RESPONSIBLE EMPLOYER

Measures		Status	Goal
Occupational health & safety	3		
Expansion of PALfit		●	2020
Global health campaign		◒	2021
GPO reorganization: Health protection, HSE and PALfit		◒	2021
Occupational physician		○	2021
COVID-19 Group policy & task force		○	2021
Employee development	4 8		
Expansion of employee development		⊗	2020
Learning strategy & learning platform		◒	2022
Leadership framework & program		⊘	2020
PALFINGER Campus		◒	2021
Apprenticeship program in China		○	2020
Attractive employment	4 5 8		
Establishment of an employer branding strategy		◒	2021
Onboarding process		⊗	2020
HR system		◒	2021
Job architecture		◒	2022
Global salary & wage increase process		◒	2021
Talent & performance management		◒	2022
Corporate culture & values	8		
Cultural analysis		●	2020
Diversity and equal opportunity	5 10		
Diversity plan		◒	2022
Objectifying the recruiting process		◒	2022
Diversity in talent & performance management		◒	2022
Communication with employees	10		
New intranet		○	2021
Internal communication concept		●	2020

SUSTAINABLE PRODUCTS

Measures		Status	Goal
Product safety			
Safety through product data tracking		◒	2021
Product research & development	9 13		
R&D process (Product Development)		◒	2021
Training of R&D employees		◒	2021
Product life cycle	12		
Best invest (= lifecycle app)		◒	2021
Business model innovation (TCO)		◒	2022
Environmentally friendly products	12 13		
Definition of environmentally friendly products		◒	2021
CO_2 emissions from product use		◒	2021
PALFINGER lubricants		◒	2021
Product information and fair marketing			
End customers in the system		◒	2021

ECO-EFFICIENCY IN PRODUCTION

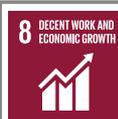| Measures		Status	Goal
Innovation in Production	9 13		
R&D process (Production)		◒	2021
Energy efficiency and climate protection	13		
Environmental information exchange		●	2020
Photovoltaic systems		◒	2021
Energy efficiency tutorial		○	2021
Climate protection strategy		◒	2020
Renewable energy		◒	2022
Raw material demand & efficiency	12		
Evaluation of steel suppliers		◒	2021
Environmentally friendly transport			
CO_2 emissions from transport		◒	2021

FAIR BUSINESS

Measures		Status	Goal
Viability of the business model	8 9		
GLOBAL PALFINGER ORGANIZATION		◒	2024
Compliance with legal & ethical standards	5 8 10 16		
Compliance training		●	2020
Compliance risk assessment		◒	2022
Human rights assessment		◒	2021
Updating the code of conduct		●	2020
Integration of sustainability issues into risk assessment		○	2021
Industry 4.0 & digitalization	9		
Digital Transformation Officer		○	2021
Overall performance			
PALdrive platform		◒	2021

SUSTAINABILITY MANAGEMENT

Measures	Status	Goal
Targeted stakeholder communication	◒	2021
Concept for health, safety, environment & quality	◒	2021
HSE action plan	○	2021
Merchandise fan shop	●	2020
Sustainable mobility	◒	2021

○ New   ◒ In preparation   ● Completed   ⊘ Deferred   ⊗ Cancelled

Priority:

3 GOOD HEALTH AND WELL-BEING   4 QUALITY EDUCATION   5 GENDER EQUALITY   8 DECENT WORK AND ECONOMIC GROWTH   9 INDUSTRY, INNOVATION AND INFRASTRUCTURE   10 REDUCED INEQUALITIES   12 RESPONSIBLE CONSUMPTION AND PRODUCTION   13 CLIMATE ACTION   16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUSTAINABILITY PROGRAM

