SUSTAINABILITY PROGRAMME

The following table lists all the individual measures that form PALFINGER's sustainability programme, broken down by the four sustainability areas identified by PALFINGER. It provides an overview of the current status of implementation as well as the time horizon for these measures. The purpose of these measures is to contribute to achieving the qualitative and quantitative goals set by PALFINGER and to support the five most relevant SDGs.

○ New   ◑ In preparation   ● Completed   ⊘ Deferred   ⊗ Cancelled

RESPONSIBLE EMPLOYER		Status	Goal
PALFINGER has set itself the goal of lowering employee turnover to under 10 per cent and staff absences due to industrial accidents to under 0.11 per cent starting in 2016. Two quantitative goals to be achieved by 2022 were defined under the diversity scheme: to raise the percentage of non-Austrians working at headquarters to 20 per cent, and to increase the percentage of women in top management positions until it corresponds to the percentage of women in the overall headcount of the Group.			
Health and safety			
Uniform global definition of accidents and uniform reporting	In the future, in addition to absentee rate, individual accidents will also be reported group-wide in accordance with a uniform definition regarding severity. This will support the local continuous improvement processes. This measure has been deferred until 2018. Data reviews were begun in 2017 in order to evaluate the national standards.	⊘	2019
Expansion of PALfit	The occupational health management PALfit was expanded into several countries, e.g. Croatia and China. In Germany, the project has been deferred for the time being due to other priorities. In the future, PALfit is to be established at additional sites.	⊘	2019
"Healthy leadership"	Industry psychologists (focus: crisis communication) will give presentations to raise employees' awareness; follow-up measures are also to be implemented. The Austrian project was introduced at other sites. No further expansion is planned at the moment.	●	2017
Crisis intervention team	In Austria, a crisis intervention team was trained in order to be able to manage crises in the best possible way.	●	2017
Attractive employment			
Establishment of an employer branding strategy	In 2018, a group-wide employer branding strategy will be defined. One of the objectives of this strategy is to enhance PALFINGER's attractiveness as an employer at all corporate locations worldwide.	◑	2018
Personnel marketing	PALFINGER used 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 will be launched with the new HR system.	⊘	2019
On-boarding process	In the future, additional initiatives are to be carried out in various areas to enhance the integration of new staff members.	⊘	2019
HR strategy	In 2017, PALFINGER defined a new HR strategy and HR goals. Future HR processes will be aligned with this strategy. In a first step, an HR system as well as the competencies of individual jobs within the Company are being defined.	○	2018
HR system	In 2017, PALFINGER chose a provider for a new HR system, which will be implemented within the next three years and will cover topics such as master data, talent management, recruiting, training and communication.	○	2019
Job architecture	As part of its HR strategy, PALFINGER launched the job architecture project, under which competencies will be defined. The project started with a pilot for the marine business.	○	2019
Employee development			
Coaching for executives	In 2017, the establishment of coaching programmes for executives was continued and the availability of these programmes was actively communicated. Further measures, as well as a new approach, are planned for the future.	⊘	2019
Expansion of employee development	The college programme was expanded in Austria and North America. The idea of the PALFINGER College will be integrated into the new HR system and become a global learning platform.	⊘	2020
Diversity and equal opportunity			
PALversity project "Recruiting"	All employees were given access to all social media platforms. In addition, a recruiting tool will be part of the new HR system.	⊘	2019
PALversity 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 business areas have regional responsibility to implement the best working conditions.	⊘	2019
PALversity 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. This tool will also be part of the HR system.	⊘	2019
Diversity scheme	PALFINGER is establishing a diversity scheme that takes into account the new Austrian legislation on non-financial reporting. The implementation of the scheme, as well as further measures, will take place in 2018.	○	2022

RESPONSIBLE EMPLOYER

		Status	Goal
Employee communication			
New intranet	In order to further improve internal communications, the existing intranet is to be replaced by a modern tool for specific subjects. This will be part of the new HR system.	◖	2019
Corporate culture and values			
Focus on corporate culture and vision	The further development of PALFINGER's corporate culture is intended to help increase transparency. Insight into this issue is provided primarily by the employee survey. Priority will be given primarily to communicating the values and vision of PALFINGER.	◖	2018

ECO-EFFICIENCY IN PRODUCTION

		Status	Goal

PALFINGER has set itself the goal of improving energy efficiency and reducing hazardous waste (Index) by 1.8 percentage points every year starting in 2014. In 2017, the additional goal of achieving a 25 per cent CO_2 reduction by 2030 (base year 2015) was defined.

