



GRI REPORT 2022



CONTENTS

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY	3
--	----------

GRI CONTENT INDEX

GRI 2: GENERAL DISCLOSURE

1. The organisation and its reporting practices.....	5
2. Activities and workers	6
3. Governance	8
4. Strategy, policies and practices	10
5. Stakeholder engagement	11

GRI 3: MATERIAL TOPICS	14
Disclosures on material topics	14

GRI 200: ECONOMIC	16
GRI 201: Economic performance	16
GRI 205: Anti-corruption	17

GRI 300: ENVIRONMENTAL	18
GRI 302: Energy	18
GRI 303: Water and Effluents	19
GRI 305: Emissions	20
GRI 306: Waste	22

GRI 400: SOCIAL	23
GRI 401: Employment.....	23
GRI 402: Labor/management relations	24
GRI 403: Occupational health and safety	24
GRI 404: Training and education	27
GRI 405: Diversity and equal opportunity	27
GRI 407: Freedom of association and collective bargaining.....	27
GRI 408: Child labour	27
GRI 409: Forced or compulsory labour.....	27
GRI 416: Customer health and safety	27

INDEPENDENT LIMITED ASSURANCE REPORT TO THE MANAGEMENT OF CARGOTEC CORPORATION	28
---	-----------

CONTACT US	30
-------------------------	-----------

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED ASSURANCE REPORT

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY

This GRI index and selected SASB indicators are published as a separate report on our website, 23 February 2023. Following the GRI reporting requirements, this report presents the sustainability information in a standardised way and focuses on the disclosures that best reflect our impacts on these topics. Highlights of our sustainability work and the disclosure of non financial issues are presented in the Annual Report 2022, and in the Board of Directors' report in the Financial Review section. More information about our sustainability work can be found on our website cargotec.com/sustainability

Reporting content and boundary

Cargotec aims to report on sustainability topics in a manner that meets the needs of all our stakeholders - customers, investors and other stakeholders. Cargotec's sustainability reporting period is annual and aligned with the financial reporting period: 1 January – 31 December 2022. Our strategy defines our sustainability approach, principles and priorities. We uphold an open and transparent dialogue with the various stakeholder groups to understand their expectations. Our sustainability policy highlights our environmental, social and economic objectives. Our sustainability work has also been guided by Cargotec's commitment to the UN Global Compact, the OECD Guidelines for Multinational Enterprises, International Labour Organization, the United Nations Guiding principles on business and human rights, the Business ambition for 1.5°C and other key international commitments and organisations relating to sustainability. We are reporting on our progress towards the UN Global Compact principles and towards the Science Based Target initiative in this GRI Index.

Our reporting is prepared in accordance with the GRI Standards. Therefore, our reporting covers all the general disclosures, as well as the topic-specific standards we deem material. Cargotec's material topics are those that contribute to our biggest impacts on people, the society and the environment, or that could have a financial impact on the company in the short, medium and long term. In this online GRI Content Index, we list our disclosures with reference to the GRI Standards, and refer to the locations where these issues are addressed in our annual reporting. From 2010 onwards, Cargotec's sustainability reporting content has been approved by senior executive management representatives or the Leadership Team. The reporting content of this 2022 review has been assessed by executive management representatives to evaluate its alignment with our strategy and sustainability targets, and to ensure that we report matters that are both internal priorities and of interest to our stakeholders.

According to Cargotec's sustainability accounting principles, newly acquired or built sites are being consolidated in the environmental and safety figures after a reasonable period of time has passed since the implementation of the Environment, Health and Safety (EHS) management practice. In most cases, this is completed after the first full operational year. Divested sites are included in the reporting boundary until the date of closing the transaction.

Site-related information, divestments and acquisitions

Cargotec's consolidated figures for 2022 cover 15 assembly sites, seven competence centres and 115 non-assembly sites. Since 2018, the consolidated sustainability information covers the entire group, unless otherwise specifically stated. During 2022 some changes have occurred in the reporting boundary. We discontinued our assembly operations at two of our sites. One of the sites is now being reported as a non-assembly site, whereas the other one is reported as a competence centre. We also closed down one competence centre. Following our reporting principles, several non-assembly sites that became operational during 2021-2022, are now included in the reporting boundary for 2022. These include, a newly opened Hiab site in Coignières, France and a new Hiab site at Warsaw, Poland which replaced an existing site at O arów Mazowiecki, Poland. We had new operations in Portugal and New Zealand from 2021, after a full reporting year, those are now added in the 2022 consolidated data. We also closed down some non-assembly sites including Trappes and Maurapes sites in Hiab France, Hiab Ukraine, Kalmar Argentina and MacGregor Kuala Lumpur. As in previous years, some sites were not able to provide data, resulting in missing reports. However, the missing reports were from offices with light operation, having a non-material impact on the consolidated figures.

Cargotec's sustainability information presented in the GRI index and related materials covers the entire reporting boundary, whereas the following indicators have currently been identified as non material for the non-assembly sites and are therefore published only for Cargotec's assembly sites and competence centres: 303, 305-7 and 306. Additionally, two separate figures are presented for the following indicators: 302-1, 305-1, 305-2, 403-2, one for Cargotec total and another for the assembly sites. The figure for Cargotec total includes all operations while the figure for assembly sites only includes the assembly sites and the competence centres. Data for the following personnel-related indicators 2-7, 2-8, 2-30, 402-1, 404-3 and 405-1 is consolidated for the whole group.

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED ASSURANCE REPORT

Accounting methodology, conversion factors, discrepancies

Economic indicators

The economic responsibility data presented in this review is based on Cargotec Corporation's audited consolidated financial statements. They are collected through Cargotec's group reporting system and prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union. Cargotec's accounting principles for the consolidated accounts are available in note 1 of the consolidated financial statements. 201-1 Direct economic value generated and distributed is calculated as follows:

1. Revenues include sales from goods and services sold to customers, other operating income, and interest income received. The sales are reported net of sales taxes and discounts.
2. Operating costs include purchases of goods and services from suppliers, as well as other operating costs incurred during the financial year, excluding employment-related costs and depreciation and amortisation costs.
3. Wages and benefits include wages, salaries and bonuses paid and/or accrued to Cargotec employees during the financial year as well as fringe benefits, pension costs and social costs of employment for the financial year.
4. Creditors' share of value added is presented as interests paid and other financing expenses incurred.
5. The distribution of value added to the public sector includes income taxes. Deferred taxes are not included in this figure.
6. The distribution of value added to shareholders is the total value of dividends paid to shareholders from the parent company's distributable funds during the financial year.
7. Donations include contributions to non-profit organisations.

Environmental indicators

Environmental and health and safety (EHS) data is collected through Cargotec's sustainability system, which has been implemented across the whole organisation. Unit conversions used in EHS data consolidation are based on the International System of Units (SI). We apply the operational control method outlined in the GHG Protocol's Corporate Accounting and Reporting Standard. Energy consumption under 302-1 and water consumption under 303-1 are based on invoices and continuous measurements. Some energy consumption estimates are made because of delayed figures from the local energy companies. For some locations in our non-assembly operations, the energy consumption is included in the facility rent and therefore not reported separately. The energy consumption by suppliers or rental operations on Cargotec sites is included in total figures when invoicing is not carried out separately. Energy intensity figures under 302-3 are a relation of gross energy consumption and sales by sites within the reporting boundary. Gross GHG emissions are presented as tonnes of CO₂ equivalents. We are using the global warming potential (GWP) values for the 100-year time horizon and accounting for carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄).

Direct emission factors are derived from the GHG Protocol version 3. Emission factors for location based indirect energy consumption (GHG scope 2) are derived from the International Energy Agency's publication series "CO₂ Emissions from Fuel Combustion" (2020, 2021, 2022). The scope 2 emission factors are updated every year after a new version has been published. Scope 2 market-based emissions are calculated based on emission factors from contractual agreements, the latest update of the European Residual Mixes and average grid emission factors from the International Energy Agency. Greenhouse gas emissions (GHG) under 305-1 and 305-2 are calculated based on direct and indirect energy consumption reported from the sites within the reporting boundary. Comprehensive scope 3 GHG emission calculation according to the GHG Protocol's Corporate Value Chain (scope 3) Accounting and Reporting Standard was initiated during 2019. We have screened all of the scope 3 emission categories and identified the following emission categories relevant for Cargotec: purchased goods and services, fuel- and energy related activities, transportation and distribution, business travel and use of sold products. In 2022, we focused on improving the processes for collecting and reporting the relevant data. In this report we are disclosing information regarding the purchased goods and use of sold products, covering 2020, 2021 and 2022 along with the already disclosed data for transportation and distribution, business travel, and fuel- and energy-related activities reported under 305-3. We are also reporting on our progress towards our Science Based Target. The GHG emission intensity figures under 305-4 are a relation of gross GHG emissions and sales by sites within the reporting boundary. The base year for the intensity calculations is 2019.

Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions under 305-7, include emissions which are monitored as required by local authorities. Air emissions are locally regulated and their monitoring and quantification are based on site-specific methods. Waste data reported under standard 306 is based either on waste records received from contractor companies or on estimations in case of missing data.

In the 2022 report, standard 308-1: New suppliers that were screened using environmental criteria, has been excluded due to missing data.

Social indicators

The personnel-related information unit is head count. The number of Cargotec employees by business area, presented under 2-7, is derived from Cargotec's legacy HR system. Other HR-related data is based on data from Cargotec's online human resources information system. Unless otherwise stated, HR figures include permanent and temporary employees and supervised workers.

