

# CONSOLIDATED NON-FINANCIAL REPORT

PALFINGER publishes its non-financial key figures annually since 2021 in preparation for the Corporate Sustainability Reporting Directive (CSRD) with a non-financial statement as part of the management report. This will shift the focus more on to key topics and increase ease of understanding, thus ensuring greater clarity in the reports submitted to PALFINGER stakeholders. In addition, the environmental, social, and governance aspects are presented as a whole for the fiscal year January 1 to December 31, 2021. The non-financial statement was prepared in accordance with the GRI standards: "Core" option and the Austrian Sustainability and Diversity Improvement Act (NaDiVeG, section 267a of the Austrian Business Code).

The GRI content index provides an overview of the sustainability topics, contains references to the relevant pages in the report, and is appended at the end of this non-financial statement.

The non-financial statement includes all consolidated companies in the PALFINGER Group, as shown in the list of shareholdings.

PALFINGER has been supporting the UN Global Compact since 2013 and is committed to its ten principles on human rights, working conditions, the environment, and anti-corruption measures. Instead of disclosing a Communication on Progress report, PALFINGER once again combined the sustainability topics with the UN Principles in 2021.

Within the framework of its membership of the Austrian sustainability network respACT, PALFINGER took on the role of respACT coordinator for the province of Salzburg in August 2019. Furthermore, PALFINGER is, among others, a member of the BDE (Federal Association of the German Waste Management, Water and Raw Materials Industry), the BDSV (Federal Association of German Steel Recycling and Waste Management Companies), the BSK (Bundesfachgruppe Schwertransporte und Kranarbeiten e.v.), etc. Further information can be found on the PALFINGER website (<https://www.palfinger.com/de-de/ueber-palfinger/verbandsmietgliedschaften>).

PALFINGER is committed to the OECD Guidelines for Multinational Enterprises. The United Nations' 2030 Agenda for Sustainable Development contains 17 global Sustainable Development Goals (SDGs), PALFINGER incorporates the SDGs into all aspects of its business operations. The direct and indirect impacts of PALFINGER's operations on the 17 SDGs were discussed in a multi-stage process. PALFINGER has identified four development goals as being most relevant to its activities: SDG 5 – Gender equality, SDG 8 – Decent work and economic growth, SDG 12 – Sustainable consumption and production, SDG 13 – Climate action. The impacts on these SDGs influence the strategic direction of PALFINGER's sustainability management.

## ORGANIZATIONAL INTEGRATION OF SUSTAINABILITY AND DUE DILIGENCE PROCESS

Sustainability is part of PALFINGER's corporate strategy. To coordinate the topic across the various business units, a Sustainability Council was established as a cross-divisional steering committee. Committee members include the heads of global and corporate functions such as Global Operations, Global Human Resources, Global Product Line Management & Engineering, Corporate Marketing and Corporate Governance, Risk Management & Compliance. Project management, monitoring of measures, meeting reporting requirements, and conducting the materiality analysis is supported by Corporate Governance, Risk Management & Compliance, while ideas for content are provided by Corporate Development. Coordination of the activities and data collection for reporting key figures are part of existing controlling processes. This ensures that sustainability issues are driven forward with clear objectives and that non-financial goals are given equal weight in the management processes. The current focus is on preparing for the requirements of the CSRD and the corresponding European reporting standards.

The core tasks of the Sustainability Council are to formulate the sustainability strategy, define key figures and targets, determine measures, and continuously monitor the goals and measures. The respective global and corporate functions are responsible for implementing the defined measures.

The revision of the control parameters for full operationalization of this new sustainability strategy was started in 2021 and further developed in 2022 by the Sustainability Council in close consultation with the respective global and corporate functions.

The Sustainability Council reports directly to the Executive Board. Besides financial, operational, and strategic topics, the Executive Board regularly informs the Supervisory Board about current sustainability issues and the progress of sustainability activities so that the latter can fulfill its supervisory obligations.

The risks and opportunities arising from sustainability are integrated into the company's operations as well as the existing risk management processes and structures. Information on risk management systems and processes is described in the risk report in the management report.

## STAKEHOLDER MANAGEMENT

PALFINGER takes into account the consequences of its operations along the entire value chain, not just for the company but also for the environment and society. To achieve this, PALFINGER proactively engages its stakeholders.

Stakeholders are legal entities or natural persons affected by the company's activities or whose activities influence PALFINGER. Their individual interests and needs are taken into account in a way that is as balanced as possible. In this context, PALFINGER maintains an ongoing dialogue with stakeholders. The interests of senior management and employees at PALFINGER are identified in the course of employee interviews and surveys, performance & development reviews, regular meetings with line managers, etc. Continuous and transparent communication is maintained with shareholders and lenders at events and in discussions with customers and dealers at international dealer conferences and trade fairs, as well as through surveys and direct dialog. Additionally, they are kept up to date via newsletters and involved in the continuous improvement process. Dialog with suppliers, OEMs, and strategic cooperation partners is conducted at conferences and in direct contacts, delivery and quality management agreements are concluded, visits to stakeholders' sites take place and they are also invited to visit PALFINGER's sites. PALFINGER maintains a lively exchange with the local community through local media activities as well as through events, plant tours, and other forms of direct contact.

## MATERIALITY ANALYSIS

In 2021, a comprehensive materiality analysis was carried out and material environmental, social and governance issues were identified in a multi-stage process. This materiality analysis remains valid for the year 2022. Employee concerns, respect for human rights, prevention of corruption and bribery, and diversity issues were also taken into account. The various relevant topics were identified along the entire value chain, taking into account global trends as well as requirements regarding current issues and legislation. In addition to the ongoing stakeholder dialog, qualitative interviews were conducted with internal and external stakeholders as well as stakeholder representatives to ascertain the significance of the topics from their point of view. The Management Board, Supervisory Board, top management and employees, shareholders and debt investors, customers and dealers, suppliers, OEMs, and strategic cooperation partners were surveyed. The interviews were weighted according to the influence on PALFINGER and the interest in PALFINGER of the respective stakeholders, with all stakeholder groups giving extremely homogeneous answers.

In the course of the materiality analysis, eleven relevant aspects were identified with the stakeholders, which were then assigned to six key topic areas. The internal validation of these topics and their integration into the sustainability strategy were performed by the Sustainability Council and approved by the Executive Board. The measures defined from the previous strategy were terminated or, if still in line with the outcome of the materiality analysis, continued. The following topics were identified as material:

<b>Area</b>	<b>Material topics with relevant aspects from the stakeholder analysis</b>	<b>Topics according to NaDiVeG</b>	<b>Sustainable Development Goals</b>
<b>For the living planet we all depend on (Environment)</b>	<b>Less emissions</b> <ul style="list-style-type: none"> <li>• Energy consumption and GHG-emissions in production and at PALFINGER sites</li> </ul>	Environmental concerns	SDG 13
	<b>Positive impact on the value chain</b> <ul style="list-style-type: none"> <li>• GHG-emissions from product use</li> <li>• Environmental impact in the value chain</li> </ul>	Environmental concerns	SDG 13
<b>For all the people we touch (Social)</b>	<b>Safe and healthy on every level</b> <ul style="list-style-type: none"> <li>• Safety of PALFINGER products and applications</li> <li>• Employee health and safety</li> </ul>	Social issues Employee concerns	SDG 8, SDG 13
	<b>A qualified and diverse workforce</b> <ul style="list-style-type: none"> <li>• Attracting and retaining experts/talents as well as employee development including training and continuing education</li> <li>• Diversity and equal opportunities</li> </ul>	Social issues Employee concerns Diversity Plan	SDG 5, SDG 8
<b>For a future-oriented entrepreneurial action (Governance)</b>	<b>Committed to our values</b> <ul style="list-style-type: none"> <li>• Compliance with and leadership commitment to values, legal, and ethical standards</li> </ul>	Prevention of corruption and bribery Human rights	SDG 8
	<b>Focus on governance and transparency</b> <ul style="list-style-type: none"> <li>• Clear internal guidelines and standardized processes</li> <li>• Transparency and accurate reporting</li> <li>• Dealing with megatrends</li> </ul>	Prevention of corruption and bribery Human rights	SDG 8, SDG 12

## SUSTAINABILITY STRATEGY

Sustainability is of particular importance in the vision and strategy for 2030. The Sustainability Council ensures that PALFINGER takes account of environmental, social, and governance issues in addition to economic aspects in all business processes. Therefore, sustainability is not just a challenge or a risk for PALFINGER. In fact, responsible, sustainable business is an opportunity and a value driver, and opens doors to new business segments, growth, and greater differentiation. The most important basis for defining the sustainability strategy is the analysis of the value chain and the material topics identified in the materiality analysis with regard to their influence on people, the environment, and the economy.

