
Consolidated

Non-financial

Statement

CONSOLIDATED NON-FINANCIAL REPORT

PALFINGER has published its non-financial key figures as part of a non-financial statement to the management report annually since 2021 in preparation for the Corporate Sustainability Reporting Directive (CSRD). The environmental, social, and governance aspects are presented as a whole for the fiscal year January 1 to December 31, 2023. The consolidated non-financial statement was prepared in accordance with the GRI standards 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. It 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 supported 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 publishing a Communication on Progress report, PALFINGER once again linked the sustainability topics to the UN principles in 2023. 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 these SDGs into all aspects of its business operations. The direct and indirect impacts of PALFINGER's operations on the 17 SDGs were evaluated. PALFINGER has identified four development goals as being most relevant to the strategic orientation of sustainability management: SDG 5 – gender equality; SDG 8 – decent work and economic growth; SDG 12 – sustainable consumption and production; SDG 13 – climate action.

As part of its membership of the Austrian sustainability network respACT, PALFINGER has been the regional coordinator for Salzburg since 2019. PALFINGER is also 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.) and others. Further information can be found on the PALFINGER website (<https://www.palfinger.com/de-de/ueber-palfinger/verbandsgliedern>).

ORGANIZATIONAL INTEGRATION OF SUSTAINABILITY AND DUE DILIGENCE PROCESS

Sustainability is a central part of PALFINGER's corporate strategy. A Sustainability Council has been established as an interdisciplinary steering committee for sustainability to manage the topic across all areas of the organization. This includes the heads of the Global Functions Operations, Human Resources, Product Line Management & Engineering, as well as the corporate functions Business Development & Sustainability, and GRC/Group Accounting/Taxes. The Sustainability Council reports directly to the Executive Board. The Executive Board informs the Supervisory Board on a quarterly basis about current sustainability issues and the progress of sustainability activities. The Supervisory Board thereby fulfills its control function.

The Sustainability Council's core tasks are: Developing and implementing the sustainability strategy, which is closely interwoven with the business strategy; defining targets; determining measures; and tracking measures. The respective Global and Corporate Functions are responsible for implementing the defined measures.

The Corporate Development & Sustainability department is responsible for providing impetus and initiatives as well as monitoring measures. Compliance with regulatory and reporting requirements is managed by Corporate GRC. Coordination of the activities and measures together with the collection of data for reporting key figures are part of the existing controlling processes and are carried out in the responsible functions. This ensures that sustainability issues are driven forward in a focused manner and that non-financial goals are equally anchored in the management processes.

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.

The focus is currently on preparing for the requirements of the CSRD and the corresponding European reporting standards, the European Sustainability Reporting Standards (ESRS).

STAKEHOLDERMANAGEMENT

PALFINGER takes account of 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 with shareholders and lenders is maintained at events and in meetings. Contact with customers and dealers is maintained at international dealer conferences and trade fairs as well as through surveys and direct dialogue. They are also kept up to date via newsletters and included in the continuous improvement process. Dialogue with suppliers, OEMs and strategic cooperation partners is conducted at conferences and through direct contact. Delivery and quality management agreements are concluded with them and their sites are inspected. In return, they are invited to visit PALFINGER 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 regular direct contact.

MATERIALITY ANALYSIS

A comprehensive materiality analysis was carried out in 2021. Key issues in the areas of environment, social affairs and governance were identified in a multi-stage process. Employee concerns, respect for human rights, the fight against corruption and bribery and aspects of diversity were also taken into account. Relevant topics were identified along the entire value chain, taking into account global trends and legal requirements. Qualitative interviews were conducted with internal and external stakeholders as well as stakeholder representatives on the importance of the topics from their perspective.

The following topics were identified as material in 2021:

Area	Material topics with relevant aspects from the stakeholder analysis	Topics according to NaDiVeG	Sustainable Development Goals
Environment	Energy consumption and GHG-emissions in production and at PALFINGER sites GHG emissions from product use Environmental impact in the value chain	Environmental concerns	SDG 13
Social	Safety of PALFINGER products and applications Employee health and safety Attracting and retaining experts/talent as well as employee development including training and further education Diversity and equal opportunity	Social issues Employee concerns Diversity plan	SDG 5, 8, 13
Governance	Compliance with and leadership commitment to values, legal, and ethical standards Clear internal policies and standardized processes Transparency and accurate reporting Dealing with megatrends	Prevention of corruption Human rights	SDG 8, 12

In preparation for the CSRD, a comprehensive update of the materiality analysis in accordance with ESRS 1 "General Requirements" was started in 2023. The relevant topics were identified and defined along the entire value chain based on an analysis of driving factors. This took account of legal requirements, global trends and benchmarks, and the main effects, risks and opportunities were worked out. In addition to the ongoing stakeholder dialog, qualitative interviews together with online surveys were conducted with representatives of internal and external stakeholders to ascertain the significance of the topics from their perspective. The Executive Board, Supervisory Board, top management and employees, shareholders and debt investors, customers and dealers, suppliers and OEMs were surveyed.

The results of the double materiality analysis will lead to an update and further development of PALFINGER's sustainability program with regard to the strategic fields of action, programs and goals in the 2024 financial year. The evaluation of the stakeholder survey essentially confirmed the topics of the previous materiality analysis in 2021, with an additional block of topics on the circular economy and product life cycle responsibility also being identified as material. There was also an increased focus on social issues, cybersecurity and responsible IT.

The internal validation of these topics and their integration into the sustainability strategy is carried out by the Sustainability Council and approved by the Executive Board. In preparation for the application of the CSRD, the specific impacts, risks and opportunities related to the material topics will be identified in the reporting year and in 2024 based on the results of the stakeholder survey. These will be assessed in accordance with the assessment categories of the ESRS.

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. Sustainability is therefore more than just a challenge or a risk for PALFINGER. Rather, PALFINGER sees responsible, sustainable business as an opportunity and a value driver that opens doors to new business segments, growth, and greater differentiation. The most important foundation of the sustainability strategy is the analysis of the value chain and the topics identified in the materiality analysis with regard to their influence on people, the environment, and the economy.

The relevant aspects of the materiality analysis from 2021 are assigned to six material topic areas, with two each falling under environment, social affairs and governance. The six strategic topics are described below:

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. As a result, 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 are 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 the company, a healthy work culture and the safety of our products have top priority. The well-being of our employees and customers is 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. That 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 continue on the path of sustainability, we must go beyond regulatory requirements and strive for the highest human, ethical, and legal standards.

FOCUS ON GOVERNANCE AND TRANSPARENCY

We continually evolve our business activities to meet the needs of a sustainable economy. This calls for the highest standards of governance and transparency.