In the 2022 report, standard 414-1: New suppliers that were screened using social criteria has been excluded due to missing data.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED ASSURANCE REPORT

GRI CONTENT INDEX

GRI standard / SASB

GRI 2: GENERAL DISCLOSURE

1. THE ORGANISATION AND ITS REPORTING PRACTICES

2-1 ORGANIZATIONAL DETAILS

[Annual report 2022, pp. 5 Cargotec in brief](#)
[Annual report 2022, pp. 36 Corporate governance statement](#)
[Financial review 2022, pp. 87 Basis for preparation](#)
[Financial review 2022, pp. 130 Group structure](#)

2-2 ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING

All sites that Cargotec has operational control over are included in the financial and sustainability reporting. The sustainability data is gathered on a site based level and differences in the data consolidation processes and site specifications occur between the two reportings. The legal entities are reported in the financial statement.

Please see the following for more information:
[GRI 2022, pp. 3 Sustainability accounting principles and boundary](#)
[Financial review 2022, pp. 130 Group structure](#)

2-3 REPORTING PERIOD, FREQUENCY AND CONTACT POINT

[GRI 2022, pp. 3 Sustainability accounting principles and reporting boundary](#)
[GRI 2022, pp. 30 Contact point](#)

2-4 RESTATEMENTS OF INFORMATION

Cargotec follows the Greenhouse Gas protocol (GHG protocol) when calculating CO₂ emissions arising from its operations. Based on emissions calculated in previous years, scope 1 and scope 2 emissions form a minor share of all emissions generated. The majority of Cargotec's emissions are generated within its supply chain and from the use of sold products, and fall under scope 3.

As part of our effort to decarbonise, Cargotec has set separate climate targets for reducing scope 1 and 2 emissions apart from scope 3 emissions. Cargotec uses its EHS management system to collect energy and fuel consumption data (scope 1 and 2) from its own operations. Additionally, we track the usage of renewable energy at our sites and follow up on investments made to decrease the usage of fossil-fuels in our operations.

Scope 3 category 1 (purchased goods and services) and category 11 (use of sold products) have the biggest impact in achieving Cargotec's emission reduction targets. In order to measure CO₂ emissions more accurately, we have made changes to the calculation methodology used for calculating CO₂ emissions for category 1, and updated the data sources used for both category 1 and category 11. These changes are described below:

Methodology: Previously, category 1 emissions were calculated based on the amount of money spent on acquiring materials used in our assembly operations. We used this data to calculate CO₂ emissions using the 'spend-based' approach specified in GHG protocol. This approach does not enable us to account our emissions accurately as the databases which provide money-based emission factors are not updated frequently. We have now moved to the 'hybrid' approach (GHG protocol), where we use a mixture of methodologies depending on data availability. We use supplier-specific data or weight data of the sourced materials to calculate emissions, and only when these are not available we depend on the spend-based approach to calculate emissions.

Data sources: Previously, we used budgeted sourcing amounts to calculate CO₂e emissions for scope 3 category 1. We have now connected different ERP systems being used across sites, and use the purchase order and weight data to calculate emissions. We also depend on primary data collected from suppliers to calculate supplier-specific emissions. For scope 3 category 11, we previously used finance data on number of units sold to calculate emissions. We now depend on the connected ERP systems to get the number of units sold.

The methodology and data source changes have resulted in improving our scope 3 CO₂ emission calculations and the and restatement of the information provided under the following GRI standards: 305-3 and 305-4. Cargotec's scope 3 emissions for 2019-2021 were restated, which resulted in a change in the baseline of our science-based target .

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY

GRI CONTENT INDEX

[GRI 2 General disclosure](#)

[GRI 3 Material topics](#)

[GRI 200 Economic](#)

[GRI 300 Environmental](#)

[GRI 400 Social](#)

INDEPENDENT LIMITED ASSURANCE REPORT

GRI standard / SASB

2-5 EXTERNAL ASSURANCE

Cargotec Corporation commissioned Ernst&Young to conduct a limited assurance engagement over the the Disclosure on non-financial information, part of the Board of Directors' report 2022, and selected information presented in the GRI Index 2022, for the reporting period 1st January to 31st December 2022. The Disclosure on non-financial information is approved and signed by Cargotec's Board of Directors'.

The limited assurance engagement has been conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board.

Please see the following for more information:

[GRI 2022, pp. 28 Independent limited assurance report](#)

2. ACTIVITIES AND WORKERS

2-6 ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS

Cargotec is a leading provider of cargo and load handling solutions with the goal of becoming a global leader in sustainable cargo flow. Our solutions and services make global trade smarter, better and more sustainable. Cargotec's three business areas Kalmar, Hiab and MacGregor are recognised leaders in their fields around the world. Demand for Cargotec's products and services is based on world trade and cargo handling needs in land and sea transportation.

Kalmar offers container handling equipment, automated terminal solutions, software and support services in ports, terminals, distribution centres and various industries. Hiab provides on-road load handling solutions for customers operating, for example, in land transport and a variety of industries. MacGregor provides maritime and offshore cargo and load handling solutions, services and equipment.

Cargotec appreciates long-term and localised suppliers throughout each business area. We choose our suppliers with care and on the basis of objective factors such as quality, reliability, delivery, sustainability and price. Compliance with laws and regulations as well as respect for international human rights are required of each supplier. Our policies and standards include principles of inclusivity, continuous improvement, and supply chain accountability. We engage with suppliers who are committed to the same principles.

In Kalmar, the total number of direct suppliers was 956 in 2022. Kalmar's spend was broken down geographically as follows: 33 percent of purchases were from the Americas, 44 percent from Europe and the Middle East, and 23 percent from Asia-Pacific. In 2022, the top 50 suppliers represented 68 percent of the spend, and the top 100 suppliers represented 81 percent of the spend. Hiab had a total of 846 direct suppliers in 2022. Geographical breakdown of Hiab purchases is as follows: Europe and Middle East 89 percent, Americas 5 percent and Asia 6 percent. The top 50 suppliers covered 61 percent and the top 100 suppliers 77 percent of the supply spend. In 2022, MacGregor had approximately 873 direct suppliers. Approximately 45 percent of the spend was from China and 7 percent from the rest of Asia, about 48 percent from Europe. The top 50 suppliers covered 66% percent of the spend (with top 20 suppliers covering about 48 percent) and the top 100 suppliers represented 79 percent of the spend.

Cargotec is determined to grow its business through strong customer focus. Cargotec has operations in approximately 100 countries and its global network is positioned close to customers, offering extensive services to ensure continuous, reliable and sustainable performance in accordance with customer's needs. Our customers include leading global and local players within their industries. Kalmars main customers are ports, terminals and distribution centres while Hiab's main customers are transportation companies, fleet operators, single truck owners, rental companies, truck manufacturers as well as municipalities and governments. MacGregors customers are ship owners, ship and terminal operators, design offices and ship yards in offshore and merchant sectors as well as ports.

Please see the following for more information:

[Annual report 2022, pp. 5 Cargotec in brief](#)

[Annual report 2022, pp. 6 Business areas in brief](#)

[Annual report 2022, pp. 9 Key figures](#)

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED
ASSURANCE REPORT

GRI standard and disclosure Response / SASB

2-7 EMPLOYEES		UNGC Principle 6		
Cargotec employees		2022	2021	2020
Kalmar		5,012	4,876	5,526
Hiab		3,778	3,585	3,390
MacGregor		1,978	1,909	1,987
Corporate administration and support functions		758	804	649
Total		11,526	11,174	11,552
Total workforce by employee relationship and gender			%	Share of female %
Share of own employees in the total workforce			93%	20%
of which permanent employees			91%	20%
of which temporary employees			9%	20%
of which non-guaranteed hours employees*			8%	14%
Share of supervised workers in the total workforce			7%	19%
*both permanent and temporary contracts				
Permanent employees by employment type and gender				%
Share of permanent full-time employees				98%
of which female				20%
Share of permanent part-time employees				2%
of which female				42%
Total workforce by region and gender				%
AMER				13%
of which female				18%
APAC				17%
of which female				21%
EMEA				70%
of which female				21%
Total workforce				100%
of which female				20%
2-8 WORKERS WHO ARE NOT EMPLOYEES				
Total number of workers who are not employees		2022	2021	2020
External workers		861	979	637

Temporary External Workforce includes rented employees, consultants and agency temps. It does not include external subcontractors where Cargotec is only purchasing predefined deliverables, e.g. product, end result or ongoing service which is solely managed by the supplier (no Cargotec line manager appointed) and where the work may be performed by anybody provided by the supplier. Most typically these workers are on a temporary, full-time contract and are engaged in our core business activities.

GRI standard and disclosure Response / SASB

3. GOVERNANCE

2-9 GOVERNANCE STRUCTURE AND COMPOSITION

[Annual report 2022, pp. 36 Corporate governance statement](#)

[Annual report 2022, pp. 60 Board of Directors' report, Governance and management of non-financial matters](#)

2-10 NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY

[Annual report 2022, pp. 36 Corporate governance statement](#)

2-11 CHAIR OF THE HIGHEST GOVERNANCE BODY

UNGC Principle 10

The Board elects the Chair and Vice Chair from among its members. Cargotec's Board Chair is independent of the company and also independent of significant shareholders in the company.