PALFINGER's Sustainability Mission Statement states:

Responsibility for **people, planet and profit** is a major part of the **way we work**. We continue to break new ground of **business opportunities with positive impact** together with our customers, partners, and investors.

Our **employees are the backbone** and driving force to transform and overcome future challenges.

**Proactively contributing to minimize and manage the impact of climate change** hand in hand will guarantee lasting success.

Because we care!

The eleven relevant aspects of the stakeholder analysis were assigned to six key topic areas, with two each falling into the areas of environment, social affairs, and governance. The six strategic topic areas are described here.

### **For the living planet we all depend on.**

#### LESS EMISSIONS

As part of the global movement in industry, we make lower CO2 emissions one of our priorities. That's why our operations are increasingly powered by renewable energy and characterized by efficient material use - to deliver positive impact.

#### POSITIVE IMPACT ON THE VALUE CHAIN

To effect change in our value chain, we are engineering our entire range of product solutions to reduce emissions and enable low-carbon innovation. We're also working to become an integrated solutions provider for partners across the network.

### **For all the people we touch.**

#### SAFE AND HEALTHY AT ALL LEVELS

Safety in our operations, a healthy work culture as well as safety of our products are critical priorities. The well-being of our employees and customers are crucial to our success.

#### A QUALIFIED AND DIVERSE WORKFORCE

To innovate in a global economy, we need to attract and retain the best people - in our leadership and throughout the organization. This includes continuous training and personal development. At PALFINGER, we see diversity as a source of excellence and strength - and of business success.

### **For a future-oriented entrepreneurial action.**

#### COMMITTED TO OUR VALUES

To change our direction towards the sustainable, we must go beyond the baseline and strive for the highest human, ethical, and legal standards.

#### FOCUS ON GOVERNANCE AND TRANSPARENCY

For the change to last, we must evolve our business to meet the demands of a sustainable economy. This calls for the highest standards of governance and transparency for a better way of doing business.

The development of the new sustainability strategy was followed in 2021 by the derivation of non-financial targets for the three areas of environment, social affairs, and governance (ESG). These cover all NaDiVeG (Austrian Sustainability

and Diversity Improvement Act) concerns (environmental, social and employee concerns, as well as respect for human rights, the fight against corruption and bribery, and the diversity concept).

In the area of the environment, PALFINGER has set itself the goal of generating fewer greenhouse gas (GHG)-emissions in order to have a positive impact. The focus is on reducing energy consumption and GHG-emissions in production and at PALFINGER sites. The second aspect defined is the positive impact along the entire value chain. This will be achieved by reducing GHG-emissions in product application and, among other things, by increasing the use of renewable sources of electricity in terms of environmental impact along the entire value chain.

Safety in the use of PALFINGER products as well as the health and safety of employees are key issues in the social area. Health and safety are measured by the TRIR (Total Recordable Injury Rate). A second focus in this area is the promotion of qualified and diverse employees. Attracting and retaining experts and talents as well as employee development, including training and continuing education, taking into account equal opportunities, and increasing diversity are key cornerstones here.

Governance includes compliance with PALFINGER's values. In this context, the focus is on compliance with and leadership commitment to our values as well as legal and ethical standards. PALFINGER's approach to megatrends as well as the creation of clear internal guidelines and standardized processes are in the area of focus on governance and transparency. This also includes the central aspect of transparent and correct reporting, which underlies all of PALFINGER's activities.

At PALFINGER, targets are defined on a group-wide basis by the respective specialist department and the Sustainability Council, while the respective corporate/global function is responsible for implementing the measures. The effectiveness of the measures taken is monitored on an ongoing basis to ensure that the targets are achieved on group level.

## FOR THE LIVING PLANET WE ALL DEPEND ON

### LESS EMISSIONS

PALFINGER strives to work as efficiently as possible in production, both ecologically and economically, attaches great importance to climate protection and therefore intensively addresses the issue of emissions arising from its own energy consumption that may have an effect on the climate. The focus here is therefore on GHG-emissions in production and at PALFINGER sites as well as on energy consumption.

The Health, Safety & Environment (HSE) department manages eco-efficient production within the Global Function Operations. The group policy package on HSE topics was developed or updated in 2021. During the reporting period, as part of the planned revision of the environmental guideline, the HSE Audit Standard was drawn up, which defines in 19 chapters how, among other things, the topics of occupational safety and environmental protection are implemented at the individual PALFINGER locations and what measures are taken. The effectiveness of the defined measures in the environmental and HSE area is continuously monitored. Furthermore, the finalization of PALFINGER's environmental protection guideline will be finalized in the first half of 2023. It will reflect the integrated management approach based on the HSE Audit Standard.

PALFINGER is pursuing the long-term goal of reducing production-related CO<sub>2</sub> emissions across the Group. The climate strategy is being developed on the basis of the science-based target initiative for a 1.5-degree economy.

From a process perspective, the greatest energy consumption in the PALFINGER Group occurs in production, primarily through the operation of painting and electroplating systems. All other manufacturing processes have moderate energy consumption in comparison, with energy primarily required for heating and ventilating production halls. PALFINGER has set itself the goal of increasing energy efficiency and also reducing energy consumption, for which measures are being taken on an ongoing basis. In 2023, an analysis of the energy savings potential at the 10 largest production sites will be carried out with an external partner, from which targeted measures to reduce energy consumption will be derived. The centrally recorded fuel consumption is included in the presentation of energy efficiency. Most transport is outsourced to logistics companies rather than carried out by PALFINGER itself, although the transport mix of trucks and ships is determined (As a result, these transport emissions do not fall under Scope 1).

In addition to the survey of Scope 1 and Scope 2 emissions, energy consumption has been identified as one of the relevant control variables in continuously driving the reduction of GHG-emissions at PALFINGER's sites. In the reporting year, absolute energy consumption was reduced slightly to 222.1 million kWh (2021: 222.3 million kWh) despite higher production volumes due to an increase in energy efficiency in production. Most of the energy consumption occurred in the EMEA region. The corresponding energy consumption within the organization was significantly reduced in the reporting period to 99.8 MWh /mEUR sales (2021: 120.5 MWh/mEUR sales), with this being attributable in particular to higher sales with a slight increase in production volume.

PALFINGER reports internal production-related CO<sub>2</sub> emissions (Scope 1 and 2) in two categories: direct emissions from fuels and indirect emissions from electricity and district heating. PALFINGER generated 18,850 metric tons of CO<sub>2</sub> equivalents in 2022 (2021: 20,160 metric tons of CO<sub>2</sub> equivalents) in direct emissions from fuels – natural gas, diesel, gasoline, liquefied petroleum gas, butane, propane, and heating oil. In terms of indirect emissions (Scope 2 market-based) from electricity and district heating, PALFINGER caused 12,908 tons of CO<sub>2</sub> equivalents in 2022 (2021: 11,044 tons). The slight increase in emissions for Scope 1 and Scope 2 in 2022 to 31,758 t CO<sub>2</sub> (2021: 31,204 t) is primarily due to higher energy-related emissions in the CIS region. The intensity of GHG- emissions for Scope 1 and 2 in the reporting year 2022 was 14.27 t CO<sub>2</sub>e/mEUR (2021: 16.94 t CO<sub>2</sub>e/mEUR ).