Based on the sustainability strategy the non-financial targets for the areas of environment, social affairs, and governance (ESG) are derived. These cover currently all NaDiVeG concerns (environmental, social and employee matters, as well as respect for human rights, combating corruption and bribery, and diversity concept).

In the environment field, PALFINGER has set itself the goal of generating less greenhouse gas (GHG) emissions. 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 is achieved by reducing GHG emissions through increasing electrification in product application.

Safety when using PALFINGER products as well as the health and safety of employees are key issues in the social area. The latter is measured by the Total Recordable Injury Rate (TRIR). A second focus in this area is the promotion of qualified employees and diversity. Attracting and retaining experts and talent as well as employee development, including training and continued education, equal opportunities and increasing diversity are key cornerstones of this.

Governance includes compliance with PALFINGER's values. In this context, the focus is on compliance with and leadership commitment to the values set out in the Code of Conduct as well as legal and ethical standards. To create clear internal policies and standardized processes, the focus is on the areas of governance and transparency. This includes the central aspect of transparent and correct reporting, which underlies all of PALFINGER's activities.

At PALFINGER, group-wide targets are defined and proposed by the respective specialist department and approved by the Sustainability Council. The respective corporate/global function is responsible for implementing the measures. The effectiveness of the implemented measures is continuously monitored by the Sustainability Council to ensure that goals are achieved at a group level.

PALFINGER is implementing the extended reporting requirements in accordance with the CSRD and ESRS, which will be mandatory as of the 2024 reporting year. As part of the double materiality analysis in accordance with the CSRD, the sustainability strategy for 2024 is also revised and takes the material topics into account.

ENVIRONMENT

CLIMATE CHANGE

PALFINGER production sites are designed to ensure the greatest possible ecological and economic efficiency and to continuously improve these aspects. The company attaches particular importance to reducing energy intensity and the associated CO₂ emissions. Corporate Health, Safety & Environment Management (Corp. HSE) coordinates the associated annual programs, targets and measures within Global Operations. A new role of Energy Management Project Engineer was established in Corp. HSE in 2023 to strategically drive forward energy management worldwide.

An energy efficiency analysis was carried out at the most energy-intensive locations in EMEA as part of a project involving external experts. The aim was to identify energy-saving potential at site level and to develop the foundations for creating a realistic global GHG reduction pathway. Measures identified as having good profitability and high savings potential are planned to be implemented in the coming years.

Absolute energy consumption was reduced by over 2 percent in the reporting year to 214,3 million kWh (2022: 218.6 million kWh). The EMEA region accounted for the largest share of energy consumption at 65 percent.

Consequently, the corresponding energy intensity for the energy consumption within the organization was reduced to 87.6 MWh/mEUR revenue during the reporting period (2022: 99.8 MWh/mEUR revenue).

The resulting share of green electricity in total electricity consumption will be 75 percent in 2023, which corresponds to the previous year's figure of around 76 percent. PALFINGER has continuously invested in photovoltaic systems (PV systems) in recent years to generate renewable electricity for its production facilities. PALFINGER currently has PV systems with a peak output of around 8.2 megawatts of electricity. The amount of self-generated electricity of PALFINGER from these plants will account for around 5.2 percent of total electricity consumption in 2023. The continuous expansion of these capacities will continue to be a high priority in the future.

The main energy consumers at PALFINGER's production sites include the painting and electroplating plants as well as facilities for conditioning production halls. The fuel consumption of the vehicle fleet is also included in energy consumption and accounts for around 8 percent of total consumption. The majority of production-related transportation is outsourced to logistics companies (Scope 3), whereby transportation is mainly by trucks and ships.

PALFINGER reports internal production-related CO₂ emissions in two categories: Direct emissions from fuels (Scope 1) and indirect emissions from electricity and district heating (Scope 2). To promote the reduction of Scope 1 and 2 CO₂ emissions, all energy consumption and associated CO₂ emissions are recorded centrally on a monthly basis via an internal reporting system.

PALFINGER caused 19,019 tons of CO₂e in 2023 (2022: 18,850 tons of CO₂e) in direct emissions from fuels: Natural gas, diesel, petrol, LPG, butane, propane and heating oil. This is roughly on a par with the previous year. PALFINGER's indirect emissions (Scope 2 market-based) from electricity and district heating amounted to 12,894 tons of CO₂e in 2023 (2022: 12,908 tons of CO₂e).

The intensity quotient of GHG emissions for Scope 1 and 2 amounted to 13,048 t CO₂e/billion EUR in revenue in the 2023 reporting year (2022: 14,266 t CO₂e/billion EUR in revenue).

The most important initiatives in 2023 include the implementation of the energy efficiency analysis and the continuous expansion of PV systems. Site-specific measures included a program to reduce energy consumption in Caussade, France (LED, control, heat recovery, etc.), the retrofitting of adiabatic factory conditioning in Cherven Brijag, Bulgaria, optimization of heating control and modernization of factory lighting in Cadelbosco, Italy, and the introduction of new, more efficient painting processes in North America.

in MWh	2021	2022	2023
Electricity			
Electricity from the public grid	124,978	127,593	115,137
Electricity from PV plants		-	6,368
	124,978	127,593	121,505
Heat			
Natural gas	68,216	60,589	58,196
Propane	3,201	2,967	3,668
Butane ¹⁾	1	4	3
LPG	5,190	5,164	4,410
Heating oil	1,434	1,311	2,995
District heating	4,883	4,965	6,665
	82,925	75,000	75,937
Fuels			
Diesel	12,302	12,696	12,927
Petrol	1,206	3,319	3,933
Kerosene	-	-	-
	13,508	16,015	16,860
Energy consumption broken down by energy source	221,411	218,608	214,303

1) Adjustment of previous year's figures (2021 and 2022) for butane due to a transmission error in 2022.

in tonnes of CO ₂ -equivalents ¹⁾	2021	2022	2023
Direct emissions from fuels (Scope 1)	20,160	18,850	19,019
Indirect emissions from electricity and purchased energy (Scope 2)	11,044	12,908	12,894
Internal production-related CO₂ emissions	31,204	31,758	31,913

1) The conversion of direct and indirect CO₂ equivalents is largely based on the IEA 2018 database, reference year 2016. Emissions data include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), 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 Ainring (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.

PALFINGER defined targets for reducing its CO₂ emissions in 2021 as part of the Science Based Target Initiative (SBTi). Due to the special nature of the value chain, i.e. most emissions are upstream or downstream of the production process, it has so far not been submitted. PALFINGER is constantly evaluating the submission. In the meantime, the company is systematically driving the process forward and using the knowledge already gained to actively exploit all identified savings potential.

