



**CODE OF  
CONDUCT**

Business Partner

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# PROLOGUE

As a company, PALFINGER is aware of its responsibility, not only towards customers and employees, but also towards society and the environment. Therefore, we have developed this Business Partner Code of Conduct (hereinafter: Code of Conduct), which sets out the basic principles and standards that all business partners must adhere to.

This Business Partner Code of Conduct is based on the universal principles of human rights, sustainability and compliance with supply chain standards. PALFINGER expects its business partners to respect and promote these principles in all their activities. By that they are actively committed to upholding human rights, ensuring fair working conditions, minimizing environmental impact and behaving transparently and responsibly in their supply chains.

In addition, PALFINGER reserves the right to regularly review compliance with this Code of Conduct. PALFINGER may conduct audits or take other appropriate measures to ensure that its business partners meet their obligations. PALFINGER considers compliance with this Code of Conduct to be an integral part of its business relationship and will take appropriate steps if violations are detected.

PALFINGER is convinced that working together in partnership based on respect, integrity and a sense of responsibility brings long-term benefits for all parties involved. The main topics are described in detail below. By adhering to this Code of Conduct, a positive impact can be achieved together, and sustainable and ethical business activities can be realized.

# STANDARDS OF THE CODE

## 1 HUMAN RIGHTS & WORKING CONDITIONS

**Fundamental human rights in accordance with international standards must be respected and promoted. This includes, in particular, compliance with the "Global Compact"-initiative as well as the core labour standards of the International Labour Organization (ILO), which include, among other things, the prohibition of forced and child labour as well as the right to freedom of association and fair working conditions. Business partners must ensure that these standards are implemented in their operations and supply chains. Respect for human dignity and the protection of workers' rights form the basis for responsible and sustainable business practices.**

### 1.1 Prohibition of slavery and human trafficking

Any form of slavery, forced labour and human trafficking must be strictly rejected and prevented. This includes both direct and indirect participation in practices that deprive people of their liberty or force them to work in inhumane conditions. Our business partners have a duty to carefully monitor their entire supply chain to ensure that none of these serious human rights violations take place. Respect for human dignity and protection from exploitation are non-negotiable principles that are central to any business relationship.

### 1.2 Prohibition of child labour

Child labour, as defined by international conventions, contradicts our fundamental values and will not be tolerated under any

circumstances. Our business partners must ensure that no children are employed in exploitative conditions throughout their supply chain. If evidence of child labor is discovered, we expect immediate action to remedy the situation as well as long-term strategies to prevent further incidents.

### 1.3 Free choice of employment

The free choice of employment of all employees must be guaranteed. This means that all employment relationships must be on a voluntary basis and any form of forced labour, debt bondage or involuntary work is strictly prohibited. Employees must not be forced to work through threats, violence, or other unlawful means. All employees are free to choose their work and have the right to terminate their employment at any time in compliance with fair conditions.

### 1.4 Protection against discrimination, harassment and bullying

Any form of discrimination, whether in recruitment, promotion or daily interaction, as well as any kind of harassment or bullying, is strictly rejected. This means that all employees, regardless of gender, age, ethnicity, religion, sexual orientation, disability, or other personal characteristics, must be treated with respect and fairness. We expect our partners to put in place clear policies and mechanisms to prevent and combat such behavior, and to ensure that violations are consistently punished.

### 1.5 Diversity, equity and inclusion

Our business partners promote diversity, equality and inclusion and create an in-

clusive corporate culture. All employees have the same opportunities, regardless of personal characteristics. These values increase innovation and competitiveness. Further, through ethical recruiting practices, a fair and transparent hiring process that reflects the commitment to diversity, equality, and inclusion is ensured.

#### **1.6 Freedom of association**

The business partners fully respect the freedom of association of their employees. This includes the right of employees to organise, form or join trade unions and bargain collectively without fear of reprisals, discrimination or disadvantage. We expect our partners to maintain an open dialogue with workers' representatives and recognize the legitimate concerns and rights of the workforce.

#### **1.7 Health and safety at work**

Our business partners ensure the highest standards of health and safety in the workplace. All working environments must be designed to be safe to minimise the risk of accidents, injuries and work-related illnesses. We expect our partners to take appropriate measures, such as regular safety inspections, training for employees, provision of protective equipment and the implementation of emergency plans. It is crucial that an awareness of occupational health and safety is anchored throughout the organization and is continuously reviewed and improved.

#### **1.8 Compliance with working hours and minimum wage**

All applicable laws and regulations regarding working hours and minimum wage must be strictly observed. Working hours are fair and in accordance with the legal requirements, including the regulations on overtime, rest periods and holidays. In addition, we expect all employees to receive at least the minimum wage required by law or industry practice that ensures a decent livelihood.