The following table describes the individual actions that make up PALFINGER's sustainability program, broken down by the four sustainability areas, and lists these with the current status of implementation as well as the time horizon for these actions. The purpose of the actions specified 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
Health and safety			
PALFINGER set itself the target of reducing staff absences due to industrial accidents to below 0.11 percent starting in 2016.			
Expansion of PALfit	Because PALfit was integrated into the global HR function in the course of the GPO, this action is now part of Restructuring GPO: health protection, HSE and PALfit.	●	2020
Global health campaign	An assessment of existing health campaigns was carried out at all PALFINGER sites. The data is being analyzed and will now be incorporated into minimum standards for global health campaigns. Based on surveys already conducted, a sports campaign, PALfit Global Running Days (01.10. - 31.10.), has been recommended as a first step for the PALfit launch for global health support. Furthermore, an action was implemented in the framework of the ILO International Day for Health and Safety at Work (03/18/2020), COVID-19 awareness campaigns were rolled out and support was provided in the workstreams.	◖	2021
Restructuring the GPO: Health protection, HSE and PALfit	To better reflect the importance of integrated management of Health, Safety, Environment (HSE) and quality, a Corporate HSE Manager has been appointed in the new GPO organizational structure as of August 2019. Through the Corporate HSE Manager and the new regional HSE organizational structure, occupational health management is being ensured and promoted to an even greater extent with appropriate standards and programs at both the regional and site levels. The new function develops standards and processes for health protection, occupational safety and environmental protection, which are implemented globally to ensure continuous improvement in these areas. These HSE standards and processes will be developed and implemented in close cooperation with the Sustainability, PALfit, Operations, Research & Development, and Human Resources functions. Exploitation of these synergies ensures efficient implementation of health protection actions and PALfit campaigns at all sites.	◖	2021
Occupational physician	The status of providing all sites with occupational physicians was surveyed globally and serves as a starting point for a global standard of occupational health care and for further actions to be taken.	○	2021
COVID-19 Group Policy and Task Force	A Pandemic Group Policy with a plan of action for preventive actions has been drawn up by a Pandemic Task Force. Additional investments have been made in personal protective equipment (PPE) and equipment such as skin temperature detectors, tests, and nose & mouth masks.	○	2021
Employee development			
Expansion of employee development	The PALFINGER College project is being integrated into the new HR system and therefore constitutes a global learning platform. The transition began in 2019. This action will therefore be integrated into the action "Learning strategy and learning platform".	⊗	2020
Learning strategy & learning platform	PALFINGER has started developing a new learning strategy. The idea of the PALFINGER College is being integrated into the new HR system and therefore constitutes a global learning platform. The transition began in 2019 and the roll-out of the global e-learning platform will take place in 2021 as a consequence of COVID-19. A digital English learning solution was selected in 2019 as the first building block of this learning strategy and rolled-out globally in 2020.	◖	2022
Leadership framework and program	PALFINGER has set up a global leadership program, as well as a regional leadership program. The basis of these programs is the definition of a framework for global leadership initiatives. A regional leadership program has been implemented in the EMEA region. Preparations have been completed for a regional leadership program in APAC. The 2020 global leadership program could not be implemented due to COVID-19.	⊘	2020
PALFINGER Campus	A decision was made in 2019 to build a PALFINGER Campus at the Lengau site. This will further professionalize and expand apprentice training and facilitate additional adult education initiatives. The ground-breaking ceremony took place in Q4 2020 due to COVID-19.	◖	2021