When ascertaining GHG emissions along the entire value chain, PALFINGER found that the most significant share of CO₂ emissions originates in the deployment phase of its products. It is therefore in this area that PALFINGER has the greatest leverage to contribute to achieving the European climate targets. Consequently, PALFINGER has set itself the goal of reducing GHG emissions along the entire value chain, especially when using PALFINGER products and solutions. PALFINGER's efforts will therefore focus increasingly on "external" GHG-emissions in future, in particular those from product use. The individual product lines pursue specific approaches to sustainable product design. As part of EcoEfficiencyScoping, PALFINGER introduced a structured process to reduce the impact of products on the environment, which was set up in accordance with the principles of Scope 3 "Product in Use". After a thorough analysis of the past years, the results will be integrated into the product development strategy in order to optimize the portfolio step by step. This will help customers to reduce their CO₂ footprint and therefore their total cost of ownership.

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. Separate work programs were established to bundle all activities in the field of new mechatronic and digital products and product functions.

CO₂ emissions in the "Purchased Goods and Services" category are another significant leverage point along the value chain. A significant proportion of these emissions are generated in steel production. The potential of low-carbon steel is being evaluated in development to reduce these emissions. There are, however, still no clear signs of demand from the market.

PALFINGER can also influence environmental impacts in the value chain to reduce emissions. 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. The CIS region was taken into account for the calculation of the values through extrapolation. The corresponding details for determining the actual emission values are not available due to the limited reporting. The emissions in the relevant Scope 3 categories are as follows:

in tonnes of CO2 equivalents	2022	2023
Purchased goods and services	1,171,672	909,262
Use of sold products	2,315,918	2,455,217
Upstream transport and distribution	341,694	295,085
Other Scope 3 emissions	154,990	154,990
Total Scope 3 emissions	3,984,274	3,814,554

Scope 3 emissions in the “Purchased Goods and Services” category were calculated using the expenditure-based method. The “Use of Products Sold” category was calculated on the basis of product-specific information, average values and extrapolation. The “Upstream Transportation and Distribution” category was calculated in 2022 on the basis of a supplier-specific method and extrapolation. Qualified estimates were made for the calculations for the 2023 financial year based on the previous year's figures. All Scope 3 emissions were calculated as at December 31, 2022. Other emissions were not updated in 2023, as these categories in total account for less than 4 percent of total Scope 3 emissions.

SOCIAL

SAFETY OF PALFINGER PRODUCTS AND APPLICATIONS

At PALFINGER, product safety comes first.

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

PALFINGER products are manufactured in accordance with the latest and highest possible safety standards. The applicable regulations and standards are complied with to avoid accidents involving PALFINGER products. All accidents known to the company 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 7 accidents in the field with PALFINGER products in the reporting year (2022: 13). These resulted in 8 injuries of varying degrees (2022: 11) and 1 accident resulting in death (2022: 6). In the reporting year, PALFINGER initiated product recalls in 7 instances (2022: 9) as internal testing and ongoing quality assurance revealed a need for improvement in each case.

Accidents involving PALFINGER products	2021	2022	2023
Reported accidents	9	13	7
Fatalities ¹⁾	3	6	1
Injuries of varying severity ¹⁾	7	11	8
Legally binding penalties imposed by court due to accidents	-	-	-
Pending complaints (in negotiation) due to accidents involving products (as at 31 Dec)	5	6	6
Legally binding convictions	-	-	-

¹⁾ Irrespective of fault

As in the previous year, there were no legally binding convictions against PALFINGER for non-compliance with safety regulations in 2023. Irrespective of the question of fault, PALFINGER investigates all incidents involving its 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. A good network and an understanding of safety awareness in the countries concerned are prerequisites for ensuring that PALFINGER is notified of these incidents. All accident-relevant information is then evaluated internally. All PALFINGER products are continuously assessed with regard to their effects on the health and safety of operators. Any opportunities for further development opportunities identified in the course of these assessments are continuously implemented.

EMPLOYEE HEALTH AND SAFETY

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

PALfit Health Management is anchored in the Human Resources global function. Occupational safety is coordinated by Corp. HSE within the operations global function.

The management of occupational safety and health protection aspects at PALFINGER is regulated according to ISO 45001. Excluding CIS, 36 percent of employees of employees worked at locations with ISO 45001 certification (2022: 37 percent). The medium-term goal is to merge all existing management systems into a unified and certified HSE management system for health and safety based on 9001 quality management. An important step was the global rollout of 19 PALFINGER HSE standards globally at all production sites in 2023. These standards on occupational health and safety aspects apply globally to all PALFINGER sites, regardless of whether a certified ISO 45001 management system is already in place.

The standards regulate the areas of HSE and organization, training, occupational health and safety management, environmental management and energy management, emergency management and fire protection. These also include other technical aspects relating to occupational health and safety. Internal and external HSE audits check the implementation of, and compliance with, these standards annually.

With regard to occupational safety, PALFINGER has set itself the goal of successively 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 million hours worked. The TRIR calculation already takes into account minor medical treatment cases with a downtime of one hour or more, as well as all injuries and downtime in excess of this.

Although the program of targeted measures implemented numerous improvements in occupational safety, the TRIR accident rate increased slightly to 11.55 (2022: 11.36). The TRIR target value for 2027 was defined as 10.5.

Information on work-related injuries ¹⁾	2022	2023
Deaths	-	-
Injuries with serious consequences	2	3
Documentable injuries	268	284
Hours worked	23,589,857	24,526,077

1) For haematomas, sprains and internal injuries, there were multiple entries of injury types in the reporting year, with a maximum of 2 injury types per accident being recorded statistically.

Of 284 reportable work-related injuries, 262 affected permanent employees and 22 contingent workers. Accidents at work caused a total of 6,197 lost working days.

Work-related hazards and remedial measures are available in the form of workplace risk assessments. More detailed accident investigations are carried out in the event of accidents where the cause cannot be determined ad hoc. If necessary, the hazard analyses are supplemented, and countermeasures defined. 205 accident investigations of this kind were carried out in the reporting year.

At the end of the year, a survey of work-related illnesses is carried out by all safety specialists. 12 work-related illnesses were reported in 2023, mainly musculoskeletal disorders.

Number of injuries by injury type ¹⁾	2022	2023
Hematoma, bruise	63	67
Sprain and strain	41	42
Closed fracture	36	35
Contusions	23	31
Bad cut	17	31
Light cut	37	29
Laceration	17	20
Type of injury unknown	10	17
Stab wound	11	9
Graze wound	8	4
Open fracture	1	3
Burns and scalds	4	3
Internal injuries	1	2
Acute infection	-	2
Concussion	2	1
Chemical cauterisation	-	1
Traumatic amputations (loss of a body part)	1	1
Nausea/dizziness/circulatory problems	-	1
N/A	2	1

1) For haematomas, sprains and internal injuries, there were multiple entries of injury types in the reporting year, with a maximum of 2 injury types per accident being recorded statistically.