#### **1.9 Provision of reporting processes**

Our business partners provide transparent and easily accessible reporting processes for employees, customers and other stakeholders to report possible violations of the Code of Conduct or other relevant guidelines. These processes must ensure that reports are treated confidentially

and investigated in a timely and impartial manner. There must be no reprisals or disadvantages for people who report violations in good faith. We expect all reports to be taken seriously and the necessary measures to remedy grievances to be taken immediately. The results of such investigations, as well as the measures taken, should be documented and, where relevant, communicated to us.

#### **1.10 Deployment of security forces**

All security forces deployed act in accordance with applicable laws and international human rights standards. This includes avoiding all forms of violence, discrimination and ill-treatment, as well as protecting the rights and dignity of all persons involved. We expect our partners to ensure that security forces are appropriately trained and regularly audited for compliance with these standards. Any violation of these principles will be taken seriously by us and may lead to appropriate consequences.

#### **1.11 Training**

Our business partners conduct regular training for their employees to ensure that everyone involved has the necessary knowledge and skills to perform their duties responsibly and efficiently. This includes training in the areas of occupational safety, environmental protection, ethical behavior, as well as specific training on the standards set out in our Code of Conduct. Training programs are continuously updated to reflect current developments, regulatory requirements, and best practices.

#### **1.12 Adequate accommodations**

When business partners provide accommodation for their employees, they must ensure safe, clean and decent housing. Accommodations must meet basic hygiene, safety and privacy requirements and provide sufficient space, ventilation, sanitation and access to clean water. In addition, the accommodations should be in good structural condition and subject to regular inspections to ensure that they meet the standards.

#### **1.13 Secure working conditions**

A stable and secure workplace is fundamental for sustainable and trusting cooperation. This includes not only complying with all applicable safety standards, but also

avoiding short-term or unstable employment contracts that could lead to employees becoming unhealthy dependent on the company. Our partners should ensure that employment contracts are fair and long-term in order to offer employees security and perspective. We reject the practice of putting employees in an insecure position through short-term contracts and is incompatible with our ethical principles.

#### **1.14 Protection of privacy**

The privacy of employees must be respected and protected. This includes handling personal data responsibly and avoiding unnecessary surveillance or other intrusions into employees' private lives. All privacy-related measures must be transparent and in line with applicable data protection laws and regulations.

#### **1.15 Prohibition of disciplinary salary reduction**

Our company attaches great importance to fair and equitable working conditions. Therefore, our business partners are strictly prohibited from using disciplinary salary reductions as a means of punishing employees. We expect our partners to choose alternative and appropriate measures to resolve disciplinary matters that respect the dignity and rights of workers. Salary reductions may only be made within the framework of legal provisions and must never be misused for discipline or punishment.

## **2 BUSINESS ETHICS**

**We expect our business partners to adhere to established standards and principles to ensure responsible and ethical business conduct. This includes compliance with anti-corruption policies, data protection regulations, and export law and sanctions. Compliance with these standards ensures the protection of confidential information and the lawful processing of international transactions.**

### 2.1 Anti-Corruption

The fight against corruption is crucial for trust in our business relationships and for the integrity of the global market. Our business partners must maintain the highest standards of integrity and transparency and strictly reject any form of corruption. This excludes bribery, extortion, bribes, nepotism, or other unethical business practices aimed at gaining improper advantages. We expect our partners to implement clear policies and controls to prevent corruption and ensure that all business relationships are based on legal and ethical foundations.

### 2.2 Crime

Any form of crime is to be strictly rejected. Business practices must meet the highest ethical and legal standards. This includes preventing and combating activities such as fraud, embezzlement, money laundering, insider trading, and other illegal or unethical economic practices. We expect our partners to implement robust control systems and policies to detect, prevent, and combat such offenses.

### 2.3 Conflict of interest

Possible conflicts of interest must be disclosed and avoided. A conflict of interest arises when personal interests or external relationships could interfere with objective decision-making and actions in the corporate context. These include avoiding personal benefits that could affect business operations and being transparent with management and the relevant supervisory bodies. Proactive management of conflicts of interest is critical to maintaining trust, fairness, and integrity in all business relationships.

### 2.4 Anti-Money Laundering and Terrorist Financing

Our business partners are required to take strict measures against money laundering and terrorist financing. This includes implementing robust systems for identifying and verifying business partners and transactions to ensure that no funds come from illegal sources or are used for terrorist activities. All relevant legal requirements and regulations must be complied with, and suspicious activity must be reported promptly. A comprehensive anti-money laundering and countering the financing of terrorism compli-

ance program is essential to ensure the integrity of our business relationships and the security of the financial system.