The target of increasing the share of renewable electricity across the group to 75 percent by 2022 was already achieved in 2021 with 76.4 percent. The share of green electricity was increased slightly across the group in the reporting year to 76.6 percent (2021: 76.4 percent) due to increased electricity demand, particularly at sites that already purchase green electricity.

in MWh	2020	2021	2022
<b>Electricity</b>			
Electricity from renewable sources	106,051	124,978	127,593
	<b>106,051</b>	<b>124,978</b>	<b>127,593</b>
<b>Heating</b>			
Natural gas	61,940	68,216	60,589
Propane	3,214	3,201	2,967
Butane	895	905	3,520
LPG	4,203	5,190	5,164
Heating oil	408	1,434	1,311
District heating	4,980	4,883	4,965
	<b>75,640</b>	<b>83,829</b>	<b>78,516</b>
<b>Fuels</b>			
Diesel	12,376	12,302	12,696
Petrol	1,304	1,206	3,319
Kerosene	0	0	0
	<b>13,679</b>	<b>13,508</b>	<b>16,015</b>
<b>Energy consumption broken down by energy source</b>	<b>195,371</b>	<b>222,315</b>	<b>222,124</b>

in t CO <sub>2</sub> equivalents <sup>1)</sup>	2020	2021	2022
<b>Direct emissions from fuels (Scope 1)</b>	<b>18,419</b>	<b>20,160</b>	<b>18,850</b>
<b>Indirect emissions from electricity and purchased energy sources (Scope 2)</b>	<b>12,377</b>	<b>11,044</b>	<b>12,908</b>
<b>Production-dependent CO<sub>2</sub> emissions</b>	<b>30,796</b>	<b>31,204</b>	<b>31,758</b>

<sup>1)</sup> The conversion of direct and indirect CO<sub>2</sub> equivalents is largely based on the IEA 2018 database, reference year 2016. Emissions data include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O), as well as the correction value for import and export. The remaining Kyoto gases are not produced during direct combustion, so the figures can be considered complete. The direct emission factors (Scope 1) of gasoline, diesel, liquefied petroleum gas and heating oil are from the Federal Environment Agency Austria. The conversion for coal as an energy source is based on the specific carbon content (Scope 1). The district heating conversion factors are country-specific and come directly from the supplier.

With regard to data collection, it should be noted that companies or sites acquired or established during the reporting year are not required to report environmental data until the beginning of the following year. Due to their materiality, environmental indicators are reported by production and assembly sites. Due to their size, the Bergheim (AT) and Ainning (DE) sites were included in the reporting as company headquarters and assembly sites, respectively. The definitions of the key figures are given in the section on key figure definitions

## POSITIVE IMPACT ON THE VALUE CHAIN

As part of the global trend in the industry, reducing greenhouse gas emissions is a top priority for PALFINGER. In its product development, PALFINGER therefore aims to reduce GHG-emissions and enable low-carbon innovation.

When ascertaining emissions along the entire value chain, PALFINGER found that the most significant share of CO<sub>2</sub> emissions originates in the deployment phase of PALFINGER products, which means that it is here that PALFINGER has the greatest potential to contribute to achieving the 1.5-degree target. Consequently, PALFINGER has set itself the goal of reducing GHG-emissions along the entire value chain, especially when using PALFINGER products and solutions. In future, PALFINGER's efforts will therefore focus increasingly on "external" GHG-emissions, in particular from product use. The individual product lines follow specific approaches for sustainable product design. As part of the EcoEfficiencyScoping, PALFINGER introduced a structured process to reduce the impact of the products on the environment, which was set up in accordance with the principles of SBTi for Scope 3 "product in use". After a thorough analysis of the past years, the results are integrated into the product development strategy in order to optimize the portfolio step by step. This will help customers reduce their carbon footprint and therefore their total cost of ownership.

The development of the climate strategy is based on the Science-Based Target initiative towards a 1.5-degree economy and takes into account GHG-emissions and CO<sub>2</sub> savings potentials along the entire upstream and downstream value chain.

In order to reduce GHG-emissions, PALFINGER invests in product research and development and offers state-of-the-art technologies. Research and development as well as innovations and digital solutions are aimed at increasing the efficiency of PALFINGER's products. In order to bundle all activities in the field of new mechatronic and digital products and product functions, a separate work program was set up. For further details, please refer to the chapter on research and development in the management report.

PALFINGER can also influence the environmental impact in the value chain. For example, the Code of Conduct, which also sets minimum standards in the environmental area, is mandatory for suppliers and business partners.

In the year under review, PALFINGER worked intensively on developing a suitable methodology for calculating Scope 3 emissions, focusing in particular on the Use of Sold Products category, as the use of PALFINGER products clearly accounts for the largest share of GHG-emissions. When calculating the value for 2022, the CIS region was not taken into account, as corresponding detailed figures for determining the emission values were not available due to the limited reporting. For 2022, Scope 3 emissions for the Use of Sold Products category were 2,154,210 t CO<sub>2</sub>e. Corresponding calculation methods will be defined for the other relevant Scope 3 categories in 2023.

# FOR ALL THE PEOPLE WE TOUCH

## SAFE AND HEALTHY ON EVERY LEVEL

### Safety of PALFINGER products and applications

At PALFINGER, product safety comes first.

PALFINGER products combine ease of use with utmost safety. They are sold on the international market in accordance with the relevant standards applicable in each country. It is vital that PALFINGER implements these safety standards in a user-friendly manner.

PALFINGER has set itself the goal of “zero accidents with PALFINGER products”. All accidents in which PALFINGER products were involved are included in the corresponding key figure if the accident caused personal injury (excluding accidents at work). These are recorded independently of a question of fault.

There were 13 reported accidents in the field with PALFINGER products in the reporting year (2021: 9). Use of PALFINGER products led to 11 injuries of varying degrees (2021: 7) and to 6 fatal accidents (2021: 3). In the reporting year, PALFINGER initiated product recalls in 9 instances (2021: 20) as internal testing and ongoing quality assurance revealed a need for improvement in each case.

<b>Accidents with PALFINGER products</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Reported accidents	14	9	13
Fatalities <sup>1)</sup>	3	3	6
Injuries of varying severity <sup>1)</sup>	12	7	11
Penalties imposed by court due to accidents	0	0	0
Pending complaints (in negotiation) on grounds of accidents with products (as at December 13)	7	5	6
Convictions	0	0	0

<sup>1)</sup> Irrespective of fault.

In reporting year 2022 there were no convictions of PALFINGER for non-compliance with safety regulations. Irrespective of the question of fault, PALFINGER nevertheless examines all incidents involving PALFINGER products in which persons are injured. The majority of these incidents stem from errors in operation, as a result of which no legal claims can be brought against PALFINGER. In these cases, a good network, and an understanding of safety awareness in the countries concerned are a prerequisite for PALFINGER’s being notified of these incidents. All accident-related information is then evaluated internally. All PALFINGER products are assessed with regard to their effects on the health and safety of the operators, and any opportunities for further development identified in the course of these assessments are continuously implemented.

## Employee health and safety

The safety and health of employees is of the highest importance to PALFINGER.