PALFINGER's focus on health and safety is reflected in various initiatives and programs. In 2023, a global health & safety initiative in cooperation between PALfit Health Management and Corp. HSE was carried out for the first time. The 2 Hands 10 Friends program from Corp. HSE is aimed at preventing hand injuries. PALfit's Power Up program focused on musculoskeletal disorders and the prevention of associated back problems. The two global health and safety initiatives will continue in 2024.

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. Around 50 digital HSE training courses were developed for all PALFINGER sites in 2023 (2022: 30). These were made available globally in 15 languages. PALFINGER will be continuously expanding this range of safety training courses over the next few years with the goal of improving safety awareness amongst the workforce.

A group-wide health and safety policy regulates the scope of occupational health care according to the number of employees at each location and defines the range of services and deployment times. This ensures that all PALFINGER employees worldwide receive standardized occupational health care independent of national legal requirements. Safety experts, occupational physicians and the works council are involved in mandatory annual occupational safety committee meetings to represent the interests of employees and ensure their participation.

A QUALIFIED AND DIVERSE WORKFORCE

PALFINGER is an important employer in various regions. At the end of 2023 12,728 people (2022: 12,210) were employed by PALFINGER. In addition, as of year-end 2023 346 (2022: 468) leased workers were employed.

Number and percent	2021	2022	2023	% ¹⁾
Own workforce	11,733	12,210	12,728	
Apprentices and interns	228	226	245	1.9%
Own workforce	11,733	12,210	12,728	
SuccessFactors integrated	10,344	10,826	10,280	80.8%
Not SuccessFactors integrated	1,389	1,384	2,448	19.2%
Contingent workers	612	468	346	2.7%
PALFINGER group	12,345	12,678	13,074	

1) The ratio is based on the total number of employees of the company in 2023.

2) 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 non-privacy-compliant transfer of employee detail data would be necessary.

3) Until 2021, apprentices and trainees were reported together in this key figure. From 2022, only apprentices 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 mostly 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 a small amount of project work, professional internships and in interim management. In the 2023 financial year, 95.8 percent of employees worked full-time and around 4.2 percent of employees worked part-time (2022: 4.0 percent). 47.6 percent of the company's own employees are covered by collective agreements and 49.0 percent are represented by works councils. Contingent workers (leasing personnel) are used primarily in the production processes at PALFINGER locations.

Number and percent	2021	2022	2023	% ¹⁾
Permanent employment contract				
Gender				
Female	1,305	1,378	1,283	12.5%
Male	8,791	9,214	8,728	84.9%
Regions				
EMEA	5,722	5,983	6,207	60.4%
NAM	1,027	1,003	1,092	10.6%
LATAM	769	788	730	7.1%
APAC	256	309	315	3.1%
CIS ³⁾	869	919	-	0.0%
MARINE	1,034	1,110	1,118	10.9%
HOLDING	419	480	549	5.3%
	10,096	10,592	10,011	
Temporary employment contract²⁾				
Gender				
Female	30	57	75	0.7%
Male	218	177	194	1.9%
Regions				
EMEA	157	205	223	2.2%
NAM	-	-	-	0.0%
LATAM	-	26	24	0.2%
APAC	2	-	-	0.0%
CIS ³⁾	52	-	0	0
MARINE	22	2	2	0.0%
HOLDING	15	1	20	0.2%
	248	234	269	
Own workforce	10,344	10,826	10,280	

1) The key figure is related to the total number of employees 2023.

2) 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 non-privacy-compliant transfer of employee detail data would be necessary.

3) Values for 2023 can no longer be collected for this region due to data protection regulations.

Attracting and retaining experts/talent as well as training and further education are important aspects for PALFINGER. The availability of qualified staff is a challenge worldwide. Fluctuation as well as employment structure play a key role in this context.

PALFINGER set itself the group-wide target of keeping staff turnover at around 15 percent on a rolling average over the last 12 months. In addition to this benchmark, voluntary turnover with a target value of less than 8 percent is used as a control parameter.

Fluctuation in the 2023 reporting year was primarily influenced by structural optimization. Most of the changes made in the marine sector will, however, not have an impact until 2024. The rolling average (twelve months) of employee turnover decreased from 16.5 percent in 2022 to 15.5 percent in 2023. Voluntary fluctuation amounted to 5.2 percent (2022: 6.0 percent). Exit interviews are conducted with employees who decide to leave PALFINGER in order to better understand their reasons and motivation. There was no significant fluctuation in the leased workforce in 2023.

Many vacancies were filled in the reporting period, including in critical areas. 1,984 new hires were made. 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 filling management functions.

Number and percent	2021	2022	2023	% ¹⁾
Gender				
Female	225	224	202	12.8%
Male	1,371	1,517	1,373	87.2%
Generations				
0–29	359	525	464	29.5%
30–50	824	897	803	51.0%
50+	413	319	308	19.6%
Voluntary fluctuation ²⁾				
PALFINGER Group	550	641	532	33.8%
Regions				
EMEA	623	779	734	46.6%
NAM	384	380	340	21.6%
LATAM	152	174	201	12.8%
APAC	42	36	24	1.5%
CIS ⁴⁾	122	160	-	0.0%
MARINE	220	149	180	11.4%
HOLDING	53	63	96	6.1%
Employee exits³⁾	1,596	1,741	1,575	100.0%

1) The key figure is related to the total number of employee exits in 2023.

2) Includes self-termination, self-termination during probationary period, unauthorized self-termination, voluntary termination.

3) PALFINGER reports entries and exits only for its own employees of companies that are integrated into the HR system SuccessFactors, as otherwise a transfer of employee detail data that does not comply with data protection regulations would be necessary.

4) Values for 2023 can no longer be collected for this region due to data protection regulations.

Number and percent	2021	2022	2023	% ¹⁾
Gender				
Female	365	356	324	16.3%
Male	2,235	1,951	1,660	83.7%
Generations				
0–29	887	932	757	38.2%
30–50	1,422	1,155	1,048	52.8%
50+	291	220	179	9.0%
Regions				
EMEA	1,209	1,113	986	49.7%
NAM	461	364	437	22.0%
LATAM	370	225	140	7.1%
APAC	37	39	29	1.5%
CIS ³⁾	176	153	-	0.0%
MARINE	219	254	219	11.0%
HOLDING	128	159	173	8.7%
Employee entries	2,600	2,307	1,984	100.0%

1) The ratio is based on the total number of employees entering the company in 2023.

