strategy was developed for mobility programmes.	●	2016
PALiversity project "Working Conditions"	PALFINGER acts as an "Employer of Choice" at the individual sites and takes adequate employee-friendly measures with the objective of employing the best staff. The individual sites exchange information on specific measures for the improvement of working conditions via Corporate HR.	◐	2018
PALiversity project "Talent Management"	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.	◐	2018
Communication with employees			
New intranet	In order to further improve internal communications, the existing intranet is to be replaced by modern tools for specific subjects.	◐	2017
Focus on corporate culture, vision & mission	The further development of PALFINGER's corporate culture is intended to help increase transparency. Priority is to be given primarily to communicating the values, vision and mission of PALFINGER.	○	2017
ECO-EFFICIENCY IN PRODUCTION		Status	Goal
PALFINGER has set itself the goal of improving energy efficiency and reducing hazardous waste by 1.8 percentage points every year starting in 2014.			
Energy efficiency and climate protection			
Continuation of lighthouse projects for energy efficiency	PALFINGER will continue to place a focus on eco-efficiency in production and facility management. Efforts to enhance energy efficiency were initiated for new, in particular energy-intensive, sites upon their inclusion in the PALFINGER Group, and partially implemented in EMEA and North America in 2016.	◐	2017
Best-practice pool of energy efficiency	Information on successfully implemented energy-efficiency initiatives was electronically provided to the local responsible officers throughout the Group. As the Sharepoint server was not sufficiently used as a networking platform, PALFINGER is now promoting face-to-face communication. In 2017, a summit of all local environmental officers will be held. Communication via webinars and conference calls will also continue to be promoted.	⊗	2017
Energy audits	In compliance with the Energy Efficiency Act, energy audits were carried out at Austrian, German and Bulgarian sites.	●	2016
Introduction of ISO 50001	At PALFINGER's German and Slovenian sites, certification under ISO 50001, which specifies requirements for energy management systems, took place in 2016. There are currently no plans to implement this measure at other sites.	●	2016
Certified environmental management systems at additional sites	Environmental management systems certified according to ISO 14001 will be introduced at the site in Elsbethen (AT) in 2017.	◐	2017
Paint shops and powder coating plants	Existing paint shops and powder coating plants in EMEA are being optimized and/or replaced by new lines. New paint shops and powder coating lines are scheduled to take up operations in 2017.	◐	2017
Modernization and expansion of plants	Austrian sites were modernized in the course of the expansion of the building control systems. At the Bulgarian sites, expansion of the plants has started and the modernization programme has been launched.	◐	2017
Greenfield investments marine business	The option of greenfield investments is being reviewed in the course of the integration of Harding sites. These sites are then to be equipped with best possible energy balance and renewable energy sources.	○	2018
Energy efficiency Russia	The optimization of the Russian plants in regard to energy efficiency is being reviewed.	○	2017
E-mobility	The use of e-mobility at sites or in connection with PALFINGER products is being promoted.	○	2017

ECO-EFFICIENCY IN PRODUCTION		Status	Goal
Waste and hazardous substances			
Waste optimization project	At Austrian, Slovenian and Bulgarian sites, a project to optimize waste disposal costs and recycling proceeds was launched. A first analysis of recyclable material flows, recycling proceeds and waste disposal costs revealed that the prices for waste disposal and scrap metal had been negotiated well, thus leaving no room for major additional savings. Minor optimizations have been implemented in the course of the continuous improvement process.	●	2016
Environmentally friendly transport			
Transport optimization	In the EMEA region, truck utilization for transports was optimized. In this connection, a strategy to reduce transports was developed as well.	●	2016
SUSTAINABLE PRODUCTS		Status	Goal
Product safety			
Safety system	In the context of the "Fall Protection Mode" project, the occupational safety mode of cranes was further developed in Germany, Switzerland and Austria. Moreover, PALFINGER plans to introduce new control systems for developing countries. Safety has also been enhanced by the adapted training for operators.	●	2016
Research and development			
Introduction of the P-profile	The new polygonal profile (P-profile) facilitates the construction of lighter models with more lifting force. This profile has already been introduced for larger cranes and, in the future, will be integrated into other crane models as well, in an ongoing process taking several years.	●	2016
Mounting Competence Center (MCC)	The MCC as an integrated mounting unit has been established for loader cranes. The development of mounting standards is being supported.	●	2016
Efficient and environmentally friendly products			
Lifecycle approach	In the future, the lifecycle costs of PALFINGER products are to be monitored and analysed. For the time being, this project will be implemented for individual product groups only.	○	2017
Product information			
Review of dealer standards	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. In 2016, all EMEA dealers were evaluated. The evaluation process is being continuously expanded to other regions. In the future, compliance with dealer standards will be supported by relevant training courses.	●	2018
New website: environmentally friendly and safe products	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.	●	2017
FAIR BUSINESS		Status	Goal
Viability of the business model			
Digitalization	Digitalization is seen as a crucial factor for the viability of PALFINGER's business model and thus as an integral part of the corporate strategy. In 2016, an organizational unit specializing in digitalization issues was set up. The unit will initiate, monitor and implement projects regarding Industrial Internet and Industry 4.0.	○	2017
Marine business as second mainstay	PALFINGER's marine business is to be established as a second mainstay. The acquisition of Harding in 2016 was already a major step towards achieving this objective. The strategic focus on the marine business will be further strengthened.	○	2017
Compliance with legal and ethical standards			
Strengthening corporate ethics	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 made significant contributions. This topic was also included in the updated information folders for employee and in the internal communication channel Yammer. In addition, a post-merger integration process was developed. Ethics and compliance were also a part of due diligence processes carried out in 2016.	●	2016
Training in corporate ethics for new employees	In 2016, training sessions were held at the new companies in Russia to raise awareness of corporate ethics; a similar measure will be implemented in China in 2017. In addition, a video explaining the Code of Conduct was internationally distributed. The video will be translated into an additional 19 national languages. A training concept for compliance topics is being developed.	●	2017
Corporate audit	The further development of the corporate audit approach is being evaluated and will be adjusted if necessary. Moreover, it is planned to increase the headcount in 2017.	○	2017
Regional procurement			
Regional procurement	PALFINGER's inventories were actively reduced thanks to the group-wide Current Capital 25% initiative launched in 2015 to optimize internal processes. In the future, additional initiatives for local procurement are to be launched.	●	2017