Please see the following for more information:

[Annual report 2022, pp. 36 Corporate governance statement](#)

2-12 ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT OF IMPACTS

UNGC Principle 10

Cargotec's Board of Directors' (BoD) has overall responsibility in overseeing the management of non-financial matters, including the management of environmental, economic and social impacts. Cargotec's vision is to become a leader in sustainable cargo flow and our breakthrough objectives concern sustainability and profitable growth. Since sustainability is an integral part of Cargotec's business strategy, the BoD reviews the non-financial related issues twice a year as a separate topic, and as part of the strategy review. The BoD confirms Cargotec's strategy and monitors its implementation. This means that the BoD is also responsible for confirming Cargotec's management approach to climate-related matters, approving the targets and monitoring progress towards these targets.

The BoD is also responsible for setting the ambition level on sustainability and cascading the responsibilities to the CEO and Cargotec Leadership Team. While the BoD has oversight of the strategy execution, risk management, business plans, related performance objectives and major capital expenditures, the CEO together with Cargotec's Leadership Team are responsible for the implementation of the targets and business plans

Cargotec's most material impacts are operated by the Sustainability Management team. The Sustainability Management team reports to the Sustainability Council, chaired by the CEO, who is responsible for reporting to the BoD on progress and action plans taken. The BoD agrees on the most material topics and their management.

Please see the following for more information:

[Annual report 2022, pp. 59 Board of Directors' report, Disclosure on non-financial information](#)

2-13 DELEGATION OF RESPONSIBILITY FOR MANAGING IMPACTS

[Annual report 2022, pp. 60 Board of Directors' report, Governance and management of non-financial matters](#)

2-14 ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING

Cargotec's disclosure of non-financial information is published in the Cargotec Board of Directors' report. The Cargotec Board of Directors' report is approved and signed by the board.

2-15 CONFLICTS OF INTEREST

[Annual report 2022, pp. 36 Corporate governance statement](#)

In addition to the information presented in the Corporate governance statement, Cargotec's instruction for Conflict of Interest provides clarity into different types of conflicts of interests and provides guidance on how to mitigate and manage related risks. Cargotec's related party instructions define Cargotec Corporation's related parties as well as instruct on identifying and assessing transactions they conduct with Cargotec group of companies. The instructions concern all Cargotec employees, including the Board of Directors'.

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY

GRI CONTENT INDEX

[GRI 2 General disclosure](#)

[GRI 3 Material topics](#)

[GRI 200 Economic](#)

[GRI 300 Environmental](#)

[GRI 400 Social](#)

INDEPENDENT LIMITED ASSURANCE REPORT

GRI standard and disclosure Response / SASB

2-16 COMMUNICATION OF CRITICAL CONCERNS

The Ethics & Compliance (E&C) function at Cargotec reports directly to the CEO and the Audit and Risk Management Committee of the Cargotec Board of Directors' (BoD). The Cargotec BoD receives an annual update from the Chief Compliance Officer. In addition, the Audit and Risk Management Committee of the BoD receives regular updates on all new investigations, anti-corruption activities and other Code of Conduct matters during the year. In 2022, E&C decided to open an investigation in 31 cases. The Cargotec Leadership Team also attends a Code of Conduct panel where compliance topics are communicated and discussed regularly. The Panel is chaired by the CEO. In addition, each Business Area Leadership Team receives regular updates about anti-corruption activities and other Code of Conduct matters during the year.

[Annual report 2022, pp. 59 Board of Directors' report, Disclosure on non-financial information](#)

2-17 COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY

Cargotec's Board of Directors' is briefed twice a year on sustainability matters, either by the Senior Vice President Strategy or the Vice President Sustainability, depending on the matter. During those meetings, deep dives into specific sustainability topics are organised to increase the awareness of the BoD.

2-18 EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY

The BoD reviews its own performance and procedures once a year through internal self-assessment. Moreover, the BoD conducts an annual assessment of the independence of its members.

Please see the following for more information:

[Annual report 2022, pp. 36 Corporate governance statement](#)

2-19 REMUNERATION POLICIES

[Annual Report 2022, pp. 45 Remuneration report](#)

2-20 PROCESS TO DETERMINE REMUNERATION

Remuneration at Cargotec is managed through clearly defined processes and involves the Annual General Meeting of Shareholders (AGM), the Board of Directors' (BoD) and the Board's Nomination and Compensation Committee (NCC). The AGM resolves annually on the remuneration of members of the BoD, based on a proposal made by the BoD's NCC. In determining such remuneration, the committee takes account of the BoD members' responsibilities and obligations towards the company. Furthermore, the committee compares the BoD's remuneration packages to those paid by other companies of the same size operating in a comparable business environment.

Cargotec's remuneration policy is applied in determining the total remuneration of the CEO and the Deputy CEO (if any). The remuneration policy is approved by the BoD and the AGM. Based on a proposal by the NCC, the BoD also decides on the Leadership Team salaries, as well as their short-term incentive programmes and benefits. In addition, the BoD decides on long-term incentive programmes and on the target group and allocation of such programmes based on a proposal by the NCC.

During 2022, Cargotec's BoD agreed on implementing remuneration incentives, to ensure that the targets set for the sustainable development progress are achieved. Consequently, the eco portfolio order intake and the climate programme roadmaps are included in the 2022 performance share programme evaluation criteria. With these concrete and measurable topics, increasing the offering and sales of solutions that reduce the emissions of Cargotec's customers is part of the company remuneration criteria.

Please see the following for more information:

[Annual Report 2022, pp. 45 Remuneration report](#)

2-21 ANNUAL TOTAL COMPENSATION RATIO

[Annual report 2022, pp. 45 Remuneration report](#)

GRI CONTENT INDEX

[GRI 2 General disclosure](#)

[GRI 3 Material topics](#)

[GRI 200 Economic](#)

[GRI 300 Environmental](#)

[GRI 400 Social](#)

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

4. STRATEGY, POLICIES AND PRACTICES

2-22 STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY

[Annual review 2022, pp. 7 CEO Review](#)

2-23 POLICY COMMITMENTS

Cargotec's Code of Conduct sets company-wide global objectives and guidelines for ethical business conduct, good corporate governance and the management of environmental, social and economic aspects. As a global policy, it applies to all employees and locations where Cargotec conducts business. Cargotec is committed to full compliance with all of the applicable national and international laws and regulations and the main international codes that Cargotec supports are; the United Nations (UN) Universal Declaration of Human Rights, UN Global Compact, International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and OECD's Guidelines for Multinational Enterprises.

The Code of Conduct is approved by Cargotec's Board of Directors' and defines our common way of working. The Code is the foundation of our corporate culture, establishing high standards of integrity on how we do business and how we behave in our daily work. The Code of Conduct helps us make informed decisions, and it explains where to go for more information and guidance. Complying with the Code of Conduct is expected of all directors, executives and employees of Cargotec and all companies, business areas, business units and functions within Cargotec regardless of geographical location and legal entity.

As stipulated in Cargotec Code of Conduct, Cargotec's sustainability work is founded on a holistic and balanced approach, taking into account the aspects of economic, social and environmental objectives. The sustainability work is based on the principles of systematically identifying and assessing our material impacts, mitigating and preventing adverse impacts, and tracking and monitoring development progress. Cargotec aims to minimise its adverse impacts, while at the same time optimising its positive impacts. Cargotec values transparency, supports business integrity and recognises that economic, environmental and social performance together form the basis for endorsing sustainability in its business operations.

Cargotec's Employment policy, complementing the Code of Conduct, defines the basic employment principles and workplace practices. Environment and Health & Safety (EHS) management is a fundamental element of sustainable operations, ensuring the commitment to minimise the risk of injury and ill health at the workplace. Cargotec promotes awareness of safe and healthy behaviours and best practices. Cargotec prioritises safety even when there are timing, cost or customer pressures.

Respecting human rights is an integral part of the Code of Conduct and the human rights work is based on the UN Guiding Principles on Business and Human Rights. Cargotec is committed to respect and assess negative impacts and address risks related to human rights in its own operation and in its sphere of interests. Cargotec's human rights programme, focuses on identifying and mitigating any risks for breaching international human rights within the value chain.

Cargotec's Code of Conduct can be found on our website.

2-24 EMBEDDING POLICY COMMITMENTS

UNGC Principle 10

The rules stipulated in the Code of Conduct are embedded into the corporate culture and operation through different processes and supportive policies. All Cargotec employees must acknowledge the company Code of Conduct and comply with its principles .

Please see the section for more information:

[Annual Report 2022, pp. 59 Board of Directors' report, Disclosure on non-financial information](#)

2-25 PROCESSES TO REMEDIATE NEGATIVE IMPACTS

UNGC Principle 10

Cargotec's processes to remediate negative impacts are operationalised. Depending on the adverse impact and on the complaint made, corrective measures are taken accordingly. The management and remedial process of an adverse impact is always considered based on the specific case and is subject to local laws. As part of the investigation process, the ethics and compliance team agrees with relevant strategic business unit management team members on remedial actions, such as improved controls, training, disciplinary actions or termination of third party relationships.

The Cargotec Leadership Team also has a Code of Conduct panel where compliance topics are discussed regularly and the need for possible remedial measures are reviewed.