In the GPO, the PALfit global health program is anchored in the human resources global function, while the other safety topics in HSE are anchored in the operations global function. The management of occupational safety and health protection aspects at PALFINGER is regulated according to ISO 45001 (OHSAS 18001) and the corresponding certifications. In 2022, 37 percent excluding CIS (2021: 43 percent including CIS) of employees worked at locations with this certification. Due to the current situation, the key figure had to be collected excluding the CIS region. From 2023, cross-site certifications will be sought, whereby the corresponding control will also be evaluated in the area of safety and adjusted if necessary.

With regard to safety, PALFINGER has set itself the goal of reducing work-related accidents with injuries to a minimum. Control is based on the Total Recordable Injury Rate (TRIR), which measures work-related accidents with injuries per 1 million hours worked. A targeted program of measures improved the TRIR slightly to 11.36 in 2022 (2021: 11.74). It should be noted in this context, however, that in 2022 accident reporting was restarted and the basis for calculating TRIR was revised in order to determine the data basis even more precisely. Although numerous improvements in the area of occupational safety were achieved through the program of targeted measures, the more detailed calculation of TRIR only led to a smaller improvement in the value. In the course of revising the basis for calculation, a target value of the TRIR was also defined at 10.5 by 2027. There were no fatalities due to occupational accidents in the reporting year (2021: 0 fatalities) and 2 injuries with serious consequences (0,085 injuries with serious consequences per 1 million hours worked).

Information on work-related injuries <sup>1)</sup>	2022
Deaths	0
Injuries with serious consequences	2
Documentable injuries	268
Hours worked	23,589,856.79

<sup>1)</sup>Distinction between white-collar workers and blue-collar workers not available due to lack of data.

Number of injuries by injury type	2022
Hematoma, bruise	63
Sprain and strain	41
Light cut	37
Closed fracture	36
Contusions	23
Lacerations	17
Bad cut	17
Penetration wound	11
Type of injury unknown	10
Grazes	8
Burns and scalds	4
Concussion	2
N/A	2
Open fracture	1
Internal injuries	1
Traumatic amputations (loss of a body part)	1

When starting work, employees receive a documented safety briefing on the hazards and risks in the workplace as part of their general training. These safety instructions are repeated at regular intervals, when procedures and workplaces are changed and on an ad hoc basis, e.g. in the event of accidents. The Learning Management System (LMS) organizes and provides online workplace and activity-based safety training. In the reporting period, about 50 HSE training courses were prepared for all PALFINGER sites, which will be made available globally in 15 languages in 2023. PALFINGER strives to continuously improve safety training. Safety experts, occupational physicians and the works council are involved in the regular occupational safety committee meetings to represent the interests of the employees and ensure their participation.

A group-wide standard regulates a defined service catalog as well as time specifications for the scope of occupational medical care depending on the number of employees at the sites. This ensures that occupational health care is available to every PALFINGER employee worldwide, irrespective of legal requirements.

The Covid-19 pandemic also showed that PALFINGER focuses on health and safety. A Covid-19 task force was set up for Covid-19 pandemic management, a stage plan was developed with safety levels for the operating sites, depending on the current pandemic situation, and a group guideline with the corresponding measures was drawn up. The central Covid-19 task force proactively manages the topic globally, initiates ongoing improvements to packages of measures and works in close coordination with the local task forces. These take into account the local legal framework in their decisions within the framework of the global requirements. Global contacts and initiatives have been defined within the framework of the program (e.g., in Austria: vaccination offers, temperature measurements and access controls in the operating sites).

## A QUALIFIED AND DIVERSE WORKFORCE

Attracting and retaining experts/talent as well as training and further education are important aspects for PALFINGER. The availability of qualified staff, especially in technical professions such as welders, is a challenge worldwide. As retaining experts and attracting talent is of central importance to PALFINGER, fluctuation as well as employment structure play a major role. In order to better understand the background and motivation of employees who have decided to leave PALFINGER, exit interviews will be held with them.

As a matter of principle, PALFINGER has set itself the Group-wide target of keeping staff turnover at around 15 percent on a rolling average of 3 years. In addition to this benchmark, voluntary fluctuation with a target value of 8 percent, also on a rolling average of 3 years, will be used as a control parameter as of 2021.

Fluctuation in the reporting year 2022 was influenced by different and, in part, opposing effects. The rolling average of employee turnover decreased slightly from 17.5 to 15.9 percent in 2022. In the reporting period, many vacancies, including long-term ones, were filled and more than 2,000 employees were employed. Voluntary fluctuation amounted to 6.0 percent (2021: 5.5 percent).

Number and percent	2020	2021	2022	% <sup>1)</sup>
<b>Gender</b>				
Female	195	225	224	12,9%
Male	1,264	1,371	1,517	87,1%
<b>Age</b>				
0–29	282	359	525	30,2%
30–50	826	824	897	51,5%
50+	351	413	319	18,3%
<b>Voluntary fluctuation<sup>2)</sup></b>				
PALFINGER Group	N/A	550	641	36,8%
<b>Regions</b>				
EMEA	544	623	779	44,7%
NAM	242	384	380	21,8%
LATAM	67	152	174	10,0%
APAC	53	42	36	2,1%
CIS	170	122	160	9,2%
MARINE	279	220	149	8,6%
HOLDING	104	53	63	3,6%
<b>Employee exits<sup>3)</sup></b>	<b>1,459</b>	<b>1,596</b>	<b>1,741</b>	<b>16,5%</b>

1) The key figure is related to the total number of employee exits in 2022.

2) For Integrated SuccessFactors companies only. Includes self-termination, self-termination during probationary period, unauthorized self-termination, voluntary termination.

3) The employee exits, and the following tables represent the key employee figures of the PALFINGER Group. With regard to the collection of the key figures, it should be noted that companies or sites acquired or established in the course of the reporting year are not required to report specific employee figures until the beginning of the following year.

Number and percent	2020	2021	2022	% <sup>1)</sup>
Gender				
Female	200	365	356	14.1%
Male	980	2,235	1,951	85.9%
Age				
0–29	447	887	932	35.8%
30–50	615	1,422	1,155	54.1%
50+	118	291	220	10.1%
Regions				
EMEA	542	1,209	1,113	49.7%
NAM	140	461	364	16.9%
LATAM	176	370	225	10.6%
APAC	50	37	39	0.4%
CIS	93	176	153	13.0%
MARINE	100	219	254	7.0%
HOLDING	79	128	159	2.4%
<b>Employee entries</b>	<b>1,180</b>	<b>2,600</b>	<b>2,307</b>	<b>22.3%</b>

1) The ratio is based on the total number of employees entering the company in 2022.

2) PALFINGER only reports entries and exits for its own employees of companies that are integrated into the HR system SuccessFactors, otherwise a non-data protection compliant transfer of Employee detail data would be necessary.

To find and retain experts in the long term, PALFINGER focuses on staff development, comprehensive training and further education measures. This includes a Performance and Development Review (PDR) process in a unified tool. At the end of March 2022, the PDR process was fully completed for the first time. For the 2021, 87.2 percent of the employee reviews were recorded in the system. In addition, there is an extensive e-learning program for all employees, as well as the globally implemented learning management system as a technical basis, that bundles all future learning, development activities and measures in one system environment. Every PALFINGER employee has the opportunity to spend two hours of their working time per month on digital learning content relevant to the company. In the case of more comprehensive training measures, this is done in consultation with the respective manager. There are also tailored management development programs. The ability to work remotely and the "New Way of Work" on company premises provide a higher degree of flexibility for employees and thus contribute to a better work-life balance.

PALFINGER attaches particular importance to apprentice training both in and outside Austria. In 2022, the new PALFINGER Campus was completed, which is expected to significantly increase the number of apprentices and to continue the success story of PALFINGER apprenticeship training. This was reflected in Austria during the reporting period, among other things by numerous victories and top rankings in apprentice competitions. In addition, the "Study and Work" training program was launched in Austria in 2022, which enables employees to complete academic training alongside their professional activity. In addition, the training program in China was continued and again in 2022 numerous apprentices, who receive dual apprenticeship training based on the Austrian model, were trained.