RESPONSIBLE EMPLOYER		Status	Goal
Apprenticeship program in China	In order to ensure a qualified workforce, PALFINGER has established the recognized qualification concept of dual apprenticeship training in China. The first team of apprentices successfully completed their final apprenticeship exam in October 2020. Due to travel restrictions, this was carried out in a pioneering project using a digital hybrid format.	○	2020
Attractive employment	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH		
PALFINGER set itself the target of reducing employee turnover to below 10 percent starting in 2016.			
Establish an employer branding strategy	The aim of this strategy is to enhance PALFINGER's attractiveness as an employer at all the Group's sites worldwide. The focus was on COVID-19 crisis management and crisis communications during this challenging year. In addition, action was taken to strengthen employer identity. The COVID-19 restrictions meant that in 2020 many of these job fairs and collaborations were staged in digital form with a new concept. A further strengthening of the PALFINGER employer brand is planned for 2021.	◐	2021
On-boarding process	In the future, additional initiatives are to be carried out to enhance the integration of new staff members. The on-boarding process will be covered by the group-wide Human Resources Information System (HRIS). This action will therefore be integrated into the action "HR system".	⊗	2020
HR system	In 2018, PALFINGER kicked off a project to roll out the "myPAL" HR information system. In 2019, the first module was implemented. In 2020, additional features were integrated in Employee Central: GPO Function, Second Functional Line, Compensation Portlet. Likewise, the implementation of the Performance & Goals module has been progressed with Go live in February 2021. The recruiting module was also rolled out in other countries, including Slovenia, the USA and Canada.	◐	2021
Job architecture	As part of its HR strategy, PALFINGER started a project to implement a global job architecture. This project was delayed by the introduction of the new GLOBAL PALFINGER ORGANIZATION (GPO) as well as COVID-19. A uniform architecture for all global management positions should be defined by 2022, followed by expert functions in second step.	◐	2022
Global salary & wage increase process	In 2019, a uniform salary increase process was introduced for all indirect positions. In the course of implementing the Compensation Portlets, this standard process will be enhanced further and partly automated by 2021. This action supports the global concept of the GPO.	◐	2021
Talent and performance management	2019 saw the start to defining a global talent and performance management strategy. In 2020 the first step was to roll out a uniform global template for appraisal interviews. In addition, the new appraisal interview process will be configured in success factors and rolled out in early 2021. A full-on talent management program is to be rolled out by 2022. This also supports the global concept of the GPO.	◐	2022
Corporate culture and values	8 DECENT WORK AND ECONOMIC GROWTH		
Cultural analysis	Data on the current culture was collected as part of the GPO implementation and a target culture was defined.	●	2020
Diversity and equal opportunity	5 GENDER EQUALITY 10 REDUCED INEQUALITIES		
Two quantitative targets to be achieved by 2022 were defined by the diversity scheme. One is to increase the proportion of international employees working at headquarters to 20 percent. The other is to align the proportion of women in top management with the general proportion of women in the PALFINGER Group.			
Diversity scheme	In consideration of the new Austrian legislation on non-financial reporting, PALFINGER is establishing a diversity plan. In 2020, as in the previous year, a contribution was submitted to the initiative "DIVÖRSITY 2020 - Austrian Diversity Days", which focused on the internationalization of education in 2020.	◐	2022
Objectivity in the recruitment process	The Global Group Policy Recruiting rolled out in 2020 ensures a standardized group-wide state-of-the-art recruiting process. The quality of the process is based on the principles of transparency, clear communication, fair play, diversity, quality and confidentiality. A potential analysis application is to be gradually implemented worldwide for management functions.	◐	2022
Diversity in talent and performance management	Diversity is considered an essential factor in nomination processes. This has already been implemented in nominations for executive programs in 2019. A corresponding design for the nomination process for talent pools has been delayed due to COVID-19.	◐	2022
Communication with employees	10 REDUCED INEQUALITIES		
New intranet	The requirements for a new, global intranet system designed to replace the current SharePoint solution have been evaluated. Due to the scale of resources required, the project was postponed in 2019 and scheduled for 2021.	○	2021

RESPONSIBLE EMPLOYER		Status	Goal
Internal communication concept	Internal communication was completely repositioned, both in terms of personnel and concept. A new creative vision was created and signed off on by the Executive Board and has already been implemented for the most part. Since November 2019, a global e-newsletter is sent out in eight languages three times per year. This is also made available as a PDF file to print out and post on the bulletin board. The existing PALFINGER Internal Newsletter (PIN) is being turned into an (online) magazine ONE. The first issue of the new magazine was published in January 2020.	●	2020