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY

GRI CONTENT INDEX

[GRI 2 General disclosure](#)

[GRI 3 Material topics](#)

[GRI 200 Economic](#)

[GRI 300 Environmental](#)

[GRI 400 Social](#)

INDEPENDENT LIMITED ASSURANCE REPORT

GRI standard and disclosure Response / SASB

2-26 MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS

Code of Conduct related concerns and potential misconduct can be reported through a variety of channels, including to line management, HR, our organizational Head of Ethics and Compliance within the ethics and compliance team or through the Speak-Up line. The Speak-Up line is operated by an external provider and managed by the Ethics and Compliance function. The SpeakUp line is designed for reporting breaches of non-compliance. Anonymous reporting is also possible through the SpeakUp line, if we are not comfortable to report in person. When reporting in person, Cargotec will do its best to protect an individual's identity. Each Business Area in Cargotec has an assigned Head of Ethics and Compliance function, who is responsible for building and promoting the compliance program, including the reporting channels, with the Business Area.

The Ethics and Compliance function promotes a speak-up culture and awareness of the reporting channels, including the Speak-Up line, through a variety of means, including, but not limited to: mandatory annual Code of Conduct e-learning; employee communications; training and education sessions and meetings by E&C team members to BA leadership teams and high-risk personnel; and Code of Conduct briefings to sales third parties.

2-27 COMPLIANCE WITH LAWS AND REGULATIONS

Cargotec reported one significant instance of compliance with laws and regulations during 2022. The significant instance may result in sanctions and fines as per below. Cargotec and its subsidiary MacGregor USA, Inc. have made a voluntary self-disclosure to US authorities regarding compliance with certain export regulations related to information management in the context of MacGregor's US Government business. The outcome of this matter cannot be determined with specificity at this point in time. In order to be prudent, Cargotec has made an about EUR 18 million provision to cover possible consequences. The provision was booked as an item affecting comparability in the third quarter 2022. The amount of the possible penalty is yet to be confirmed; hence the final costs related to the process may change. The company is committed to cooperating with applicable authorities in resolving the matter and will make further disclosures as appropriate.

2-28 MEMBERSHIP ASSOCIATIONS

- The Association of Lorry Loader Manufacturers and Importers (ALLMI)
- Responsible Minerals Initiative (RMI)
- Sustainable Industry X
- Confederation of Finnish Industries
- Digital, Internet, Materials & Engineering Co-Creation (DIMECC)
- European Material Handling Federation (FEM)
- Finnish Business and Society (FIBS)
- Svenskt Marintekniskt forum SMTF
- Forum for Intelligent Machines ry
- Global Compact Finnish Network
- Svensk Industri Standard (SIS)
- Hudiksvall Hydraulik Kluster Innovation AB
- Norwegian Offshore & Drilling Engineering (NODE)
- The Association of Swedish Engineering Industries (Teknikföretagen)
- Port Equipment Manufacturers Association (PEMA)
- Technology Industries of Finland
- Terminal Industry Committee 4.0 (TIC 4.0)

5. STAKEHOLDER ENGAGEMENT

2-29 APPROACH TO STAKEHOLDER ENGAGEMENT

Cargotec's main stakeholders are its customers, suppliers, personnel and investors. Other stakeholder groups include authorities, research and educational institutions, industry associations, local communities and the media.

We uphold an open and transparent dialogue with our various stakeholder groups, actively responding to information requests and queries and pro-actively providing information in social media, in print, and through various forms of direct communication. Our ongoing dialogue and collaboration with different stakeholders enable us to identify opportunities to create value for our customers and shareholders and provide input for setting our sustainability targets. Integrity, fairness, confidentiality and compliance with stock exchange rules guide all our communications.

Our vision is to become a leader in sustainable cargo flow and we want to bring visibility to sustainability topics such as circular economy and the climate impact of our industry. By producing stories, articles and other communications content in Cargotec's digital channels, including also external thought leaders, we have increased awareness of our industry's role in the climate challenge both internally and within our key stakeholder groups. Cargotec's business areas have also emphasised eco-efficiency in their marketing and communications content. Visit cargotec.com/sustainability for more information about the topics.

Additionally, we have used social media as a tool for even more transparent, two-way, real-time and effective investor communications. For example, we have opened an account for Cargotec on Instagram to reach a wider audience, produced video summaries, infographs, timely Q&As and shared insights about our interim reports and financial statements. In addition to our group level efforts, our business areas actively use social media especially to communicate and engage with customers.

**SUSTAINABILITY ACCOUNTING
PRINCIPLES AND REPORTING
BOUNDARY**

GRI CONTENT INDEX

[GRI 2 General disclosure](#)

[GRI 3 Material topics](#)

[GRI 200 Economic](#)

[GRI 300 Environmental](#)

[GRI 400 Social](#)

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

Stakeholder group	Examples of stakeholder interaction
Customers	Our business areas gather customer feedback regularly and engage in active dialogue with customers through direct meetings, marketing, extranet, newsletters and social media, for example. We use social media, especially Twitter, LinkedIn and Facebook, as a tool to communicate key messages effectively
Personnel	<p>As an employer, Cargotec wants to focus especially on personnel development and creating world-class leadership. This is supported by collaboration & dialogue. Our ways to give voice to employees include regular personal/group discussions between managers and their team members, as well as townhall and personnel meetings, among others, both locally and globally by offering online participation.</p> <p>Our Human Resources Information System ZONE and our social intranet, Connect, serve as a platform for distributing relevant information and people processes. The Connect platform enables easy access and strengthens cross- organisational collaboration. The goal is to build a company culture of inclusion, openness, interaction, knowledge sharing and dialogue at Cargotec. Every year, periodically structured target and performance discussions are also conducted.</p> <p>Different employee surveys are also conducted throughout the year, to gather information and listen to our employees. Cargotec's employee satisfaction survey, Compass, is arranged on a yearly basis, whereas regular Pulse surveys are conducted on a monthly basis.</p> <p>Cargotec's Learning Transformation Programme supports the transformation journey to reach our vision. Part of the programme, a global learning experience platform LEARN has been implemented to support effective learning opportunities and make a great amount of new learning content and training courses available for all employees at Cargotec. Through enhanced collaboration and common ways of working, the platform brings subject-matter experts closer to each other across the organisation, discover synergies and boost innovation. We trust our people are the key in creating customer value through innovation, experimentation, life-long learning and development, and adapting new skills and competences in a complex and ever changing world. LEARN is a place where employees can all develop and expand their knowledge on a multitude of topics through comprehensive learning materials.</p>
Investors	<p>Cargotec's Investor Relations (IR) aims to ensure that all market participants have correct and sufficient information at all times to support a fair valuation of Cargotec's shares. In addition to executing financial communication and processing investor requests, IR organised several events and meetings in 2022.</p> <p>In 2022, Cargotec IR arranged several road shows in Europe and in North America. Cargotec also actively participated in investor conferences during the year and hosted investors at the company's headquarters. The majority of roadshows, conferences and investor meetings were held physically but also virtual meetings and roadshows have become a common way to reach out to investors and analysts.</p> <p>On 15 November 2022, Cargotec's IR team arranged a capital markets day for analysts and investors. The event focused on Cargotec's refocused strategy, its core businesses Hiab and Kalmar, and future shareholder potential. The hybrid event gathered a large audience of analysts and investors, participating both on location as well as online. The event was also broadcast and recorded and at the end of 2022, the recording had been viewed 964 times.</p> <p>Another major investor event was held the following day, when Hiab held a site visit for institutional investors and analysts at its Raisio assembly site. In the event, Hiab's wide range of product & service offering and operating models were presented. 15 investors, analysts, and bankers participated in the site visit.</p> <p>Cargotec also hosted investors at Kalmar's R&D site in Tampere, Finland as well as at Kalmar's customer's intermodal terminal in the Netherlands in November.</p> <p>Cargotec's Annual General Meeting was held in Helsinki on Thursday, 17 March 2022.</p>
Local communities	Cargotec's sites are actively involved in local stakeholder engagement and goodwill. Traditionally, we engage in charity action, especially during the holiday season. In 2022, Cargotec made two donations to UNICEF. The first donation totalled 100,000 euros to relief the humanitarian crisis in Ukraine, whereas the second donation totalled 30,000 euros to support the children in Ukraine.
Authorities	We engage with local authorities to ensure regulatory compliance in all our operations.
Suppliers	<p>In 2022, we continued working on the supplier development. Each business area has its own sourcing organisation that manages sourcing related activities. In 2022 the focus of the sourcing organisation has been on mitigating potential delivery risks due to the COVID-19 pandemic and the conflict in Ukraine. Ensuring supply continuity has been a top priority as well as setting a baseline for responsible sourcing.</p> <p>Engaging with our suppliers is crucial for us in creating transparency to our "purchased goods and services emissions". Our supplier engagement model includes identifying emission reduction opportunities and future proofing our supply chain by setting climate requirements to our suppliers. We continued engaging with our top emission suppliers in order to define main decarbonisation actions.</p>

**SUSTAINABILITY ACCOUNTING
PRINCIPLES AND REPORTING
BOUNDARY**

GRI CONTENT INDEX

[GRI 2 General disclosure](#)

[GRI 3 Material topics](#)

[GRI 200 Economic](#)

[GRI 300 Environmental](#)

[GRI 400 Social](#)