PALFINGER is an important employer in various regions. At the end of 2022 12,210 people (2021: 11,733) were employed by PALFINGER. In addition, as of year-end 2022 468 (2021: 612) leased workers were employed.

Number	2020	2021	2022	% <sup>1)</sup>
<b>Permanent employment contract</b>				
Gender				
Female	1,231	1,305	1,378	13.0%
Male	8,234	8,791	9,214	87.0%
Regions				
EMEA	5,275	5,722	5,983	56.5%
NAM	998	1,027	1,003	9.5%
LATAM	620	769	788	7.4%
APAC	268	256	309	2.9%
CIS	841	1,494	919	8.7%
MARINE	1,078	409	1,110	10.5%
HOLDING	385	419	480	4.5%
	<b>9,465</b>	<b>10,096</b>	<b>10,592</b>	<b>97.8%</b>
<b>Temporary employment contract</b>				
Gender				
Female	18	30	57	24.4%
Male	141	218	177	75.6%
Regions				
EMEA	101	157	205	87.6%
NAM	1	0	0	0.0%
LATAM	0	0	26	11.1%
APAC	0	2	0	0.0%
CIS	34	52	0	0.0%
MARINE	16	22	2	0.9%
HOLDING	7	15	1	0.4%
	<b>159</b>	<b>248</b>	<b>234</b>	<b>2.2%</b>
<b>Core workforce</b>	<b>10,824</b>	<b>11,733</b>	<b>12,210</b>	
Apprentices and interns	209	228	226	<b>1.9%</b>
<b>Core workforce</b>	<b>10,824</b>	<b>11,733</b>	<b>12,210</b>	
SuccessFactors integrated	9,624	10,344	10,826	88.7%
Not SuccessFactors integrated	1,200	1,389	1,384	11.3%
<b>Contingent workers</b>	<b>571</b>	<b>383</b>	<b>612</b>	<b>3.8%</b>
<b>PALFINGER Group</b>	<b>11,207</b>	<b>12,345</b>	<b>12,678</b>	<b>100.0%</b>

1) The ratio is in relation to the total number of employees in 2022.

2) PALFINGER reports details such as age, gender and employment status for key figures only for companies that are integrated into the SuccessFactors HR System, other wise a non-data protection compliant transfer of employee detail data would be necessary.

3) Until 2021, trainees and interns were reported together in this indicator. From 2022, only trainees will be reported in relation to a global apprenticeship strategy (comparative value under this definition 2021: 188 and 2020: 180).

As a rule, PALFINGER's employees are permanent and the number is not subject to seasonal fluctuations. Fixed-term employment contracts (beyond a locally defined probationary period) are not common, apart from some project work, professional internships and in interim management. In the 2022 financial year, 96.0 percent of employees worked full-time, while around 4.0 percent (2021: 2.9 percent) of employees worked part-time. In addition, "temporary workers" (leasing personnel) are used primarily in the production processes at PALFINGER locations. In 2022 there was no significant fluctuation in the leased workers.

PALFINGER generally makes no distinction in the awarding of company benefits with regard to employment relationship and length of service or temporary employment relationships and treats all employees fairly and in a comparable manner. This includes benefits such as company health promotion (PALfit) and comprehensive training programs (LMS, Udemy, Rosetta Stone) as well as monetary benefits such as the cost-of-living bonus in 2022. Exceptions where benefits can only be guaranteed on a pro rata basis exist in a few individual cases, and then only locally where the benefit is tied to the length of employment with the company for tax reasons. One example of this is annual passes for public transport, which can only be issued if the employee has been in service for at least 12 months.

Number	2020	2021	2022	% <sup>1)</sup>
<b>Full-time employment</b>				
Gender				
Female	1,064	1,154	1,229	11.8%
Male	8,187	8,818	9,161	88.2%
	<b>9,251</b>	<b>9,972</b>	<b>10,390</b>	<b>96.0%</b>
<b>Part-time employment</b>				
Gender				
Female	185	181	206	1.9%
Male	188	191	230	2.1%
	<b>373</b>	<b>372</b>	<b>436</b>	<b>4.0%</b>
<b>Core workforce</b>	<b>9,624</b>	<b>10,344</b>	<b>10,826</b>	<b>100.0%</b>

1) The ratio is in relation to the total number of employees in 2022.

2) PALFINGER reports details such as age, gender and employment status for key figures only for companies that are integrated into the SuccessFactors HR System, otherwise a non-data protection compliant transfer of employee detail data would be necessary

PALFINGER aims to find the best person for each position. Diversity and equal opportunities play a key role in this. In 2022, diversity strategy within the Group was redefined. The currently valid diversity concept is included in the Corporate Governance section of the report.

PALFINGER is committed to measurable diversity targets and abides by the relevant indicators. The objectives are to increase the proportion of non-Austrians at headquarters in Bergheim to 20 percent, and to align the percentage of women in senior management with the percentage of women in the PALFINGER Group overall.

At the end of 2022, 22.2 percent of the members of PALFINGER AG's Supervisory Board were women (2021: 30.0 percent) and no women were members of the Management Board. At year-end 2022, 8.3 percent (2021: 7.2 percent) of the positions in the Global Management Team were held by women. The general proportion of women at PALFINGER was 13.3 percent in 2022 (2021: 13.3 percent). The share of international staff at headquarters was 21.7 percent (2021: 20.7 percent).

The Recruiting Group policy 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, fair remuneration, diversity, quality, and confidentiality. The use of a potential analysis is being implemented successively throughout the Group for management functions.

## FOR A FUTURE-ORIENTED ENTREPRENEURIAL ACTION

### COMMITTED TO OUR VALUES

PALFINGER's employees live the company values of entrepreneurship, respect and learning every day. That is why PALFINGER supports and encourages its employees in accordance with the tagline: "We value people. People create value." At PALFINGER, the following leadership principles apply to the Executive Board as well as to all executives: DRIVE. FOCUS. INSPIRE. EMPOWER. DEVELOP. DELIVER.

The current version of the Code of Conduct defines the essential principles for doing business. Integrity is paramount in all of PALFINGER's business activities, and PALFINGER's values of entrepreneurship, respect, and learning are essential. Proactive implementation of standards, and compliance with them, is important to PALFINGER and is also expected of all employees and business partners, such as suppliers and dealers. Agreements with employees, dealerships, suppliers, and cooperation partners include binding references to the PALFINGER Code of Conduct. This Code of Conduct is published on PALFINGER's website. The "Integrity Line" enables to report, anonymously, if need be, possible violations of laws and internal policies or misconduct.

PALFINGER considers human rights violations and corruption to be unacceptable. They contradict the organization's corporate values and are harmful to the economy – and consequently also to PALFINGER. PALFINGER takes immediate action whenever any irregularities are suspected. PALFINGER has defined a catalog of multi-stage actions to prevent or, if need be, investigate any violations. An annual report on anti-corruption measures is submitted to the Supervisory Board annually, enabling it to fulfill its supervisory obligations. As in previous years, there were no confirmed cases of corruption at PALFINGER in 2022, nor were there any legal proceedings in connection with corruption against the Company or its employees.

No instances of child labor or forced or compulsory labor were identified at any of PALFINGER's sites in 2022, nor were any young employees subjected to dangerous work. Suspected violations of the Code of Conduct or other Group guidelines are evaluated and, if substantiated, they are investigated by Corporate Internal Audit and appropriate improvement measures are defined with the responsible management. Likewise, PALFINGER did not have to pay any fines for violations of legal provisions. Moreover, there are no lawsuits pending against PALFINGER for anti-competitive behavior.