ECO-EFFICIENCY IN PRODUCTION		Status	Goal
Innovation in production			
R&D process (Production)	The uniform PALFINGER Product Development Process combines the parallel development of the product solution with the development of the internal manufacturing and assembly process. This ensures that all the critical parameters and tolerances required in the manufacturing and assembly process are mapped and verified by the system verification and validation process.	◐	2021
Energy efficiency and climate protection			
PALFINGER has defined three long-term targets in this area. A 30 percent efficiency increase in the energy index by 2030. A 25 percent reduction of CO_2 emissions in absolute terms by 2030 (base year 2015 in each case). In addition, by 2022 PALFINGER intends to procure 75 percent of its electricity from renewable energy sources.			
Environmental information exchange	PALFINGER organizes exchange meetings between regional and local environmental officers. An HSEQ structure was resolved in 2019 that will kick off in 2020. This served as an important first step toward professional processes, meeting and communication structures, and other methods of exchanging information. At the beginning of 2020, a global meeting of HSE regional managers and a local event of energy managers from Germany and Austria took place. Other events had to be postponed until 2021 due to travel restrictions. An internal, global Marketing, Communications and Sustainability Summit was already held in 2019 to focus on climate protection and environmental topics.	●	2020
Photovoltaic systems	There were no new installations of PV systems in the EMEA region in 2020. A planned implementation in Tenevo (BG) has been postponed for the time being.	◐	2021
Energy efficiency tutorial	A PALFINGER Energy Efficiency Tutorial was created to complement energy management audits. The tutorial contains instructions on how to save energy at the sites in all relevant areas, including practical examples and checklists. The roll-out took place within the EMEA region in 2020 and will continue globally in 2021.	○	2021
Climate strategy	Development of a PALFINGER climate strategy by identifying the greatest potential for reducing CO_2 emissions, considering direct and indirect emissions throughout the entire value chain (including Scope 3). The strategy is intended to support the global goal of halting climate change and is to be based on the Science-Based Target initiative aimed at limiting warming to <1.5 degrees.	◐	2021
Renewable energy	The group-wide target of raising the share of renewable electric power to 75 percent by 2022 was defined in 2018. In 2020, the share of renewable electric power was increased to 74 percent by sites in Germany and Brazil.	◐	2022
Raw material demand and efficiency			
Evaluation of steel suppliers	PALFINGER is conducting an assessment of the major steel suppliers regarding their CO2 footprint and CO2 targets with a view to stepping up collaboration and obtaining more accurate Scope 3 emissions data. This also supports the new climate strategy and as an integral action will be extended until 2021.	◐	2021
Environmentally friendly transport			
CO_2 emissions from transport	Transport within and outside the company is analyzed in order to identify potential for reducing energy consumption and CO2 emissions. This action is also an integral part of the new climate strategy will be therefore be extended until 2021.	◐	2021