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

Stakeholder group	Examples of stakeholder interaction
Research and education institutions	<p>Cargotec frequently collaborates with universities and other research institutions around the world. By collaborating with others and sharing knowledge, we stay up to date on new research technology and are able to attract talent. Varying collaborations might also provide business benefits such as improved workforce training, graduate talent pathway development, joint sponsorship initiatives as well as research and innovation projects.</p> <p>Kalmar holds continuous dialogue and collaboration with academic institutes, including Tampere University, Aalto University, University of Turku and University of Oulu. Kalmar also collaborates with the Finnish research centre VTT. Kalmar has participated in EU-funded projects and collaborates with different stakeholders to boost digitalisation and automation of port operations and the adoption of Industry 4.0 technologies within the container-handling sector. The EU-funded project will test and evaluate advanced Industry 4.0 pilots.</p> <p>Hiab is running several research projects and collaborates with several universities. As some examples, project MORE and Provident can be mentioned. MORE is a large-scale EU-project where Machine Learning is applied on the crane control with input from situation awareness data. This project is done in collaboration with Tampere University and Volvo Construction Equipment as partners. Provident is a project with Mälardalen University, which is looking at how to utilize 5G in transferring and processing machine data in the cloud in real time for machine control or remote operation.</p> <p>MacGregor holds continuous dialogue with several universities' business and maritime faculties to improve understanding of the changing industry landscape and develop solutions for that. MacGregor is participating in various EU-funded projects, such as AEGIS, MOSES and SEAMLESS. In more detail the focus of the dialogue and projects, in Europe, is aiming to enhance the safe and sustainable waterborne freight transport. MacGregor's role in these projects is to act as technology partner and as such MacGregor will be studying, developing and demonstrating safe logistics applications that are digital and connected. Within these consortiums the cooperation with Universities like National Technical university of Athens, Aalborg university, Technical university of Denmark, Norwegian university of science and technology and research institutes like TNO and SINTEF, will increase MacGregor's understanding of future requirements in maritime and inland waterway domains.</p>
Media	Cargotec arranges press meetings in connection with trade events and result publications, among others. We issue dozens of press releases every year covering a wide array of topics.

2-30 COLLECTIVE BARGAINING AGREEMENTS

Collective bargaining agreements are applied on a country-specific basis. Complete information on the bargaining agreement coverage is available and confirmed in the human resources information system ZONE only for some of the countries, while for many others it is maintained in other sources. Therefore a global overview cannot be provided.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 3: MATERIAL TOPICS

DISCLOSURES ON MATERIAL TOPICS

3-1 PROCESS TO DETERMINE MATERIAL TOPICS

Cargotec's material topics are the ones that contribute to our biggest impacts on people, the society and the environment or that could have a financial impact on the company in the short, medium and long term.

Cargotec's material topics are carefully assessed through the year and evaluated continuously as a part of our operation. Cargotec's sustainability work is based on the balance between social, environmental and economic objectives and we strive for continuous improvement in all our operations. Cargotec strives to minimise its negative impacts while at the same time optimising the positive impacts, and therefore, it is crucial in understanding the context of our significant impacts. Cargotec has introduced several processes to determine its material topics and most significant impacts.

Listening to our stakeholders' is a crucial part when determining, which topics are material, and therefore regular assessments are done via engagement, customer and stakeholder surveys. The previous stakeholder survey was conducted in 2019 and we are planning on conducting the next one during 2023. To deepen our understanding of Cargotec's impacts, an internal workshop was organised during 2021, with specialists from different departments of the organisation. The workshop was facilitated by a third-party, and during the workshop, a scenario of a world lacking Cargotec's existence was analysed. The purpose of the workshop was to find clarification of Cargotec's key impacts on the surrounding world, how the company impacts its stakeholders, how the company differentiates from its competitors and what the company's future vision might look like.

Additionally, to better understand our concrete impacts on our stakeholders and to report more transparently, we have quantified our net impact by utilising the Upright model, which is one way to measure and follow up on the organisation's impact and value created. When summarising all the above mentioned processes, Cargotec has a good understanding of our most material topics and impacts. Furthermore, our sustainability work is assured on a yearly basis and improvements are made according to findings and recommendations.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

3-2 LIST OF MATERIAL TOPICS

Themes	Material topics	SASB material topics for Industrial Machinery & Goods		Suppliers	GRI topic boundaries Cargotec group/ corporate	
			GRI topics			Customers
Environment	Climate change - Greenhouse gas emissions in the supply chain - Greenhouse gas emissions from own operations - Low-carbon solutions for customers	Energy management - Total energy consumed - Percentage grid electricity - Percentage renewable	302 Energy 305 Emissions	x	x x	x
	Circularity - Extended product life cycles	Product design & lifecycle management				
Social	Human rights - Fair working conditions - Human rights in the value chain	Employee health & safety - Total recordable incident rate (TRIR) - Fatality rate - Near miss frequency rate (NMFR)	401 Employment		x	
	Health and safety - Employee health, safety and wellbeing - Safety of products and services - Supplier and subcontractor safety		402 Labor/management relations		x	
			403 Occupational health and safety		x	
Diversity, equity and inclusion - Equal opportunities		404 Training and education			x	
		405 Diversity and equal opportunities			x	
		407 Freedom of association and collective bargaining		x	x	
		408 Child labor		x	x	
Governance	Sustainable finance - Taxonomy aligned product portfolio Responsible sourcing and sales - Sourcing of minerals - Management of hazardous substances Compliance - Compliance with legal and ethical standards	Materials sourcing	409 Forced or compulsory labor		x	
			414 Supplier social assessment		x	
			416 Customer health and safety			x
			GRI 2: General disclosures GRI 3: Material Topics 201 Economic performance 205 Anti-corruption	x	x x x x	x

3-3 MANAGEMENT OF MATERIAL TOPICS

UNGC Principle 1, 8

[Annual report 2022, pp. 18 Our impacts - The foundation for our sustainability work](#)
[Annual report 2022, pp. 59 Board of Directors' report - Disclosure on non-financial information](#)

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 200: ECONOMIC

GRI 201: ECONOMIC PERFORMANCE

201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Economic value generated and distributed, MEUR	2022	2021	2020
Economic value generated	4,145	3,618	3,314
Revenues	4,145	3,618	3,314
Economic value distributed	3,991	3,327	3,236
Operating costs	3,079	2,384	2,336
Wages and benefits	762	756	767
Interest expenses	21	26	32
Income taxes	58	90	23
Dividends	70	70	78
Donations*	-	-	-
Economic value retained	154	290	78

* Donations are paid from the retained earnings according to the decision made in the Annual General Meeting.

201-3 DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

Financial review 2022, pp. 111 Post-employment benefits

**SUSTAINABILITY ACCOUNTING
PRINCIPLES AND REPORTING
BOUNDARY**

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 205: ANTI-CORRUPTION

205-1 OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

UNGC Principle 10

Cargotec conducts business on a global scale and our industry is exposed to compliance risks for example relating to doing business in remote locations, bidding for large projects for customers which are governmentally owned as well as the use of sales intermediaries in countries where we do not have our own sales offices. The Ethics and Compliance team conducts regular risk assessments to ensure that adequate procedures are put in place to mitigate the risks.

As per our risk based compliance programme, Cargotec continues to conduct annual compliance risk assessments in all of its business areas. Third Party Risk management continued to be our priority in 2022 and we have further strengthened the scope, processes and procedures related to the topic, with focus on third parties in sales (agents, dealers) and high risk suppliers. In 2022 we have created further awareness and controls around Conflicts of Interest, e.g we have renewed our Conflicts of Interest Instruction to ensure that conflicts are handled in an efficient and transparent manner, and we have introduced Conflicts of Interest as one of the three key areas in our annual Code of Conduct e-learning for all employees. A key focus area in 2022 has also been to further improve our process around Trade Sanctions screening and our Export Controls compliance programme as well as the continuous effective handling of compliance cases.*

In June 2019, the National Bureau of Investigation in Finland reported that it has been working on a preliminary investigation about a suspected aggravated fraud in connection to the MacGregor business area of Cargotec. The suspected financial fraud was detected by Cargotec in an internal review and the investigation request was made to the National Bureau of Investigation. In 2020, the District Attorney pressed charges against former employees of MacGregor. The case hearing took place in early 2021, and the verdict was rendered by the District Court of Turku on March 8, 2022, awarding criminal liability for three defendants and financial compensation for Cargotec and MacGregor. The case has been appealed and the hearing in the Turku Appellate Court will take place in 2023. Cargotec has a zero tolerance policy for misconduct, and is fully supporting the judicial process. Neither MacGregor nor Cargotec are suspected of criminal actions.

* We do not collect numerical data for the number/percentage of operations assessed for risks related to corruption. Cargotec is a matrixed organisation with operations split simultaneously among strategic business units, divisions, and geographies. As a result, we do not inventory and specifically assess Cargotec's operations in a manner that would lend itself to a numerical/percentage completion response. Rather, we have been focused primarily on identifying and assessing the riskiest activities of the organisation and then addressing those risks across the entirety of each strategic business unit. An example of this is sales third party risk, which has been identified as the highest corruption risk area within the organisation. In light of this assessment, E&C organisation and management have been focused throughout 2022 on further strengthening the new comprehensive Third Party Risk Management System.

205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

UNGC Principle 10

Our Code of Conduct, the Cargotec Anti-Corruption policy, Gift and Hospitality Instruction, Conflict of Interest instruction, Instruction for Speak-Up and Non-Retaliation, as well as the Third Party Policy provide the policy foundation against possible unethical or corrupt business practices. The practical implementation of these policies, and related instructions, is guided by our Ethics and Compliance framework, which is based on the main principles to prevent, detect and respond to potential misconduct. The Ethics and Compliance function supports the businesses by providing proactive advice and training and by conducting internal investigations. We have an externally hosted Speak-Up line to enable confidential and, if needed, anonymous reporting of concerns.