2) PALFINGER reports entries and exits only for its own employees of companies that are integrated into the HR system SuccessFactors, as otherwise a transfer of employee detail data that does not comply with data protection regulations would be necessary.

3) Values for 2023 can no longer be collected for this region due to data protection regulations.

PALFINGER focuses on staff development and comprehensive training and further education measures in order to retain employees in the long term and recruit new talent. Individual development targets are agreed in addition to annual targets. These are reviewed at the end of the year as part of a globally standardized Performance & Development Review (PDR). The annual PDR process was completed in full at the end of March 2023 and recorded in the system. The completion rate was 82.8 percent (2022: 87.2 percent).

At PALFINGER, further training is an important part of securing all the necessary technical and social skills for the future. The global learning management system serves as the technical basis for this and bundles all learning and development measures into one system environment. In addition, employees have access to a learning platform that offers over 14,000 e-learning courses. PALFINGER employees have the opportunity to spend two hours of their working time per month on digital and company-relevant learning content in accordance with the Learning group policy. PALFINGER also offers its employees and their family members the opportunity to learn languages via a digital platform. 4,486 PALFINGER employees used the online offerings for 62,076 hours in 2023. In addition to the many additional local training and development courses, this is already showing initial success in preparing employees for future work requirements with the help of digital tools. More individual training measures are agreed in consultation with the respective manager. Tailored management development programs are also available and takes place in alignment with responsible team lead. There are currently no standardized transitional assistance programs at PALFINGER that enable employees to maintain their employability and support them in exiting the workforce following retirement or dismissal.

PALFINGER attaches particular importance to apprentice training both in and outside Austria. The new PALFINGER campus in Lengau, Austria, was completed in 2022. To continue the success story of PALFINGER's apprenticeship training, additional training programs will be offered, and the number of apprentices is to be steadily increased until 2030. The focus on the quality of training was reflected in Austria in the reporting period in the form of numerous victories and top rankings in apprentice competitions. A PALFINGER apprentice was named Austria's best welder in 2023 and also achieved a top ranking of 7th place at the World Skills competition in Cleveland, USA. In addition, the Study and Work training program was launched in Austria in 2022. This enables employees who pass a university entrance exam to complete academic training alongside their professional activity.

Mobile working within the framework of company home-office agreements provides a greater degree of flexibility in collaboration between employees and the company.

PALFINGER generally makes no distinction with regard to the type of employment relationship when awarding company benefits and treats all employees fairly and in a comparable manner. This includes benefits such as company health schemes (PALfit) comprehensive training programs, and monetary benefits. Exceptions in which benefits can only be guaranteed on a pro rata basis exist in individual cases for local tax reasons.

Number and percent	2021	2022	2023	% ¹⁾
Permanent employment contract²⁾				
Gender				
Female	1,154	1,229	1,138	11.1%
Male	8,818	9,161	8,713	84.8%
	9,972	10,390	9,851	95.8%
Temporary employment contract²⁾				
Gender				
Female	181	206	220	2.1%
Male	191	230	209	2.0%
	372	436	429	4.2%
Own workforce	10,344	10,826	10,280	

1) The ratio is based on the total number of employees of the company in 2023.

2) 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 non-privacy-compliant transfer of employee detail data would be necessary.

PALFINGER aims to find the right person for each position. Diversity and equal opportunities play a key role in this. The group diversity strategy was redefined in 2022. The current 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 aim is to align the proportion of women in top management with the general proportion of women in the PALFINGER Group. The target of a high proportion of non-Austrians in headquarters functions in Bergheim of 20 percent was exceeded again in 2023 at 26.4 percent (2022: 21.7 percent).

At the end of 2023, 33.3 percent of the members of PALFINGER AG's Supervisory Board were women (2022: 22.2 percent). There were no women on the Executive Board. At the end of 2023, 6.2 percent of positions in the Global Management Team were held by women (2022: 8.3 percent). The overall proportion of women at PALFINGER in 2023 was 12.9 percent (2022: 13.3 percent).

PALFINGER increased measures to raise awareness of diversity in 2023. Awareness workshops on the topic were held with pilot groups and locations in Austria. PALFINGER EMEA also organized PALtalks, PALFINGER's version of TED Talks, on the topic of diversity and corporate culture with the slogan "Reaching the next level through diversity". The focus in the NAM region was on measures connected with the Affirmative Action Plan. There has been a focus on diversity in Brazil since the end of 2022. Key measures such as inclusive leadership training, discussion rounds and lectures on LGBTQIA+, equality, diversity and inclusion were implemented there in 2023.

PALFINGER also attaches great importance to a balanced and diverse composition of participants in all of its internal management development programs.

The company created its own CoE Organizational Development / Change Management in 2023 to increase competence with regard to managing change and consciously shaping transformations internally. Leadership principles and corporate values were also evaluated as part of the GPO Evolution project in order to have the right compass and a strong foundation of values on the road to 2030.

GOVERNANCE

CORPORATE CULTURE AND 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 PALFINGER's Code of Conduct defines the essential legal and ethical principles for doing business. Integrity is paramount in all of PALFINGER's activities. The implementation of the Code of Conduct's standards and compliance with them is important to PALFINGER and is also expected of all employees and business partners. Contracts contain binding references to the PALFINGER Code of Conduct. This Code of Conduct is published on PALFINGER's corporate website. Possible violations of laws and internal policies can be reported via the "Integrity Line".

PALFINGER has defined a catalog of multi-stage actions to prevent corruption or, if need be, investigate any violations. Further details on combating corruption can be found in the Risk Report and the Corporate Governance Report. An annual report on anti-corruption measures is submitted to the Supervisory Board annually, enabling it to fulfill its control obligations. As in previous years, there were no confirmed cases of corruption at PALFINGER in 2023, 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 2023 reporting period, nor were any young employees subjected to dangerous work. Reported violations of the law, Code of Conduct or other group policies were continuously evaluated. Where suspicious cases were substantiated, they were investigated by Corp. Internal Audit and appropriate improvement measures were defined with the responsible management. PALFINGER did not have to pay any fines for material violations of legal provisions. There are no lawsuits pending against PALFINGER for anti-competitive behavior.

GOVERNANCE AND TRANSPARENCY

In order to do justice to social change, the requirements of sustainable business apply. To this end, PALFINGER applies the highest reporting standards and a transparent approach to business.