SUSTAINABLE PRODUCTS		Status	Goal
Product safety			
Safety through product data tracking	A digital control system is used to operate, control, and monitor all critical and complex PALFINGER products. Sensor data and operating commands are processed in a software-based microprocessor control system and translated into control commands to the system actuators. The monitoring routines required for this purpose not only protect the machine, the operator, and the environment, but also enable detection of uses at the limits. Alongside actual faults on the machine, such limit states are also recorded in the fault memory. These logs are regularly called up during maintenance or repairs and made available to Product Development for analysis and continuous improvement of product functions. If the PALFINGER product is equipped with a telematics unit, this automatically forwards the logs at regular intervals. This enables huge volumes of machine data from a wide range of applications and working conditions to be analyzed and evaluated so that system functions can be continuously improved and risk of downtime minimized.	◒	2021
Product research and development	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION		
R&D process (Product Development)	The creation of PALFINGER's uniform Product Development Process (PDP) was completed in 2020, and from 2021 onwards all new development projects will be implemented in accordance with this uniform specification. A uniform project management process and a uniform project management tool will also be introduced at the same time the PDP. This ensures that the product development projects are implemented in accordance with the defined process specifications within the time, cost and quality specifications.	◒	2021
Training of R&D employees	Part of the PALFINGER product development process is the PDP role catalog, in which all process roles are described holistically. This includes (1) a description of the roles, (2) tasks and responsibilities of the roles, (3) definition of the deliverables the role is required to generate, check, and/or approve, and (4) training for the role and substantiation of this. Each R&D employee participating in the Product Development Process is assigned one or more roles, and a training plan is developed based on the skills required for the role in question.	◒	2021
Product life cycle	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		
Best invest (life cycle app)	In 2019, a PALDESK application was developed based on the life cycle approach for Loader Cranes and tested internally in the market with specific salespeople. This application is designed to present the benefits of a product to end customers but also to show the environmental impact and the costs arising from product use. Test feedback indicated that only a highly streamlined version of the application would be accepted by the market, so this is currently being created and will be rolled out in Q1 2021. Subsequently, Best Invest will become part of the product configurator (2022).	◒	2021
Business model innovation (TCO)	An integral part of PALFINGER's Product Development Process is the model-based system development method (MBSD). The aim of this method is to develop a digital system model that covers all development phases. This so-called digital twin enables the virtual testing, optimization and verification of critical system functions along the entire Product Development Process. It also allows mathematical models to be derived for predicting wear on critical components and functional groups so that preventive maintenance actions can be determined.	◒	2022
Environmentally friendly products	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION		
Definition of ecologically friendly products	Requirements for energy consumption, CO_2 emissions, product safety, life cycle, and recyclability are defined according to the defined market, customer, and business requirements and broken down, integrated, and demonstrated in the requirements process of the Product Development Process.	◒	2021
CO_2 emissions from product use	The reduction of energy consumption is a critical requirement for all PALFINGER products. To achieve this goal following the introduction of PALFINGER's uniform Product Development Process, the energy consumption of all functional systems is being optimized using calculation and simulation models in the development phase and the target requirements are verified on prototype systems in the verification phase. Following completion of development, field tests are carried out in which the energy consumption of series systems is tested and demonstrated in real operating conditions.	◒	2021
PALFINGER Lubricants	PALFINGER offers branded lubricants including hydraulic oil to its customers. They are also offered an oil monitoring program that measures the oil quality at frequent intervals, so that an annual oil change is no longer required. This approach is both financially interesting for the customer and, above all, environmentally friendly. The supply of PALFINGER Lubricants to company sites, which started in 2019, was expanded in 2020, and almost all EMEA plants are now involved. In the pilot market of Germany, it was possible to roll-out the offer through a web shop connection for the assembly shop and service center partners. In 2021, PALFINGER's own markets in Spain and Denmark will be next, followed by other markets on a step-by-step basis.	◒	2021

SUSTAINABLE PRODUCTS

		Status	Goal
Product information and fair marketing			
Customers in the system	In 2019 the opportunity was created to register customers as users in PALFINGER's PALDESK system so that they can interact directly with PALFINGER in one system. In 2020 this offer was made attractive to customers by adding value (online documentation, fleet overview, etc.). The goal is to retain customers through ongoing interaction and enable new business models (upselling).	◖	2021