### FOCUS ON GOVERNANCE AND TRANSPARENCY

To meet the transformation requirements, the principles of sustainable business must be applied. To this end, PALFINGER applies the highest reporting standards and a transparent approach to business practice.

For a description of the organizational structure and process organization as well as corporate governance and compliance, please refer to the relevant sections of the Corporate Management chapter in the management report and to the corporate governance report.

PALFINGER is currently confronted with the following megatrends in particular: Sustainability, digitalization, and social change, which have a significant impact on PALFINGER's business operations and entail many challenges. The vision and strategy for 2030 addresses the megatrends that have been identified and describes how to deal with these challenges and make them part of PALFINGER's success through 2030. These megatrends lead to both risks and opportunities for PALFINGER. PALFINGER proactively addresses risks and seizes opportunities. Further details can be found in the risk report of the Management Report.

There are no indications that violations of environmental laws and regulations, laws, and regulations in the social and economic area, in connection with health and safety impacts of products and services, with product and service information or labeling occurred, nor are there any indications that regulatory violations in connection with marketing and communication measures occurred on the part of PALFINGER in the 2022 financial year.

## DISCLOSURE PURSUANT TO ARTICLE 8 TAXONOMY REGULATION

With the EU taxonomy, the EU has established a classification system for defining “environmentally sustainable” business activities. For fiscal year 2022, taxonomy-compliant revenues, capital expenditures (CapEx), and operating expenditures (OpEx) must, for the first time, be collected for environmental goals 1 and 2. For this purpose, PALFINGER carried out an analysis of the economic activities in a first step and linked these to the descriptions in the Taxonomy Ordinance (TaxonomieVO) to determine taxonomy eligibility. For this purpose, the respective potentially taxonomy-eligible sales, CapEx and OpEx are collected from employees in the countries and checked at group level to determine whether taxonomy eligibility actually exists. These are then assigned to one of the two environmental targets valid in 2022 in a second step. Compliance with the technical evaluation criteria and "Do No Significant Harm" criteria is verified by the sustainability manager with the support of the respective departments. The climate risk analysis conducted to assess the "Do No Significant Harm" criteria was carried out separately according to relevant taxonomy-capable economic activities, taking into account the IPCC standard scenarios and the climate hazards specified in Annex A of Delegated Regulation (EU) 2021/2139. In a final step, compliance with the minimum protection was analyzed and the existing due diligence process assessed for suitability for this purpose.

To ensure compliance with the minimum level of protection in accordance with Article 18 (EU) 2020/852, the due diligence process already implemented as standard at PALFINGER was analyzed. Within the company, the processes already described in the corporate governance report and the non-financial statement were applied. A multi-stage procedure was introduced to ensure compliance with the minimum level of protection in the supply chain. Pursuant to PALFINGER's general terms and conditions of purchase ("EKB"), suppliers are contractually obliged by EKB to adhere to the Code of Conduct published on the homepage. In addition, PALFINGER installed a whistleblower system ("Integrity Line") on its website, which can also be used by third parties to report any shortcomings along the supply chain. The information received is then subjected to an evaluation by Corporate Governance & Compliance or an investigation by Corp. internal audit if the situation requires it. In addition to event-related supplier audits, PALFINGER regularly carries out supplier audits on the basis of an annual risk-based audit plan, in which the aspects of the environment, sustainability, human rights and occupational safety are also examined in addition to quality and procurement issues. With the package of measures described, PALFINGER ensures compliance with minimum protection within the company and along the entire supply chain.

Based on the requirements of the German Taxonomy Ordinance (TaxonomieVO), revenues from taxonomy-eligible business activities are reported as a percentage of total group sales in accordance with IAS 1.82a. For the calculation of the CapEx figure, the total additions (before depreciation, amortization, impairment losses and revaluations) of intangible assets and property, plant and equipment, including additions of rights of use in accordance with IFRS 16, are included in the denominator. Additions resulting from business combinations are included in CapEx. In addition to capitalized expenditures for assets from taxonomy-compliant sales, the figure also includes expenditures for the purchase of products from taxonomy-compliant economic activities and individual measures to reduce GHG-emissions that were implemented and put into operation within 18 months. The existing group-wide reporting system was expanded to determine the CapEx figure.

In the course of the analysis, PALFINGER identified revenue from the sale of wind cranes as an economic activity eligible for taxonomy and assigned it to item "3.1. Production of renewable energy technologies". Due to the FAQs on the Taxonomy Regulation published by the EU Commission in February and December 2022 and the clarifications contained therein with regard to the analysis of taxonomy-eligible economic activities, the sale of wind cranes and the sales generated with them are no longer shown as taxonomy-eligible in 2022, since wind cranes is not directly a renewable energy technology. No other revenue-generating economic activities were identified that make a significant contribution to either of the two environmental targets valid for the reporting year 2022. For the 2022 reporting year, there were no taxonomy-compliant or taxonomy-eligible revenue reported.

Due to the Taxonomy Ordinance, which is currently still in development, PALFINGER assumes that PALFINGER's sales-related economic activities will become more extensive, particularly as a result of the publication of the other four environmental goals and the inclusion of further economic activities in the EU taxonomy, which has already been announced by the EU Commission be found in the EU taxonomy.

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Share CapEx (4)	Criteria for a substantial contribution						DNSH-criteria ("No significant impairment")							Taxonomy compliant share turnover, year N (18)	Taxonomy compliant share turnover, year N-1 (19)	Category (enabling activities) (20)	Category (Transitional activities) (21)
				Climate protection (5)	Adaption to climate change (6)	Water- and marine resources (7)	Circular economy (8)	Environmental pollution (9)	Biodiversity and ecosystems (10)	Climate protection (11)	Adaption to climate change (12)	Water- and main resources (13)	Circular economy (14)	Environmental pollution (15)	Biodiversity and ecosystems (16)	Minimum protection (17)				
	TEUR	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T

#### A. TAXONOMY ACTIVITIES

##### A.1. Ecologically sustainable activities (taxonomy-compliant)

7.6. Installation, maintenance and repair of renewable energy technologies	F43.2	3,257	2.33%	100%	0	n/a	n/a	n/a	n/a	Y	n/a	n/a	n/a	n/a	n/a	Y	2.33%	n/a	E	
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and on car parks belonging to buildings).	F43.2	133	0.09%	100%	0	n/a	n/a	n/a	n/a	Y	n/a	n/a	n/a	n/a	n/a	Y	0.09%	n/a	E	
CapEx of environmentally sustainable activities (taxonomy-compliant) (A.1)		3,390	2.36%	100%	0	n/a	n/a	n/a	n/a								2.36%	n/a		

##### A.2 Taxonomy-eligible but not environmentally sustainable activities (non taxonomy-eligible activities)

7.3. Installation, maintenance and repair of energy-efficient appliances	F43.2	160	0.11%																	
7.5. Installation, maintenance and repair of equipment for measuring, regulating and controlling the energy performance of buildings	F43.2	43	0.03%																	
CapEx of taxonomy-eligible but not environmentally sustainable activities (non taxonomy eligible activities) (A.2)		203	0.14%														0.14%	n/a		
Total (A.1 + A.2)		3,593	2.50%														2.50%	n/a		

#### B. NON-TAXONOMY ACTIVITIES

CapEx of non taxonomy-eligible activities (B)		139,861	97.50%																	
Total (A + B)		143,454	100%																	

For the collection of potentially taxonomy-eligible CapEx, the Group-wide reporting system was supplemented by an input mask with individual measures that can be assigned to the framework, thereby enabling the corresponding data collection. The marked investments from individual measures were then analyzed by the sustainability manager with the respective departments for taxonomy conformity. The taxonomy-eligible CapEx individual measures are the economic activities "7.3 Installation, maintenance and repair of energy-efficient devices", "7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking lots belonging to buildings)", "7.5. Installation, maintenance and repair of equipment for measuring, regulating and controlling the energy performance of buildings" and "7.6 Installation, maintenance and repair of renewable energy technologies". All taxonomy-capable and taxonomy-compliant CapEx are additions to property, plant and equipment. A CapEx plan in accordance with Delegated Regulation (EU) 2021/2178, Annex I, Point 1.1.2.2. was not available in the 2022 reporting period..