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

PALFINGER is currently confronted with the following megatrends in particular: Sustainability, digitalization and social change. These have a significant influence on PALFINGER's business activities and pose many challenges. The vision and strategy for 2030 addresses the three megatrends and describes how to deal with the associated challenges so that they become an integral part of PALFINGER's success by 2030. The megatrends give rise to both risks and opportunities. PALFINGER addresses risks and proactively exploits opportunities. Further details can be found in the risk report of the Management Report.

There are no indications of material violations in the following areas in 2023: 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. There are also no indications that PALFINGER committed any material irregularities in connection with marketing and communication measures in the 2023 financial year.

DISCLOSURE PURSUANT TO ARTICLE 8 TAXONOMY REGULATION

The EU taxonomy is a classification system for defining “environmentally sustainable” business activities. It is intended to achieve the following six environmental goals: (1) climate change mitigation (CCM), (2) climate change adaptation (CCA), (3) sustainable use and protection of water and marine resources (WTR), (4) transition to a circular economy (CE), (5) pollution prevention and control (PPC) and (6) protection and restoration of biodiversity and ecosystems (BIO). PALFINGER does not conduct any economic activities in connection with natural gas and nuclear energy and does not therefore publish the additional templates for natural gas and nuclear energy.

Taxonomy-conformant and taxonomy compliant revenues, investments (CapEx) together with operating expenses (OpEx) have been recorded for the environmental targets (1) and (2) since 2022. The assessment of taxonomy eligibility was based on an impact analysis and the collection of key figures for each activity together with the respective departments. Those of PALFINGER’s economic activities that correspond to the description according to the Delegated Regulation of the Taxonomy Regulation were identified as taxonomy eligible. The respective potentially taxonomy-eligible sales, CapEx and OpEx are collected from employees in the countries for the purpose of assessing taxonomy conformity. These are then analyzed at group level to determine whether taxonomy eligibility actually exists. These were then assigned to one of four other environmental targets in a second step. Compliance with the technical evaluation criteria and “Do No Significant Harm” criteria was verified by the sustainability management 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, group-wide compliance with the minimum protection was analyzed together with the existing due diligence process.

The taxonomy-eligible sales, investments (CapEx) and operating expenses (OpEx) must also be determined for the other environmental targets (3) to (6) for the financial year 2023. In a first step, the taxonomy eligibility was determined in the course of an impact analysis and the collection of key figures per activity. Taxonomy conformity will be reported in the 2024 financial year. There is no double counting between environmental goals because economic activities are only ever reported in one environmental goal. No measures were identified that could make a significant contribution to more than one environmental goal.

From today's perspective, the following economic activities have been identified:

Code	Category	Activities	First-time reporting obligation	
			taxonomy-capable	taxonomy-compliant
CCM 7.3	Construction and real estate	Installation, maintenance and repair of energy-efficient appliances	2021	2022
CCM 7.4	Construction and real estate	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in car parks belonging to buildings)	2021	2022
CCM 7.5	Construction and real estate	Installation, maintenance and repair of equipment for measuring, regulating and controlling the overall energy efficiency of buildings	2021	2022
CCM 7.6	Construction and real estate	Installation, maintenance and repair of renewable energy technologies	2021	2022
CE 5.1	Services	Repair, refurbishment and reconditioning	2023	2024
CE 5.2	Services	Sale of spare parts	2023	2024
CE 5.5	Services	Product as a service and other circular usage and result-orientated service models	2023	2024

Based on the requirements of the German Taxonomy Ordinance (TaxonomieVO), revenue from taxonomy-eligible business activities is reported as a percentage of total group sales in accordance with IAS 1.82a. The sales ratio is calculated as the ratio of sales from taxonomy-eligible business activities to total Group sales. The total additions (before depreciation, amortization, impairment losses and revaluations) in accordance with the statement of intangible assets and property, plant and equipment, including additions of rights of use in accordance with IFRS 16, are included in the denominator for the calculation of the CapEx figure. Additions connected with 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.

To ensure compliance with the minimum level of protection in accordance with Article 18 (EU) 2020/852, the standard due diligence process already implemented at PALFINGER was analyzed. The processes already described in the Corporate Governance Report and the non-financial statement were applied within the company. A multi-stage process 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 to adhere to the Code of Conduct published on the website. PALFINGER has also 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 subsequently evaluated by Corp. GRC or investigated by Corp. Internal Audit if the situation requires it. PALFINGER regularly carries out supplier audits on the basis of an annual risk-based audit plan, in which aspects such as the environment, human rights and occupational safety are examined in addition to quality and procurement issues. Supplier audits are also carried out on an ad hoc basis. With the package of measures described above, PALFINGER ensures compliance with the minimum level of protection within the company and along the entire supply chain.

Economic activities (1)	Year		Substantial contribution criteria							DNSH criteria (Do No Significant Harm) (h)								
	Code(s) (2)	Turnover (3) Currency	Proportion of Turnover, year 2023 %	Climate change mitigation (5) Y/N N/EL (b) (c)	Climate change adaptation (6) Y/N/N/ EL (b) (c)	Water (7) Y/N N/EL (b) (c)	Pollution (8) Y/N N/EL (b) (c)	Circular economy (9) Y/N N/EL (b) (c)	Biodiversity (10) Y/N N/EL (b) (c)	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 022 (18) %	Category (enabling activity) (20) E

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)

5.1. Repair, refurbishment and remanufacturing	CE 5.1.																	
5.2. Sale of spare parts	CE 5.2.																	
5.5. Preparation for re-use of end-of-life products and product components	CE 5.5.																	
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1))																		
Of which Enabling																		
Of which Transitional																		

A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

				EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)
5.1. Repair, refurbishment and remanufacturing	CE 5.1.	102,264.00	4.18	N/EL	N/EL	N/EL	N/EL	EL	N/EL
5.2. Sale of spare parts	CE 5.2.	222,883.00	9.11	N/EL	N/EL	N/EL	N/EL	EL	N/EL
5.5. Preparation for re-use of end-of-life products and product components	CE 5.5.	6,886.80	0.28	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		332,033.80	13.58	%	%	%	%	%	%
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		332,033.80	13.58	%	%	%	%	%	%

B. TAXONOMY NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities	2,113,818.69	86.42
TOTAL	2,445,852.49	100.00

No economic activities were identified with which external sales were generated that make a significant contribution to either of the environmental objectives (1) and (2). Therefore, as in the previous year, no taxonomy-compliant or taxonomy-eligible sales were reported for the 2023 reporting year.