FAIR BUSINESS

		Status	Goal
Viability of the business model [SDG 8 DECENT WORK AND ECONOMIC GROWTH] [SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE]			
GLOBAL PALFINGER ORGANIZATION	The GLOBAL PALFINGER ORGANIZATION (GPO) enables and promotes enhancement of the effectiveness and efficiency of the PALFINGER organization. The GPO relies on flexible and global team structures and close cooperation across functions, business units, product lines and regions. The GPO plays an important part in achieving the PALFINGER targets by 2024. The GPO went live in January 2019.	◖	2024
Compliance with legal and ethical standards [SDG 5 GENDER EQUALITY] [SDG 8 DECENT WORK AND ECONOMIC GROWTH] [SDG 10 REDUCED INEQUALITIES] [SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS]			
Compliance training	PALFINGER has developed an online training concept for compliance training and compliance tests. In 2018, 2019 and 2020, training courses were held on the topics of cyber risks, data protection, corruption and the PALFINGER Group Policy System. Regular training sessions on key compliance topics will continue to be held in the future.	●	2020
Compliance risk assessment	PALFINGER's Corporate GRC (Governance, Risk & Compliance) department conducts annual compliance risk assessments, which include an evaluation of the material compliance risks within each region. Assessment was initially carried out in the EMEA and APAC regions and was extended to the NAM region in the year under review. Over the next few years, the assessment will be rolled out to other regions.	◖	2022
Human rights assessment	PALFINGER is launching a human rights assessment of its sites in order to rule out any potential risks. These actions will be postponed until 2021, with further actions based on the initial analysis.	◖	2021
Updating the Code of Conduct	There have been significant changes, particularly in the area of business ethics, focusing more on compliance issues. In 2021, Group-wide compliance training on the Code of Conduct will be held.	●	2020
Integration of sustainability issues into risk assessment	Following the gradual integration of sustainability topics into the risk catalog starting in 2019, further topics were integrated in 2020. Additional adjustment processes will follow as part of the legal and regulatory updates expected for 2021.	○	2021
Industry 4.0 and digitalization [SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE]			
Digital Transformation Officer	The transformation program focuses on bundling digital competencies within the organization. That is why a Digital Transformation Officer was appointed in 2020 to take responsibility for coordinating digital transformation at PALFINGER. The target is to develop and introduce the future structure of a digital organization in Q1 2021.	○	2021
Overall performance			
PALdrive platform	PALdrive is an online platform that offers a variety of new vehicles, second-hand equipment, and demonstration & training vehicles covering a wide range of models and performance categories. Since 2018, the platform has been available in a responsive web design. Following its rollout in the EMEA and NAM regions, the platform was also expanded to the CIS region in 2019 and Africa in 2020.	●	2020

SUSTAINABILITY MANAGEMENT

		Status	Goal
Targeted stakeholder communication	In 2020, extensive stakeholder interviews took place to achieve further materiality analysis in 2021. As part of the respAct state coordination for Salzburg, a regional CEO Business Talk was held on Agenda 2030. Newsletters for dealerships are now the responsibility of regional marketing. The sustainability team provides regional marketing with one-pagers containing information on regional and group sustainability, which can also be used to integrate these topics into the newsletters.	◖	2021
Concept for health, safety, environment and quality	Following the start of development on a concept for health, safety, environment, and quality (HSEQ), the function is now covered by HSE as part of the new GLOBAL PALFINGER ORGANIZATION. This will improve focus on operational HSE projects, which will be reported directly to Global Operations at the end of each year. In terms of integrated management systems, the close cooperation between Quality and HSE will be continued.	◖	2021

SUSTAINABILITY MANAGEMENT		Status	Goal
HSE Action Plan	An HSE Action Plan has been drawn up for all production sites and the larger Sales and Service subsidiaries. In addition to global actions, these HSE action plans contain site-specific projects and actions for 2021.	○	2021
Merchandising fan shop	The PALFINGER fan shop was analyzed to determine whether its products can be procured from sustainable sources. As a key component, the collection was expanded in 2019 to include products from the Erdbär sustainable fashion brand. Plastic bags were replaced by paper bags and reusable fabric bags.	●	2020
Sustainable mobility	PALFINGER offers its employees organized car pools, job tickets and other activities at several locations in Austria. Further focus topics have been postponed until 2021.	◑	2021

⊕ **GRI 103-2**