Ethics and Compliance team is focused on training and awareness efforts throughout the company. Based on input from risk assessments and Code of Conduct cases the main focus areas for 2022 have been Third Party management, Conflicts of Interest, Trade Sanctions and Export Controls. Training efforts are focused on the overall population globally via the new mandatory Code of Conduct e-learning. In addition, anti-corruption training has been given to stakeholders across the organization that have involvement with third parties (i.e. management, sales, finance), and the sales and project teams themselves. As a continuous focus area, in person and online training sessions and workshops about third party risks and risk mitigation with key groups have been organised.* In 2022 Cargotec continued providing anti-corruption training to its high risk business partners that have gone through its new Third Parties in Sales Management process.

The Code of Conduct is a key step towards a more sustainable future and a benchmark for ethical behavior within the company. Therefore, in 2022, Cargotec has introduced an annual interactive e-learning for its employees in 20 languages. The e-learning consists of exercises that help employees with their day-to-day dilemmas around ethics and compliance and in 2022 the focus areas have been Conflicts of Interest, Health and Safety and Workplace Environment. The target group of the e-learning course includes employees with an individual company email address and access to the intranet. In addition, onsite training workshops have been arranged for employees without an email address or access to the intranet.**

* We do not collect data required for the indicators by percentage or breakdown by employee category and region on a global level.

** The Board of Directors receives an annual update on compliance, including anti-corruption related matters. In addition, Ethics and Compliance is a regular topic in the Audit and Risk Committee meetings.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 300: ENVIRONMENTAL

GRI 302: ENERGY

302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION

UNGC Principle 7, 8

SASB RT-IG-130a.1

Energy consumption, MWh*	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
Direct energy consumption	102,000	44,400	86,000	32,400	85,500	28,400
Non-renewable sources	101,300	43,700	85,500	31,900	84,900	27,900
Diesel	55,500	12,300	46,800	6,300	48,300	6,000
Gasoline, kerosene, LFO	10,200	2,200	12,200	2,100	12,400	1,700
Liquified petroleum gas	4,600	4,100	4,500	3,700	3,700	3,200
Natural gas	31,000	25,100	21,900	19,700	20,500	17,000
Renewable sources	700	700	500	500	600	400
Biodiesel	80	80	100	60	-	-
Wood pellets	0	0	0	0	0	0
Solar energy	600	600	400	400	600	400
Indirect energy consumption	61,000	47,600	72,300	56,500	64,200	48,000
Electricity	48,700	37,700	51,900	38,800	48,800	34,700
- % renewables	57	63	47	50	44	50
District heat	12,300	9,900	20,400	17,700	15,300	13,400
- % renewables	38	47	25	29	26	30
Total energy consumption	163,000	92,000	158,300	88,900	149,700	76,400

Cargotec's total energy consumption amounted to 163,000 MWh in 2022. The total energy consumption of the assembly sites increased by approximately three percent compared to 2021. No new assembly sites were added to the calculation during the year. We discontinued our assembly operation at two of our sites; one assembly site is now classified as a competence centers and another one as a non-assembly site.

* Solar energy covers energy produced by solar panel installations on Cargotec sites. Our Tampere site has a test field which is mostly powered by solar panels.

** In 2022, 100 percent of assembly sites, service sites and offices in Finland and Sweden were powered by renewable electricity. Additionally part of our operations in Norway, Spain, Ireland, UK, USA, Netherlands and Italy were powered by renewable electricity. Approximately 57 percent of Cargotec's electricity consumption descended from renewable energy sources.

302-3 ENERGY INTENSITY

UNGC Principle 8

Energy intensity	2022	2021	2020	2019
Energy intensity index	88	105	105	100

This indicator covers the whole organisation. The energy intensity index is based on the ratio of total energy consumption and sales by sites included in the reporting boundary. The base year is 2019, where the index value is 100. The reason for choosing 2019 is that it is the general baseline against which we have set out long-term climate targets. In 2022 the intensity decreased compared to the base year.

**SUSTAINABILITY ACCOUNTING
PRINCIPLES AND REPORTING
BOUNDARY**

GRI CONTENT INDEX

[GRI 2 General disclosure](#)

[GRI 3 Material topics](#)

[GRI 200 Economic](#)

[GRI 300 Environmental](#)

[GRI 400 Social](#)

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

302-5 REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES

UNGC Principle 8, 9

Cargotec's eco portfolio consists of equipment, services and software that enhance our customers' sustainability with low-emission technologies, intelligent solutions and services promoting a circular economy. The eco portfolio was established already in 2017, and the criteria was revised during 2022 so that it is structured according to the EU Taxonomy design. The EU Taxonomy regulation establishes a classification system to define which economic activities are environmentally sustainable. It is in our highest focus to improve the energy efficiency of our products and develop electric versions that contribute to a low carbon economy.

Out of the six environmental objectives of the EU Taxonomy, Cargotec has the potential to substantially contribute to climate change mitigation and transition to a circular economy. Consequently, the eco portfolio consists of two categories - climate solutions and circular solutions. The climate solutions are compatible with the GHG emission reductions needed in the 1.5°C scenario to reach the net zero by 2050. To prove the substantial contribution to climate change mitigation, Cargotec has conducted product LCA studies to prove the life cycle GHG emissions savings. The LCA studies follow ISO 14067 standard and have been reviewed by an independent third party. The LCAs are conducted for the zero-emission and low-emission equipment to prove their GHG emissions saving potential. Zero-emission equipment results in much higher savings than the required threshold (42%) for low-emission equipment. Cargotec considers zero-emission and low-emission equipment as taxonomy-aligned.

As part of our Science Based target, we have committed to reduce the scope 3 emissions by 50 percent by 2030, from a 2019 base year. The emissions from use of sold products account for the biggest share of the scope 3 emissions. Reducing the energy requirement of sold products and services is crucial in meeting the emissions reduction target. We are collecting real-time data from tens of thousands of pieces of equipment that are connected and operated by our customers. This data gives us visibility about the actual energy consumption of the equipment and we utilise this data in calculation of the emissions from the use of sold products (see GRI 305-3). We are constantly working on improving the data collection process and making the data systems more reliable to confirm our baseline.

As an example of an eco portfolio product, Hiab Waltco Solar Charger can be mentioned. Hiab Waltco Solar Charger is a solar power source used for charging tail lift batteries. The battery is charged with solar panels on the roof of the truck or trailer that are connected through a state of the art charging controller. The Hiab Waltco Solar Charger eliminates the need to idle the truck while the liftgate is in use, which eliminates unwanted emissions and reduces truck's fuel consumption. Additionally, our studies have shown an elimination in battery related failures and battery life to have doubled in length of time.

More information about Cargotec's eco portfolio and the EU Taxonomy can be found in the the [Board of Directors' report - Disclosures pursuant to the EU Taxonomy regulation](#).

GRI 303: WATER AND EFFLUENTS

303-1 INTERACTIONS WITH WATER AS A SHARED RESOURCE

UNGC Principle 7, 8

Cargotec does not use any water for production purposes and our sites are using municipal waters for usage only. Thus, the water sources/withdrawal, recyclability of water and discharge are not material due to our low consumption and having it for personal usage, not industrial purposes. Water is withdrawn from the municipal systems, consumed for domestic purposes and discharged through the public drainage systems.

303-5 WATER CONSUMPTION

UNGC Principle 7, 8

Water consumption, m ³	2022	2021	2020
Municipal water supplies	80,700	81,750	76,300

This indicator covers Cargotec assembly sites and competence centers.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 305: EMISSIONS

305-1 DIRECT (SCOPE 1) GREENHOUSE GAS EMISSIONS

UNGC Principle 7, 8

305-2 ENERGY INDIRECT (SCOPE 2) GREENHOUSE GAS EMISSIONS

UNGC Principle 7, 8

GHG emissions, tCO ₂ e	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
Direct GHG emissions (scope 1)	24,900	9,900	21,300	7,100	21,300	6,200
Indirect GHG emissions (scope 2) location-based	15,600	12,800	24,700	17,800	23,700	19,300
Indirect GHG emissions (scope 2) market-based	11,300	8,000	20,200	16,500	21,000	14,600
Total (scope 1 + scope 2 market-based)	36,200	17,900	41,500	23,600	42,300	20,800

Cargotec's total scope 1 and scope 2 (market-based) GHG emissions amounted to 36,200 tCO₂e in 2022. For assembly sites, scope 1 GHG emissions increased by 40 percent and scope 2 emissions (market-based) decreased by 52 percent, compared to 2021. The decrease in scope 2 emissions relates to the increase in renewable electricity and data corrections. The decrease in total GHG emissions was 13 percent compared to 2021.

* The market-based emissions are calculated using contractual emissions factors. Where contractual information is not available we apply residual mix emission factors. Where neither contractual nor residual mix emission factors are available we apply average grid emission factors published by the International Energy Agency (IEA). In 2022, approximately 57 percent of the electricity used was renewable.

305-3 OTHER INDIRECT (SCOPE 3) GREENHOUSE GAS EMISSIONS

Scope 3 GHG emissions, tCO ₂ e	2022	2021	2020
Use of sold products	4,330,000	3,630,000	3,400,000
Purchased goods	1,860,000	1,900,000	1,630,000
Transportation and distribution	224,000	193,000	144,000
Business travel	6,000	3,000	4,000
Fuel- and energy-related activities	15,000	13,000	10,000
Total	6,435,000	5,739,000	5,188,000

Restatement of 2021 and 2020 figures due to changes in scope 3 calculation methodology. In 2019, a comprehensive calculation of scope 3 emissions was initiated and we have improved the calculation process during 2022. The use of sold products and purchased goods and services represent more than 95 percent of all scope 3 emissions and more than 95 percent of our total emissions (incl. scope 1 and 2). Despite their minor share of the total scope 3, we report emissions related to transportation and distribution, business travel, and fuel- and energy-related activities as we consider those relevant due to our possibility to influence those.