SUSTAINABILITY MANAGEMENT		Status	Goal
Group conference for environmental and health officers	All local officers for the environment, health and safety will exchange their experience and ideas. Objectives for the summit include creating a common sustainability culture at PALFINGER, standardizing definitions and optimizing reporting and the exchange of experience among personnel in charge of reporting.		2017
Targeted stakeholder communication	A workshop to analyse PALFINGER's stakeholder groups and their involvement was held. Due to the dynamic environment, another materiality analysis has been scheduled for 2017. On the basis thereof, measures for the specific control of communication strategies will be implemented.		2017
Carbon Disclosure Project	In 2016, PALFINGER successfully participated in the Carbon Disclosure Project and was named "Sector Leader of the DACH region" (Germany, Austria, Switzerland) in the "Industrials" category.		2016
Sustainable Development Goals & Science Based Targets	In 2017, PALFINGER will thoroughly examine the Sustainable Development Goals (SDGs) and evaluate the Science Based Targets as a basis for defining the targets for key indicators of greenhouse gas emissions.		2017

GRI G4-DMA

MATERIAL GRI ASPECTS ALONG THE VALUE CREATION CHAIN

The following illustration shows which sustainability aspects of the Global Reporting Initiative (GRI) guidelines PALFINGER has defined as being material, and the stages within the value creation chain at which their effects are felt. The indicators used by PALFINGER to measure them are presented as well. The material topics are ranked according to the overall relevance attributed to them by the PALFINGER management as well as internal and external stakeholders in 2015. The list includes the 32 topics of the materiality analysis chosen for assessment. Changes as compared to the previous reports are presented in the key and/or in the materiality analysis chapter.

[Materiality analysis, page 30](#)

In addition, the impact of PALFINGER's 12 material issues on the Sustainable Development Goals (SDGs) is disclosed. A first analysis has shown that PALFINGER primarily impacts the following four SDGs.

SDG 4: Quality education

PALFINGER is strongly committed to being an attractive employer and offering attractive jobs to its staff. Career opportunities within the Company are promoted, primarily through education and training. Extensive user training ensures the safe use of products. PALFINGER considers ongoing training important potential for a viable business model and will continue to focus on this aspect.

SDG 8: Decent work and economic growth

PALFINGER attaches great importance to the viability of its business model and therefore actively monitors and integrates relevant trends. By doing so, PALFINGER contributes to economic growth. It is equally important, in this connection, to guarantee attractive employment. This includes legal and ethical standards as well as training opportunities for PALFINGER staff.

SDG 9: Industry, innovation and infrastructure

PALFINGER is committed to keeping its business model up to date with current trends at all times. This is also reflected in PALFINGER's approach to research and development, which are also aimed at maintaining the Company's viable position in the future. With the help of product innovations, PALFINGER increases the safety of its products while at the same time focusing on the efficient and environmentally friendly use of raw materials. The result is a great variety of efficient, environmentally friendly and long-lasting products.

SDG 12: Responsible consumption and production

PALFINGER assumes responsibility by using raw materials efficiently. Among the most important aspects of this are the reduction of energy consumption as well as of hazardous waste, along the entire value creation chain. With its efficient, low-noise products that have a low consumption of operating materials, PALFINGER provides state-of-the-art lifting solutions that meet the needs of the market.

In the following table, the most significant impacts are printed in bold letters.