The investments falling under 7.3 in 2022 are local renovation measures on and in buildings, i.e. expenses for windows, doors, renewal of building insulation, lamps and heating or heating pipes. Those investments attributable to 7.5 include expenses for new air filtration and ventilation systems and controls for energy savings. The investments that can be assigned to these two economic activities will be shown as eligible for taxonomy in 2022. It was not possible to establish taxonomy conformity due to a lack of evidence required to meet the technical assessment criteria.

The investments under 7.4 relate to expenses for newly installed charging stations at the Salzburg location. 7.6 includes the installation of a new photovoltaic system at the site in Nimet, Romania. The technical evaluation criteria were met for both economic activities. The location-related climate risk and vulnerability analyzes necessary to avoid the significant impairment of the second environmental goal were also carried out, with the worst-case climate scenario RCP8.5 and the RCP4.5 climate scenario being used as a basis for the analyses. Significant risks that would require appropriate plans for adaptation solutions were not identified. Further "Do No Significant Harm" criteria were not required for economic activities 7.4 and 7.6, since no corresponding requirements are specified in Delegated Regulation (EU) 2021/2139.

In the reporting year, suitable investments resulted from individual measures amounting to EUR 3,390.0 thousand, which corresponds to a share of 2.36 percent of the total additions to the group.

When determining the OpEx indicator, the non-capitalized direct expenses for research and development, building renovations, short-term leases, maintenance and repairs and all other direct expenses related to the day-to-day maintenance of property, plant and equipment are to be used in the denominator. The counter is to be determined in the same way as the CapEx for non-capitalized expenditure. In 2021, the OpEx key figure was not included due to a lack of granularity in the reporting systems and immateriality in the reporting. In 2022, the materiality was checked again and continued to be immaterial. An integration of the OpEx key figure will be evaluated after the publication of the other four environmental goals and the inclusion of new economic activities in the EU taxonomy announced by the EU Commission and, if necessary, included in the reporting in a following year.

## GRI CONTENT INDEX

GRI-Standard	GRI-Disclosure UN Global Compact	Page	Omission	Notes
<b>GENERAL DISCLOSURES</b>				
<b>Organizational profile</b>				
<b>GRI 2:</b> General Disclosures 2021	<b>2-1:</b> Organizational profile	10, 191-192		
	<b>2-2:</b> Entities that are included in the sustainability reporting of the organization	171-172		Audit scope corresponds to report scope.
	<b>2-3:</b> Reporting period, reporting frequency and contact point	182		Reporting period 1.1.2022 - 31.12.2022, annual publication.
	<b>2-4:</b> Correction or restatement of information	-		No corrections of previous year's figures required.
	<b>2-5:</b> External examination	180		
	<b>2-6:</b> Activities, value chain and other business relationships	3-7, 12-31		
	<b>2-7:</b> Employees UNGC 3-6	63-66		
	<b>2-8:</b> Staff members who are not employees	64-66	PALFINGER reports details such as age, gender and employment relationship on key figures only for companies that are integrated into the HR system SuccessFactors, as otherwise a transfer of employee detail data that does not comply with data protection would be necessary.	
	<b>2-9:</b> Governance structure and composition	79-85		
	<b>2-10:</b> Nomination and selection of the highest supervisory organ	79-85		The nomination and selection procedures for the highest supervisory organ and its committees are governed by section 87 para 2 AktG and rule 43 of the ÖCGK. The consideration of criteria is also regulated in § 87 para 2 AktG. The election is held for 5 years by the general meeting, thus the interests of the shareholders and owners are safeguarded.
	<b>2-11:</b> Chairperson of the supreme supervisory organ	80-85		
	<b>2-12:</b> Role of the highest governance organ in overseeing the management of impacts	53-54, 79-85		
	<b>2-13:</b> Delegation of responsibility for the management of impacts	40-41, 53-55, 79-85		
	<b>2-14:</b> Role of the highest governance organ in sustainability reporting	40-41, 53-55, 79-85		
	<b>2-15:</b> Conflicts of interest	8-10, 32, 79-85		

<b>GRI-Standard</b>	<b>GRI-Disclosure UN Global Compact</b>	<b>Page</b>	<b>Omission</b>	<b>Notes</b>
	<b>2-16:</b> Transmission of critical concerns	18-19, 67, 79-85	Regarding 2-16b, no systematic survey was conducted in the reporting year; the implementation of the requirement will be evaluated in 2023 and will take place at the earliest with the 2024 reporting year.	
	<b>2-17:</b> Accumulated knowledge of the highest supervisory organ	12-20, 53-55, 79-85		Ongoing reporting to the Executive Board and Supervisory Board regarding regulatory developments and resulting requirements.
	<b>2-18:</b> Assessment of the performance of the highest governance body	-		In accordance with Rule 36 of the Austrian Code of Corporate Governance, the Supervisory Board conducts an annual self-evaluation. Measures derived from this evaluation included, in particular, improving the organization of Supervisory Board meetings and the preparation of meeting documents. No other processes or measures were in place in 2022.
	<b>2-19:</b> Remuneration policy	79-85		Die Vergütungspolitik ist des Weiteren auf der Webseite <a href="http://www.palfinger.ag">www.palfinger.ag</a> veröffentlicht.
	<b>2-20:</b> Procedure for determining the remuneration	79-85		The remuneration policy is also published on the website <a href="http://www.palfinger.ag">www.palfinger.ag</a> .
	<b>2-21:</b> Ratio of total annual remuneration	-	Data and benchmarks are currently not available in this level of detail; by 2024, systems will be adapted so that an evaluation is possible.	
	<b>2-22:</b> Application statement on the Sustainable Development Strategy	7, 12-20, 53-55		

GRI-Standard	GRI-Disclosure UN Global Compact	Page	Omission	Notes
	<b>2-23:</b> Declaration of Commitment on Principles and Action UNGC 10	12-20, 53-55, 67-70, 79-85		The group guidelines are approved by Corporate GRC. The Code of Conduct can be found at: <a href="https://www.palfinger.ag/en/code-of-conduct">https://www.palfinger.ag/en/code-of-conduct</a>
	<b>2-24:</b> Inclusion of political commitments	12-20, 53-54, 67-70, 79-85		
	<b>2-25:</b> Procedure for the elimination of negative impacts	12-20, 39, 40-51, 53-70, 79-85		The due diligence process is presented for each material topic, further information can be found in the risk report and a complaints mechanism has been set up by the Integrity Line.
	<b>2-26:</b> Procedure for seeking advice and reporting concerns	18-19, 67-69		An Integrity Line allows concerns and advice to be submitted anonymously.
<b>GRI 2:</b> General information 2021	<b>2-27:</b> Compliance with laws and regulations	68, 18-20		No fines or cases of non-compliance with laws.
	<b>2-28:</b> Membership in associations and interest groups	53		
	<b>2-29:</b> Approach to stakeholder engagement	54-56		
	<b>2-30:</b> Collective agreements	-	Information on how many employees are not covered by a collective agreement is not currently collected. The corresponding survey is planned for 2024.	