For the purchased goods and services category, separate calculation methodologies for direct and indirect purchases are applied. For direct purchases, we apply the 'hybrid' approach from GHG protocol, where a mixture of methodologies are used depending on data availability. Supplier-specific data or weight data of the sourced materials are used to calculate emissions. Only when these are not available, we depend on the spend-based approach to calculate emissions. The emission factors are obtained using GaBi database. For indirect purchases (which accounts for a minor share of all purchases), we use spend data and calculate it with the Scope 3 Evaluator tool (GHG Protocol/Quantis). For the transportation and distribution category, spend data is used and calculated with the Scope 3 Evaluator tool (GHG Protocol/Quantis). For the use of sold products, product specific information and emission factors for diesel and electricity (location-based) are used. When calculating emissions from use of sold products we account scope 1 and 2 emissions (i.e. from use of fuels and electricity) over the products' expected lifetime. Business travel data originates from our travel agency. Fuel and energy related activities cover the upstream emissions for fuel, electricity and heating, and transmission & distribution losses for electricity and heating - DEFRA emissions factors are used to calculate the relevant emissions in this category.

**SUSTAINABILITY ACCOUNTING
PRINCIPLES AND REPORTING
BOUNDARY**

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

Progress towards the Science Based Target	2022	2021	2020	2019
Direct GHG emissions (scope 1)	24,900	21,300	21,300	22,000
Indirect GHG emissions (scope 2) market-based	11,300	20,200	21,000	28,200
Upstream and downstream emissions (scope 3)				
Use of sold products	4,330,000	3,630,000	3,400,000	4,050,000
Purchased goods	1,515,200	1,528,000	1,304,200	1,516,700
Total (scope 1 + scope 2 market-based + scope 3)	5,881,400	5,199,400	4,746,500	5,617,00

Our target approved by the Science Based Target initiative is to reduce absolute scope 1, 2 and 3 GHG emissions by 50% by 2030 from a 2019 base year. The scope of our Science Based Target covers scope 1 and scope 2 (market-based) emissions as well as scope 3 emissions related to categories purchased goods and services (excluding indirect procurement) and use of sold products. The scope 3 emissions included in the target boundary cover more than 95% of total scope 3 emissions. The target boundary includes biogenic emissions and removals from bioenergy feedstocks. Due to the minor share of scope 3 relating to transportation and distribution, business travel, and fuel- and energy-related activities, they are excluded from the SBT target scope. Compared to the base year 2019, our GHG emissions increased by five percent in 2022.

305-4 GREENHOUSE GAS (GHG) EMISSIONS INTENSITY UNGC Principle 8

GHG emissions intensity	2022	2021	2020	2019
GHG emissions intensity index	70	98	100	100

This indicator covers the whole organization. The greenhouse gas intensity index is based on the ratio of own greenhouse gas emissions (scope 1 and scope 2) and sales by sites included in the reporting boundary. The base year is 2019 where the index value is 100. The reason for choosing 2019 is that it is the general baseline against which we have set out long-term climate targets.

305-5 REDUCTION OF GHG EMISSION UNGC Principle 8

Reduction of GHG emissions, tCO ₂ e	2022	2021	2020	2019
Reduction in emissions related to electricity use	7,400	3,400	3,600	3,100

This indicator covers Cargotec assembly sites and competence centers.

305-7 NITROGEN OXIDES (NOX), SULFUR OXIDES (SOX), AND OTHER SIGNIFICANT AIR EMISSIONS UNGC Principle 7, 8

Weight of emissions, t	2022	2021	2020
Nitrogen oxides (NOx)	1.3	2.3	2.3
Particulate Matter (PM)	1.4	1.7	2.3
Sulphur oxides (SOx)	0.3	0.3	0.3
Volatile organic compounds (VOC)	12.0	11	34.4

This indicator covers Cargotec assembly sites and competence centers.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED
ASSURANCE REPORT

GRI standard and disclosure Response / SASB

GRI 306: WASTE

306-3 WASTE GENERATED

306-4 WASTE DIVERTED FROM DISPOSAL

306-5 WASTE DIRECTED TO DISPOSAL

UNGC Principle 8

Weight of waste, t	2022	2021	2020
Hazardous waste	910	780	820
diverted from disposal (recycled)	230	170	320
directed to disposal	680	610	500
Landfilled	340	310	130
Incinerated	300	200	280
Method not known	40	100	90
Non-hazardous waste	9,190	11,200	12,100
diverted from disposal (recycled)	7,460	9,400	9,300
directed to disposal	1,720	1,750	2,800
Landfilled	730	1,130	730
Incinerated	840	510	410
Method not known	150	110	1,700
Total	10,100	12,000	12,900
diverted from disposal (recycled)	7,700	9,600	9,600
directed to disposal	2,400	2,400	3,300
Landfilled	1,060	1,400	690
Incinerated	1,140	700	860
Method not known	200	200	1,800

This indicator covers Cargotec assembly sites and competence centers.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 400: SOCIAL

GRI 401: EMPLOYMENT

401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

UNGC Principle 6

Rate of new employee hires and employee turnover	Number of employees		
		%	
New employee hires	1,445	14%	
Employee turnover	2,234	21%	
Voluntary turnover	1,181	11%	

New employee hires by gender, age group and region	Number of employees	% of total	New hire rate %
By gender			
Male	1,118	77%	13%
Female	327	23%	15%
By age group			
Under 30 years old	483	33%	38%
30-50 years old	795	55%	13%
Over 50 years old	167	12%	5%
By region			
AMER	456	32%	29%
APAC	261	18%	14%
EMEA	728	50%	10%

Employee turnover by gender, age group and region	Number of employees	% of total	Turnover rate %
By gender			
Male	1,695	76%	20%
Female	539	24%	25%
By age group			
Under 30 years old	427	19%	34%
30-50 years old	1,286	58%	21%
Over 50 years old	521	23%	16%
By region			
AMER	588	26%	38%
APAC	559	25%	31%
EMEA	1,087	49%	15%

The information about new hires and employee turnover includes only permanent employees. The rate of new employee hires in the total workforce is the number of new hires divided by the number of all permanent employees at the end of 2022. New hire rates within employee breakdown categories are calculated by dividing the new hires within the category by the total number of permanent employees within the breakdown category. For example, new hire rate for female employees is the number of new female hires divided by the number of all permanent female employees at the end of 2022. Turnover rates are calculated on similar basis as new hire rates.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 402: LABOR/MANAGEMENT RELATIONS

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

UNGC Principle 3

The minimum notice periods regarding operational changes are defined by national legislation and local collective bargaining agreements. Cargotec operates in various countries and complies with local legislation.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

We have implemented ISO 45001:2018 and Occupational Health and Safety Management Systems across the organisation. The systems cover all employees at the premises, including own personnel, external contractors and subcontractors. Almost all of our assembly sites have been certified across all business areas. The coverage at Cargotec's assembly sites based on headcount was 76 percent.

We usually do not have a health and safety management system implemented at our non-assembly sites, since those locations are primarily offices with low risks. All local regulations and requirements are followed at all of our locations.

403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

The description of the processes and disclosures on hazard identification, risk assessment and incident investigation are included and covered according to the requirements in the global management systems. These are implemented across our locations.

All workers have access to means to report work-related hazards and hazardous situations, and have the right to stop hazardous work without fear of reprisals.

403-3 OCCUPATIONAL HEALTH SERVICES

Occupational health services are dealt with at the local level by fulfilling all legal requirements in the relevant country. The process is decentralised and depending on the local legislation requirements.

Personal health related information is used lawfully, fairly and in a transparent manner. We adhere to GDPR and any other applicable European or local privacy laws. We have a privacy policy and privacy statements as well as training and a function, supporting privacy-related questions.

403-4 WORKER PARTICIPATION, CONSULTATION AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

There are several employee communication and consultation methods in place. These include the PDP process, work councils, town hall meetings, the health and safety committees, leadership training (Lead & Grow), our employee engagement survey Compass and our Speak-Up line.

82 percent of Cargotec employees have representation in occupational health and safety committees. Employees working at a particular site have representation in their respective committees. As many of the service sites are small, no occupational health and safety committees exist there, which affects the figures. 100 percent of the workers in production sites have representation in occupational health and safety committees.

403-5 WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

As part of the regular induction process, Occupational Health and Safety training is provided to personnel across the organisation. Moreover, there are e-learning platforms that support continuous training amongst our employees. Training is provided both on a local and global level. Work-specific training is provided to enable safe and correct performing of tasks.

All employees are also required to carry out the Code of Conduct e-learning, which includes a chapter on health and safety.

403-6 PROMOTION OF WORKER HEALTH

Due to country specifics, worker health topics are covered on a local level and not centrally. Worker health promotion is mostly outsourced and included on the health insurance.

During 2022 the general focus has been on worker well-being and several initiatives continued, amongst others the Wellbeing Community and Hiab's Employee First programme .

Personal health related information is used lawfully, fairly and in a transparent manner. We adhere to GDPR and any other applicable European or local privacy laws. We have a privacy policy and privacy statements as well as training and a function, supporting privacy-related questions.