Economic activities in environmental objective (4) Transition to a Circular Economy were identified for environmental objectives (3) to (6) in the 2023 financial year, with which external revenue was generated. The relevant revenue is allocated to the economic activities "5.1 Repair, Remanufacturing and Refurbishment", "5.2 Sale of Spare Parts" and "5.5 Product as a Service and Other Recycling and Profit-Oriented Service Models" and reported as taxonomy-eligible in the 2023 financial year. Taxonomy-eligible revenue in environmental objective (4) Circular Economy accounts for 13 percent of the consolidated group revenue of EUR 2,445,852.49 thousand in the 2023 financial year.

Economic activities (1)	Year		Substantial contribution criteria								DNSH criteria (Do No Significant Harm) (h)							
	Code(s) (2)	CapEx (3) Currency	Proportion of Capex, year 2023	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category (enabling activity) (20)
			%	Y/N N/EL (b) (c)	Y/N N/EL (b) (c)	Y/N N/EL (b) (c)	Y/N N/EL (b) (c)	Y/N N/EL (b) (c)	Y/N N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)

7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	784.00	0.43	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.33	E	E
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in car parks belonging to buildings)	CCM 7.4.	145.00	0.08	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.09	E	E
7.3. Installation, maintenance and repair of energy-efficient appliances	CCM 7.3.	196.00	0.11	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
CapEx of environmentally sustainable activities (Taxonomy-aligned (A.1))		1,125.00	0.62	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	2.36		
Of which Enabling		929.00	0.51	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	2.36	E	
Of which Transitional			0.00	%						Y	Y	Y	Y	Y	Y	Y	0		T

A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

				EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)			
7.3. Installation, maintenance and repair of energy-efficient appliances	CCM 7.3.	833.00	0.46	EL	N	N/EL	N/EL	N/EL	N/EL		0.11	
7.5. Installation, maintenance and repair of equipment for measuring, regulating and controlling the overall energy efficiency of buildings	CCM 7.5.	11.00	0.01	EL	N	N/EL	N/EL	N/EL	N/EL		0.03	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		844.00	0.47	%	%	%	%	%	%		0.14	
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		1,969.00	1.09	%	%	%	%	%	%		2.50	

B. TAXONOMY NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities	178,790.00	98.91
TOTAL	180,759.00	100.00

For environmental objective (1), the group-wide reporting system was used to record taxonomy-eligible and taxonomy-compliant investments. The marked investments from individual measures were then analyzed by the sustainability management with the respective departments for taxonomy conformity. The taxonomy-eligible CapEx individual measures are the following economic activities: "7.3 Installation, Maintenance and Repair of Energy-Efficient Equipment"; "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-eligible 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 2023 reporting period. No taxonomy-eligible or taxonomy-compliant investments are reported for the environmental objective (2) Adaptation to Climate Change.

The investments falling under 7.3 in 2023 relate to local refurbishment measures on and in buildings, i.e. expenditure on windows, doors, replacement of building insulation, lighting and heating or heating pipes. The investments allocated to 7.5 include expenses for new air filter and ventilation systems as well as control elements for energy savings. Investments attributable to these two economic activities will be reported as taxonomy-eligible in 2023. Taxonomy conformity could not be achieved for economic activity 7.5 due to a lack of the necessary evidence of compliance with the technical evaluation criteria. The investments under 7.4 relate to expenses for newly installed charging stations at the Bergheim site in Austria. Investments in activity 7.3 mainly relate to investments in heating, ventilation and air conditioning (HVAC) systems. 7.6 includes the installation of a new photovoltaic system at the site in Lazuri, Romania.

The technical evaluation criteria were met for the economic activities 7.4, 7.6 and partially for 7.3. The site-specific climate risk and vulnerability analyses required to avoid significant impairment of the second environmental objective were also carried out. The worst-case climate scenario RCP8.5 and the RCP4.5 climate scenario were used as the basis for these analyses. No significant risks were identified that would require plans for remedial solutions. Additional "Do No Significant Harm" criteria were not required for economic activities 7.4 and 7.6, as no corresponding requirements are specified in Delegated Regulation (EU) 2021/2139.

In the reporting year, suitable investments resulted from individual measures in property, plant and equipment in accordance with IAS 16 amounted to EUR 1,125.00 thousand (2022: EUR 3,390.0 thousand), which corresponds to 0.62 percent of the group's total additions (2022: 2.36 percent). The change compared to the previous year is due to a decrease in the investment volume with regard to individual measures.

No capex-relevant economic activities were identified for environmental targets (3) to (6) in the 2023 financial year.

When determining the OpEx indicator, 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 were included. The figure is determined in the same way as that for CapEx for non-capitalized expenses. According to the EU taxonomy, operating expenses that are irrelevant to the company's business model should not be taken into account. Based on the very narrow definition of OpEx, it was determined that the relevant operating expenses according to the EU taxonomy amount to one percent of the total consolidated expenses for the 2023 financial year to the value of EUR 2,272.48 thousand. A calculation of the numerator per economic activity was therefore omitted for reasons of materiality, as OpEx is immaterial for PALFINGER's business model as defined by the EU taxonomy.

GRI CONTENT INDEX

GRI Standard	GRI Disclosure UN Global Compact	Page	Omission	Notes
GENERAL DISCLOSURES				
Organizational profile				
GRI 2: General Disclosures 2021	2-1: Organizational profile	10, 191-192		
	2-2: Entities that are included in the sustainability reporting of the organization	175-177		Audit scope corresponds to report scope.
	2-3: Reporting period, reporting frequency and contact point	48		Reporting period 1.1.2023 - 31.12.2023, annual publication.
	2-4: Correction or restatement of information	-		No corrections of previous year's figures required.
	2-5: External examination	185-186		
	2-6: Activities, value chain and other business relationships	3-7, 12-30		
	2-7: Employees UNGC 3-6	58-61		
	2-8: Staff members who are not employees	58-61	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.	
	2-9: Governance structure and composition	77-83		
	2-10: Nomination and selection of the highest supervisory organ	77-83		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.
	2-11: Chairperson of the supreme supervisory organ	77-83		
	2-12: Role of the highest governance organ in overseeing the management of impacts	48-49, 77-83		