		Status	Goal
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, and transferred to the line structure.	●	2017
Best-practice pool for energy efficiency	Information on successfully implemented energy-efficiency initiatives was electronically provided to the local responsible officers throughout the Group. As Sharepoint was not sufficiently used as a networking platform, PALFINGER is now increasingly promoting face-to-face communication. In 2017, a webinar series touching on several material topics for all local environmental officers as well as persons responsible for reporting was held.	●	2017
Certified environmental management systems at additional sites	An environmental management system certified according to ISO 14001 was 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 2018.	◖	2018
Modernization and expansion of plants	Austrian sites were modernized in the course of the expansion of the building control systems. At the Bulgarian and Russian sites, expansion of the plants has started and the modernization programmes have been launched.	◖	2019
Greenfield investments marine business	The option of greenfield investments will be reviewed in the course of the integration of Harding sites. These sites are then to be equipped with the best possible energy balance and renewable energy sources. Due to the prevailing market conditions, this measure has been put on hold.	⊘	2019
Energy efficiency Russia	The optimization of the Russian plants in regard to energy efficiency is being reviewed. In 2017, the transition from coal to natural gas was begun at the Velikiye Luki (RU) site.	◖	2018
E-mobility	The use of e-mobility at sites or in connection with PALFINGER products is being promoted. So far, charging stations for electric vehicles are available at five locations: Bergheim (AT), Kasern (AT), Köstendorf (AT), Lengau (AT) and Ainring (DE).	◖	2018
Exchange on environmental topics	PALFINGER will organize meetings for exchange between local environmental officers. These meetings will focus on various environmental topics, such as energy, waste, water, etc.	○	2018
Photovoltaic systems	Analyses regarding extensive installations of photovoltaic systems at sites in the EMEA region are being made.	○	2020
Heating degree days	Heating has a great impact on the amount of energy consumed. In order to be able to better interpret heating KPIs, heating degree days are to be taken into account in the index calculation.	○	2018
Effluents and wastes			
Reduction of hazardous waste	PALFINGER will analyse the plants that contribute the largest volumes of hazardous waste and develop solutions to reduce these waste volumes.	○	2018

SUSTAINABLE PRODUCTS

		Status	Goal
Product lifecycle			
Lifecycle approach	The lifecycle assessment project, in which the lifecycle costs of PALFINGER products are monitored and analysed, was launched in 2017. For the time being, this project is being implemented for individual product groups only.	◖	2019
Product information and fair marketing			
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. The evaluation process is being continuously expanded to other regions and product groups. 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 available on the new responsive website. It was internally agreed that these descriptions would not be supplemented by a presentation of the products' environmental and safety advantages.	⊗	2017
Operator's guides and training	PALFINGER will review the operator's guides for its products and offer operator training in order to better ensure proper use of the products after delivery in the future.	○	2019
End customers in the system	In the future, PALFINGER will enter end customers into the corporate system to ensure a better business partner management. Networking between PALFINGER and its customers will foster sustainable business relations.	○	2019

FAIR BUSINESS		Status	Ziel
Viability of the business model			
Marine business as a 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 is being supported by ongoing consolidation into the organizational structure.	◒	2017
Industry 4.0 and digitalization			
Industry 4.0 and 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. PALFINGER 21st is a new strategic pillar that supports PALFINGER's vision for a digital future. In 2017, the new digitalization department concentrated on establishing an online connection of the PALFINGER products as well as intelligent production processes.	●	2017
PALFINGER 21st	PALFINGER has developed a new vision with a new business model called PALFINGER 21st. Sustainability issues will be considered in this model in the future as well.	○	2019
Compliance with legal and ethical standards			
Training in corporate ethics for new employees	In 2017, training sessions were held in China in order to raise awareness of corporate ethics. A video explaining the Code of Conduct was internationally distributed and translated into 19 languages. A training concept for compliance topics is being developed.	◒	2018
Corporate audit	The further development of the corporate audit approach is being evaluated and will be adjusted at the beginning of 2018. Moreover, the headcount was increased in 2017 and will continue to grow in 2018.	◒	2018
Regional procurement and production			
Regional procurement	PALFINGER's inventories were actively reduced thanks to the group-wide Current Capital 25% initiative launched in 2015 to optimize internal processes. The initiative was completed in 2017 and was integrated into the corporate controlling department. Moreover, additional initiatives for local procurement were launched regionally.	●	2017

SUSTAINABILITY MANAGEMENT		Status	Goal
Group conference for environmental and health officers	All local environmental officers were invited to take part in a webinar series to engage in exchange on their experience and ideas concerning a wide range of environmental issues. Objectives of the webinar series included creating a common sustainability culture at PALFINGER, standardizing definitions and optimizing reporting and the exchange of experience among personnel in charge of reporting. In 2018, this webinar series will be expanded to include to health and safety issues.	◒	2018
Targeted stakeholder communication	In 2017 another sustainability analysis in the form of a stakeholder survey was conducted. On the basis of the findings, targeted measures for the control of communication strategies will be implemented.	◒	2018
Sustainable Development Goals and Science Based Targets	In 2017, PALFINGER carried out an in-depth internal analysis of the Sustainable Development Goals (SDGs) and also asked external stakeholders regarding the most important SDGs for PALFINGER. Five SDGs with particularly significant impacts were identified. The evaluation of the Science Based Targets was begun and will continue in 2018. It will be used as a basis for defining the targets for key environmental indicators.	◒	2018
Sustainability vision	The corporate sustainability team will update the PALFINGER sustainability vision and consider new trends.	○	2018
Facility management	In 2018, the corporate sustainability team will focus on connecting the strategic and operational aspects of sustainability management.	○	2018

⊕ GRI 103-2, 205-2