**Disclosure of material issues**

<b>GRI 3:</b> Material topics 2021	<b>3-1:</b> Procedure for determining material topics	53-56		
	<b>3-2:</b> List of material topics	53-56		
	<b>3-3:</b> Management of material issues	53-56		

**TOPIC-SPECIFIC STANDARDS**

GRI-Standard	GRI-Disclosures UN Global Compact	Page	Omission	Notes
<b>ENVIRONMENT</b>				
Material Aspect: <b>Energy Consumption and Emissions in Production and at PALFINGER Sites</b>				
<b>GRI 3:</b> Wesentliche Themen 2021	<b>3-3:</b> Management of material issues	53-56, 59-60		
<b>GRI 302:</b> Energie 2016	<b>302-1:</b> Energy consumption within the organization UNGC 7-9	59-60	Not applicable: PALFINGER has no cooling energy or steam consumption and does not sell energy.	

<b>GRI-Standard</b>	<b>GRI-Disclosure UN Global Compact</b>	<b>Page</b>	<b>Omission</b>	<b>Notes</b>
	<b>302-3:</b> Energy intensity	59-60		
	<b>302-4:</b> Reduction of energy consumption	-	A direct allocation to individual initiatives to reduce energy consumption (fuel, electricity, heating) is not possible for 2022 due to the large number of individual measures. The data will probably be available from 2023 onwards.	
<b>GRI 305:</b> Emissionen 2016	<b>305-1:</b> Direct THG emissions (Scope 1) UNGC 7-9	59-60	Not applicable: PALFINGER does not produce any biogenic CO2 emissions.	
	<b>305-2:</b> Indirect energy-related THG emissions (Scope 2) UNGC 7-9	59-60	Location-based Scope 2 emissions are not relevant to control: For PALFINGER, the practical application of the market-based approach makes more sense.	
	<b>305-4:</b> THG emission intensity UNGC 7-9	59-60		
	<b>305-5:</b> Reduction of THG-emissions	-	Analogous to the reduction of energy consumption, it is not possible to allocate the reduction of GHG emissions to individual initiatives and there is also no overall recording. The data will probably be available from 2023.	
Material Aspect: <b>Emissions in Product Application and Environmental Impacts in the Value Chain</b>				
<b>GRI 3:</b> Material topics 2021	<b>3-3:</b> Management of material issues	53-56, 61		
	<b>302-5:</b> Reducing the energy demand for products and services	61	The process for measuring the reduction of energy consumption of PALFINGER products was only rolled out in 2022; the collection of specific data can probably be started in 2023 or 2024.	
<b>GRI 305:</b> Emissionen 2016	<b>305-3:</b> Other indirect THG-emissions (Scope 3) UNGC 7-9	61		
<b>SOCIAL</b>				
Material aspect: <b>Safety of PALFINGER products and applications</b>				
<b>GRI 3:</b> Material topics 2021	<b>3-3:</b> Management of material issues	53-56, 62		
<b>GRI 416:</b> Customer health and safety 2016	<b>416-1:</b> Assessing the health and safety impacts of different categories of products and services	62		Regardless of fault, every incident is documented and investigated. Due to PALFINGER's business model, service incidents are not recorded separately.

GRI-Standard	GRI-Disclosure UN Global Compact	Page	Omission	Notes
	<b>416-2:</b> Violations related to the health and safety impacts of products and services	62		
<b>Specially defined</b>	Accidents in connection with PALFINGER products	62		
Material aspect: <b>health and safety of employees</b>				
GRI 3: Material topics 2021	3-3: Management of material issues	53-56, 62-64		
GRI 403: Occupational safety and health protection 2018	403-1: Management system for occupational safety and health protection	62-64		
	403-2: Hazard identification, risk assessment and incident investigation	62-64		
	403-3: Occupational health services	62-64		
	403-4: Employee participation, consultation and communication on occupational health and safety	62-64		
	403-5: Employee training on occupational safety and health protection	62-64		
	403-6: Promoting the health of employees	62-64		
	403-7: Avoidance and minimisation of occupational health and safety impacts directly related to business relationships	62-64		
	403-8: Employees covered by an occupational health and safety management system	62		
	403-9: Work-related injuries	62-63	All accidents at PALFINGER sites are included; no distinction is made between employees (403-9a) and non-employees (403-9b). There is no systematic listing of work-related hazards and the measures taken to eliminate them, but this will probably be possible from 2024 onwards in the course of the expansion of ISO 45001.	
	403-10: Work-related diseases	-	Data not available, as a systematic and complete survey is not possible due to different local legislations and different definitions of occupational diseases.	
Material aspect: <b>education and training, attracting and retaining experts/talent</b>				
	3-3: Management of material issues	53-56, 64-67		
<b>GRI 401:</b> Beschäftigung 2016	<b>401-1:</b> Newly hired employees and employee turnover UNGC 3-6	64-65		
	<b>401-2:</b> Company benefits offered only to full-time employees, but not to temporary or part-time employees	66-67		

GRI-Standard	GRI-Disclosure UN Global Compact	Page	Omission	Notes
	<b>401-3:</b> Parental leave	-	Currently not collected, as a global comparison is not possible due to different legal regulations. In addition, for data protection reasons, it is not actively collected which employees have become parents.	
<b>GRI 404:</b> Education and training 2016	<b>404-1:</b> Average number of hours for education and training per year and employee	-	Will be reported from the 2023 financial year onwards. In 2022, the Learning Management System (LMS) for HR was implemented, which enables the evaluation of training and development hours.	
	<b>404-2:</b> Programmes to improve employees' skills and transitional assistance	65-66	At PALFINGER, there are currently no standardised transition assistance programmes.	
	<b>GRI 404-3:</b> Percentage of employees receiving regular performance and career development reviews	64		

Material Aspect: **Diversity and Equal Opportunities**

<b>GRI 3:</b> Material topics 2021	<b>3-3:</b> Management of material issues	53-56, 67-68		
<b>GRI 405:</b> Diversity and equal opportunities 2016	<b>405-1:</b> Diversity in supervisory organs among employees UNGC 3-6	67		
	<b>405-2:</b> Ratio of women's basic salary and remuneration to men's basic salary and remuneration UNGC 3-6		Data cannot currently be analysed from systems with sufficient granularity; work is currently underway to implement this and it is expected to be possible by 2024.	

**GOVERNANCE**

Material Aspect: **Compliance with and Leadership Commitment to Values, Legal and Ethical Standards**

<b>49-51, GRI 3:</b> Material topics 2021	<b>3-3:</b> Management of material issues	53-56		
<b>GRI 205:</b> Fighting corruption 2016	<b>205-1:</b> Operating sites audited for corruption risks	-	Permanent establishments are audited for corruption risks on an ad hoc basis. In the reporting year, no (0) operating sites were audited. Corruption risks in general and "fraud" in particular were identified as risks.	

<b>GRI-Standard</b>	<b>GRI-Disclosure UN Global Compact</b>	<b>Page</b>	<b>Omission</b>	<b>Notes</b>
	<b>205-2:</b> Communication and training on anti-corruption policies and procedures	-	All employees and members of the controlling organ are informed about anti-corruption measures, and PALFINGER's suppliers are required to accept the Code of Conduct. In the year under review, there was no systematic survey of the training courses completed by staff members; corresponding data will probably be available for the year 2023.	
	<b>205-3:</b> Confirmed incidents of corruption and measures taken <b>UNGC 10</b>	18		
Material aspect: <b>Clear internal policies, standardized processes</b>				
<b>GRI 3:</b> Material topics 2021	<b>3-3:</b> Management of material issues	53-56, 60-61		
Material aspect: <b>transparency and correct reporting</b>				
<b>GRI 3:</b> Material topics 2021	<b>3-3:</b> Management of material issues	49-51, 67-68		
<b>GRI 419:</b> Socio-economic compliance 2016	<b>419-1:</b> Non-compliance with laws and regulations in the social and economic sphere <b>UNGC 1</b>	18-19, 60-61		
Material aspect: <b>Deal with megatrends</b>				
<b>GRI 3:</b> Material topics 2021	<b>3-3:</b> Management of material issues	49-51, 67-68		

Bergheim, February 23, 2023

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