GRI Standard	GRI Disclosure UN Global Compact	Page	Omission	Notes
	2-13: Delegation of responsibility for the management of impacts	39-40, 48-50, 77-83		
	2-14: Role of the highest governance organ in sustainability reporting	40-41, 53-55, 79-85		
	2-15: Conflicts of interest	8-10, 30, 77-83		
	2-16: Transmission of critical concerns	18-19, 62, 77-83	Regarding 2-16b, no systematic survey was conducted in the reporting year; the implementation of the requirement will be evaluated in 2024.	
	2-17: Accumulated knowledge of the highest supervisory organ	12-20, 48-50, 79-83		Ongoing reporting to the Executive Board and Supervisory Board regarding regulatory developments and resulting requirements.
	2-18: 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, the further improvement of meeting documents and a separat consideration of topic-specific priorities in the committees. No other measures were in place in 2023.
	2-19: Remuneration policy	77-84		The remuneration policy is also published on the www.palfinger.ag .
	2-20: Procedure for determining the remuneration	77-84		The remuneration policy is also published on the www.palfinger.ag .
	2-21: 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.	
	2-22: Application statement on the Sustainable Development Strategy	7, 12-20, 51-52		
	2-23: Declaration of Commitment on Principles and Action UNGC 10	12-20, 51-52, 62-63, 77-83		The group guidelines are approved by Corporate GRC. The Code of Conduct can be found at: https://www.palfinger.ag/en/code-of-conduct
	2-24: Inclusion of political commitments	12-20, 48-50, 62-63, 77-83		

GRI Standard	GRI Disclosure UN Global Compact	Page	Omission	Notes
	2-25: Procedure for the elimination of negative impacts	12-20, 39-44, 48-68, 77-83		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.
	2-26: Procedure for seeking advice and reporting concerns	18-19, 62-63		An Integrity Line allows concerns and advice to be submitted anonymously.
	2-27: Compliance with laws and regulations	63, 18-20		
	2-28: Membership in associations and interest groups	48		
	2-29: Approach to stakeholder engagement	48-50		
	2-30: Collective agreements	-		
Disclosure of material issues				
GRI 3: Material topics 2021	3-1: Procedure for determining material topics	50-52		
	3-2: List of material topics	50-52		
	3-3: Management of material issues	50-52		

TOPIC-SPECIFIC STANDARDS

GRI Standard	GRI Disclosure UN Global Compact	Page	Omission	Notes
ENVIRONMENT				
Material Aspect: Energy Consumption and Emissions in Production and at PALFINGER Sites				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 52-65		
GRI 302: Energy 2016	302-1: Energy consumption within the organization UNGC 7-9	52-55		PALFINGER has no cooling energy or steam consumption and does not sell energy.
	302-3: Energy intensity	52-55		
	302-4: Reduction of energy consumption	52-55	The total energy consumption could be reduced by 2 percent compared to previous year. A direct allocation to individual initiatives to reduce energy consumption (fuel, electricity, heating) is not possible for 2023 due to the large number of individual measures. The data will probably be available from 2024 onwards.	
GRI 305: Emissions 2016	305-1: Direct GHG-Emissions (Scope 1) UNGC 7-9	52-55		PALFINGER does not produce any biogenic CO2 emissions.
	305-2: Indirect energy-related THG emissions (Scope 2) UNGC 7-9	52-55	Location-based Scope 2 emissions are not relevant to control: For PALFINGER, the practical application of the market-based approach makes more sense.	
	305-3: Other indirect GHG Emissions (Scope 3) UNGC 7-9	52-55		In the 2023 reporting year, a suitable methodology for calculating total Scope 3 emissions was developed and the corresponding values for 2022 and 2023 were determined.
	305-4: GHG emission intensity UNGC 7-9	52-55		
	305-5: Reduction of GHG emissions	52-55	Analogous to the reduction of energy consumption, it is not possible to allocate the reduction of GHG emissions to individual initiatives in 2023. Site-specific recording is implemented in the HSE Action Plan 2024.	
Material Aspect: Emissions in Product Application and Environmental Impacts in the Value Chain				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 55		
	302-5: Reducing the energy demand for products and services	54-55	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 2024.	
GRI 305: Emissionen 2016	305-3: Other indirect GHG emissions (Scope 3) UNGC 7-9	54-55		

GRI Standard	GRI Disclosure UN Global Compact	Page	Omission	Notes
SOCIAL				
Material aspect: Safety of PALFINGER products and applications				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 55-56		
GRI 416: Customer health and safety 2016	416-1: Assessing the health and safety impacts of different categories of products and services	55-56		Regardless of fault, every incident is documented and investigated. Due to PALFINGER's business model, service incidents are not recorded separately.
	416-2: Violations related to the health and safety impacts of products and services	55-56		
Specially defined	Accidents in connection with PALFINGER products	55-56		
Material aspect: health and safety of employees				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 56-57		
GRI 403: Occupational safety and health protection 2018	403-1: Management system for occupational safety and health protection	56-57		
	403-2: Hazard identification, risk assessment and incident investigation	56-57		
	403-3: Occupational health services	56-57		
	403-4: Employee participation, consultation and communication on occupational health and safety	56-57		
	403-5: Employee training on occupational safety and health protection	56-57		
	403-6: Promoting the health of employees	56-57		
	403-7: Avoidance and minimisation of occupational health and safety impacts directly related to business relationships	56-57		
	403-8: Employees covered by an occupational health and safety management system	56		
	403-9: Work-related injuries	56-57	There is no systematic listing of work-related hazards and corrective measures, but this is expected to be possible from 2024 as part of the expansion of ISO45001.	
	403-10: Work-related diseases	56-57		

GRI Standard	GRI Disclosure UN Global Compact	Page	Omission	Notes
Material aspect: education and training, attracting and retaining experts/talent				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 58-61		
GRI 401: Employment 2016	401-1: Newly hired employees and employee turnover UNGC 3-6	58-60		
	401-2: Company benefits offered only to full-time employees, but not to temporary or part-time employees	60-61		
	401-3: 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.	
GRI 404: Education and training 2016	404-1: Average number of hours for education and training per year and employee	60		
	404-2: Programmes to improve employees' skills and transitional assistance	60-61		
	404-3: Percentage of employees receiving regular performance and career development reviews	60		
Material aspect: Diversity and Equal Opportunities				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 62-63		
GRI 405: Diversity and equal opportunities 2016	405-1: Diversity in supervisory organs among employees UNGC 3-6	61		
	405-2: 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.	

GRI Standard	GRI Disclosure UN Global Compact	Page	Omission	Notes
GOVERNANCE				
Material aspect: Compliance with and Leadership Commitment to Values, Legal and Ethical Standards				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 62		
GRI 205: Fighting corruption 2016	205-1: 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.
	205-2: Communication and training on anti-corruption policies and procedures	-	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 2024.	All employees and members of the controlling organ are informed about anticorruption measures, and PALFINGER's suppliers are required to accept the Code of Conduct.
	205-3: Confirmed incidents of corruption and measures taken UNGC 10	18, 62		
Material aspect: Clear internal policies, standardized processes				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 62-63		
Material aspect: transparency and correct reporting				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 62-63		
Material aspect: Deal with megatrends				
GRI 3: Material topics 2021	3-3: Management of material issues	50-52, 62-63		

Bergheim, March 5, 2024

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