### 2.5 Privacy

The protection of personal data is an essential prerequisite for trust and compliance in all business activities. This includes collecting, processing and storing data only for legitimate and necessary purposes and implementing appropriate security measures to protect against unauthorized access, loss or misuse of personal data. We expect our partners to comply with all applicable data protection laws and regulations and to communicate transparent privacy policies. In the event of a data protection incident, measures must be taken immediately to limit the damage and the affected persons and relevant authorities must be informed.

### 2.6 Artificial intelligence

AI technologies must be used responsibly and ethically. This means that AI systems must be developed and used in a transparent and accountable way to ensure that they do not generate unlawful discrimination or injustice. We expect our partners to adhere to strict privacy and security standards when implementing AI technologies to protect user privacy and prevent data misuse. In addition, ethical guidelines should be observed that ensure the fair use of AI and ensure that the technologies comply with legal regulations and social norms.

### 2.7 Protection of confidential information

Confidential information must be protected from unauthorized access. Our business partners ensure that only authorized persons have access to this data. This includes business data, such as trade secrets, financial information and strategic plans, as well as personal data of employees, customers and business partners. We expect our partners to implement appropriate security measures to protect data from unauthorized access, loss, or misuse, and to establish clear policies for handling, storing, and transmitting confidential information.

### 2.8 Protection of intellectual property

Intellectual property (IP) must be protected and respected. This includes patents, trademarks, copyrights, trade secrets and other forms of intellectual property held by

us or third parties. We expect our partners to take steps to ensure that intellectual property is not misused, copied or distributed. This includes compliance with all relevant legal provisions and contractual agreements, regular reviews and training to protect IP rights, and the implementation of security precautions to prevent infringements.

### 2.9 Antitrust and Competition Law

All antitrust and competition laws must be strictly complied with. This means that our business partners must behave fairly and transparently in competition, without entering into inadmissible agreements or agreements that could restrict or distort competition. We expect our partners not to adopt or support anti-competitive practices such as price-fixing, market-sharing or bid coordination. They should also ensure that all business practices comply with legal requirements and are regularly reviewed for potential violations.

### 2.10 Product Compliance

Products must comply with applicable legal and regulatory requirements. This includes compliance with safety and quality standards, correct labeling, and compliance with all relevant standards and regulations applicable to the respective markets and applications. We expect our partners to carry out compliance checks and tests to ensure safety and quality standards. In addition, all necessary certifications and approvals must be in place, and any changes or improvements to products must be updated and communicated promptly.

### 2.11 Export Law & Sanctions

Our business partners ensure that all applicable export laws and sanctions are strictly adhered to. This includes compliance with regulations for the export of goods, technology, and services, including the necessary export licenses and permits. We expect our partners to ensure that their businesses do not violate international sanctions or embargoes, and that no products or technologies are delivered to blocked countries, organizations or individuals. This also includes checking business partners and customers for possible sanctions lists and implementing compliance programs to prevent violations.

### 2.12 Protection of company property

The property of our company must be comprehensively protected and preserved. This includes all physical and intellectual assets, including trade secrets, confidential information, equipment, and other resources. We expect our partners to take appropriate security measures to protect our property from theft, loss or damage. This includes access protection to physical and digital assets and regular reviews of security protocols. In the event of any loss or threat to the company's property, immediate measures must be taken to limit the damage and inform us immediately.

### 2.13 Capital market compliance

Business partners comply with capital market regulations and ensure transparent and fair transactions. This includes adherence to rules and guidelines regarding information disclosure, insider trading, market manipulation, and other relevant compliance requirements. We expect our partners to implement comprehensive measures to ensure that all financial transactions are properly documented and reported, and to put in place internal controls and procedures to prevent breaches.

### 2.14 Supply chain visibility

Business partners ensure transparency in their supply chain and pay attention to ethical, social and environmental standards. This includes the precise disclosure of all actors involved in production, from the raw material supplier to the final product. We expect our partners to ensure that every supplier adheres to ethical, social and environmental standards that are in line with our own principles. In addition, our business partners must immediately inform us of potential risks, such as human rights violations, environmental pollution or other violations within the supply chain, and take appropriate measures to remedy them.

## 3 ENVIRONMENTAL STANDARDS

**Our business partners have a responsibility to minimize environmental impacts and promote sustainable practices. This includes the implementation of environmental management systems to reduce emissions, waste and resource consumption, as well as the promotion of environmentally friendly innovations. A strong commitment to environmental protection is crucial for long-term and responsible cooperation.**

### 3.1 Biodiversity

Protecting biodiversity is not only an ethical obligation, but also critical to the long-term health of our planet and the stability of our joint operations. This includes avoiding activities that could lead to the destruction of ecosystems, the deterioration of wildlife or the loss of biodiversity. We expect our partners to take action to conserve and promote biodiversity, such as through sustainable land use practices, the protection of endangered species and the restoration of degraded ecosystems.

### 3.2 Efficiency

We attach great importance to resource efficiency and expect our business partners to use resources sparingly and responsibly in all areas of their activities. This means minimizing the consumption of energy, water, raw materials and other important resources, and continuously looking for ways to improve efficiency. Our partners should use innovative technologies and processes to optimize resource consumption and reduce waste.

### 3.3 Sustainable resources

Our business partners are encouraged to use sustainable resources and make environmentally conscious decisions in all business areas. This includes the responsible use of natural raw materials, the minimization of waste and emissions, and the promotion of recycling and reuse. We expect our partners to prioritise using materials and energy sources that are environmentally friendly and available in the long term, and to continuously work to reduce their environmental footprints. The use of sustainable resources is an essential part of our commitment to environmental protection and

social responsibility and forms the basis for sustainable and responsible cooperation.

### 3.4 Circular economy and waste management

Our business partners promote the circular economy and minimize waste through recycling and reuse. This means that materials and products should be designed and used in such a way that they can be reused, recycled or otherwise returned to the production cycle at the end of their life. Waste prevention is a top priority, and unavoidable waste must be disposed of responsibly, considering all relevant environmental regulations. We expect our partners to develop sustainable waste management strategies aimed at reducing, reusing and recycling.

### 3.5 Greenhouse gas emissions

Reducing greenhouse gases is not only crucial to the fight against climate change, but also an essential part of our shared responsibility for a sustainable future. We expect our business partners to take active measures to reduce their greenhouse gas emissions and to continuously work to reduce their environmental footprint. This includes the implementation of energy-efficient technologies, the use of renewable energy sources, and the optimization of production and logistics processes to minimize emissions.

### 3.6 Pollution

Any contribution to the prevention of environmental and air pollution (including other than CO<sub>2</sub>) is crucial for the protection of the environment and people's health and is a central pillar of our cooperation. Therefore, emissions of pollutants such as particulate matter, nitrogen oxides and other air pollutants must be reduced to a minimum by using modern, environmentally friendly technologies and processes. In addition, we expect compliance with all relevant environmental laws and standards to ensure that air quality is not compromised.

### 3.7 Water consumption

Sustainable use of water is essential to ensure the availability of this vital resource for future generations. This includes the use of water-saving technologies, the reuse of water wherever possible, and the continuous monitoring and optimization of water consumption. We also expect our partners to consider the protection of

water resources as a key responsibility and to ensure that water abstraction does not have a negative impact on local communities or the environment.

### **3.8 Energy efficiency and renewable energies**

Energy efficiency and the use of renewable energies must be promoted. This includes the continuous improvement of energy efficiency in all areas of the company, from production to logistics and administration. We expect our partners to use technologies and processes to optimize energy consumption and minimize CO<sub>2</sub> emissions. In addition, renewable energy sources, such as solar, wind or hydropower, are to be given preference and integrated in order to gradually reduce the share of fossil fuels.

### **3.9 Forest and water law, forced eviction**

The applicable forest and water rights must be strictly observed, and business activities must ensure that these resources are used and protected sustainably. Any form of illegal deforestation, inappropriate land use or impairment of water resources is strictly prohibited. In addition, we condemn any involvement in forced evictions or the forcible eviction of people from their ancestral territories. We expect our partners to respect the rights of local communities and ensure that all activities are in line with international human rights standards and environmental regulations.

### **3.10 Animal testing**

Animal testing in business processes must be reduced to an absolute minimum and,

wherever possible, completely dispensed with. We expect that alternative methods that do not require animal testing will be actively researched, promoted and used. If animal testing is unavoidable, it must be carried out in accordance with the strictest ethical standards and legal requirements to minimise animal suffering. It is imperative that our partners ensure transparency about the use of animal testing and continuously seek cruelty-free alternatives.

Reports can be submitted anonymously via the company website at [www.palfinger.ag/en/integrity-line](http://www.palfinger.ag/en/integrity-line).

# REPORTING MISCONDUCT

Our business partners can report any misconduct or violations of business ethics through our Integrity Line.

This confidential and anonymous reporting platform makes it possible to raise concerns or suspicions about unethical or illegal actions safely and without fear of reprisals. We encourage all partners to take advantage of this opportunity to ensure that issues can be identified and resolved quickly.

All incoming reports are thoroughly investigated, and appropriate measures are taken to clarify and correct grievances. Protecting the integrity of our business relationships and creating a safe environment for reporting misconduct are central to our commitment to ethical conduct and transparency.



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