403-7 PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS

We are preventing and mitigating our occupational health and safety impacts by performing risk identification, analysis and control. The related hazards and risks are addressed via different safety legislations, requirements for the safety of products, product declarations, and complying with the regulations both on the EU level and other local legislation.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

403-9 WORK-RELATED INJURIES

SASB RT-IG-320a.1

Internally, we use Lost Time Injuries (LTI), here referred to as injuries and the Industrial Injury Frequency Rate (IIFR), to follow up on our targets on health and safety. Thus, those indicators are shared under this disclosure. We are also disclosing the SASB Employee Health and Safety indicators deemed material for the industrial machinery and goods industry. Under RT-IG-320a.1 we are providing the Total Recordable Incident Rate (TRIFR), which has the same definition as the recordable work-related injuries under GRI 403-9, and therefore we consider to cover both of these requirements under it.

Number of injuries by body part	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
Back	9	2	17	10	15	2
Eyes	3	1	6	5	8	3
Feet	10	3	18	7	9	0
Hands	51	29	47	18	45	13
Head	6	2	5	1	6	2
Legs	14	6	16	8	9	1
Multiple parts or whole body	2	1	6	0	6	0
Neck	1	0	0	0	4	1
Thorax	3	1	8	2	4	2
Total number of lost time injuries	99	45	123	51	106	24

Number of injuries by type	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
Abrasion/Cut/scratch	22	9	17	3	20	3
Bone fracture	17	9	20	5	9	3
Burn injury	2	0	1	0	1	0
Chemical Exposure	0	0	0	0	1	0
Concussion	1	0	1	0	0	0
Contusion/Bruise	18	8	18	11	21	2
Electric shock	0	0	0	0	1	1
Eye Injury	1	0	3	2	7	3
Hearing loss	0	0	0	0	0	0
Heatstroke/hypothermia	0	0	0	0	0	0
Loss of consciousness	0	0	1	0	0	0
Loss of limb	0	0	0	0	0	0
Poisoning	0	0	0	0	0	0
Sprain/strain/dislocation	7	5	27	12	17	3
Whiplash injury	0	0	0	0	2	0
Other	13	2	35	18	27	9
Total number of lost time injuries	99	45	123	51	106	24

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED
ASSURANCE REPORT

GRI standard and disclosure Response / SASB

Number of High-consequence injuries	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
	7	3	2	1	3	1
Number of hours worked	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
	20,825,332	7,933,451	20,483,000	6,983,000	20,273,000	7,091,000
Number of lost time injuries by region	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
AMER	14	10	22	15	6	6
APAC	8	3	8	1	10	1
EMEA	77	32	93	35	90	17
Frequency Rate of injury (IIFR)*				2022	2021	2020
Assembly sites				5.7	7.3	3.4
Non-assembly and competence centres				4.3	5.3	6.2
Cargotec total				4.8	6.0	5.2
Frequency Rate of injury (HCIR)**				2022	2021	2020
Assembly sites				0.38	0.10	0.14
Non-assembly and competence centers				0.31	0.07	0.15
Cargotec total				0.34	0.09	0.15

* Industrial Injury Frequency Rate (IIFR) is the number of injuries per million hours worked. Injuries include incidents that lead to an absence of at least one day or shift. One work related fatality was reported during 2022. No work-related fatalities occurred during the reporting periods 2020, 2021. External employees are included in all the figures, however subcontractors are excluded as we do not have a way of collecting their working hours at the moment.

** High-consequence injury rate is the number of high-consequence injuries per million hours worked.

403-10 ILL HEALTH

There have been 60 cases of ill health recorded during the year. No ill health related fatalities have occurred. Mainly ill health has been related to recurring and relapsing muscular strains and back pain.

SASB RT-IG-320A.1

Total Recordable incident rate, Near miss frequency rate, Fatality rate	2022 total	2022 assembly	2021 total	2021 assembly	2020 total	2020 assembly
r12m TRIR x 1 000 000	8.6	9.1	9.6	10.3	8.6	6.6
r12m NMFR x 1 000 000	26	35	23	33	27.2	29.8
r12m Fatality rate x 1 000 000	0	0	0	0	0	0

Table RT-IG-320a.1 the data is presented as rolling 12 months. The indicators included are

(1) Total recordable incident rate (TRIR) - includes all incidents occurring in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.

(2) Near miss frequency rate (NMFR) - includes work-related near misses.

(3) Fatality rate - includes fatalities.

These have been prepared according to the SASB standard for industrial machinery and goods, that can be found here - https://www.sasb.org/wp-content/uploads/2018/11/Industrial_Machinery_Goods_Standard_2018.pdf

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

**INDEPENDENT LIMITED
ASSURANCE REPORT**

GRI standard and disclosure Response / SASB

GRI 404: TRAINING AND EDUCATION

404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

UNGC Principle 6

Nearly 90 percent of Cargotec white collar employees have received performance and development plan during the reporting period. Blue collar employees with no access to human resource information system ZONE are covered by a local PDP process and documentation as defined in Cargotec performance and development plan policy.

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

UNGC Principle 6

Composition of governance bodies and employees by gender and age group, %	Board of Directors	Leadership Team	Employees
By gender			
Male	63%	70%	80%
Female	38%	30%	20%
By age group			
Under 30 years old	0%	0%	15%
30-50 years old	0%	0%	57%
Over 50 years old	100%	100%	28%

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

407-1 OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

UNGC Principle 3

Annual report 2022, pp. 26 People, health & safety - Human rights

GRI 408: CHILD LABOUR

408-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOUR

UNGC Principle 5

See 407-1

GRI 409: FORCED OR COMPULSORY LABOUR

409-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOUR

UNGC Principle 4

See 407-1

GRI 416: CUSTOMER HEALTH AND SAFETY

416-1 ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

100%

Customer health and safety is the top priority in Cargotec's offering. Health and safety impacts are evaluated in all product categories. The scope of health and safety impact evaluation depends on the product type, usage, customer demands and existing regulatory requirements. The EU Machinery directive and related standards guide the evaluation when applicable. Outside the EU, local regulations and requests are followed. Products are tested carefully before being delivered to customers. Delivery processes that need special logistic solutions are assessed separately for possible risks to health and safety. The usage of products is tested carefully before delivery to customers and/or when the final assembly at the customer's facilities is carried out. Possible hazardous materials used in the components of the equipment are controlled with appropriate safety management practices and safety data sheets. Product safety is always taken into account in production planning.

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED ASSURANCE REPORT

INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT TO THE MANAGEMENT OF CARGOTEC OYJ

Translated from the original report in Finnish

Scope

We have been engaged by Cargotec Oyj (hereafter Cargotec) to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements (hereafter referred to as the engagement), Cargotec's non-financial disclosures 2022 (figures and narrative) presented in the Board of Directors' Report 2022 and selected indicators in the GRI-index 2022 presented below (the "Subject Matter") for the reporting period 1.1.-31.12.2022.

Selected Indicators

The scope and boundary of our work is restricted to the key sustainability performance indicators and information included within the Report (the "Selected Information"), listed below:

- Scope 1 emissions (tCO₂ e)
- Scope 2 emissions, market-based (tCO₂ e)
- Scope 3 emissions (tCO₂ e)
- Total emissions (tCO₂ e)
- Emissions intensity, relative to sales (tCO₂ e/MEUR)
- Total energy use in own operations (MWh)
- Share of renewable energy of total energy use (%)
- Industrial injury frequency trend (IIFR)
- Compass Employee Engagement survey results:
 - Engagement index (%)
 - Sustainability index (%)
 - Leadership index (%)
 - Team climate index (%)
 - Code of Conduct index (%)
 - Integrity index (%)
- Number of reported alleged misconduct cases
- Cargotec Code of Conduct training completion (%)
- Share of eco portfolio sales of total sales (%)

- Cargotec's taxonomy KPI's
- GRI 302 Energy
 - GRI 302-1 Energy consumption within the organization (MWh)
 - GRI 302-3 Energy intensity index
- GRI 305 Emissions
 - GRI 305-1 Direct (scope 1) greenhouse gas emissions (tCO₂ e)
 - GRI 305-2 Energy indirect (scope 2) greenhouse gas emissions (tCO₂ e)
 - GRI 305-3 Other indirect (scope 3) greenhouse gas emissions (tCO₂ e)
 - GRI 305-4 Greenhouse gas emissions intensity (%)
- GRI 403 Occupational health and safety
 - GRI 403-9 Work-related injuries
- RT-IG-130a.1: Energy Management
 - Total energy consumed (MWh)
 - Percentage grid electricity (%)
 - Percentage renewable (%)
- RT-IG-320a.1: Employee Health & Safety
 - Total recordable incident rate (TRIR)
 - Fatality rate
 - Near miss frequency rate (NMFR)

Criteria applied by Cargotec

In preparing the non-financial disclosures and the selected indicators, Cargotec applied the Global Reporting Initiative (GRI) Sustainability Reporting Standards, SASB Industrial Machinery and Goods Sustainability Accounting Standard and Cargotec's eco portfolio -criteria (the "Criteria"). As a result, the subject matter information may not be suitable for another purpose.

Cargotec has applied its eco portfolio criteria when assessing its eco portfolio sales and taxonomy alignment in climate change mitigation objective. EY has read the eco portfolio version available at 27.1.2023 (updated by Cargotec 31.12.2022).

Cargotec's responsibilities

Cargotec's management is responsible for selecting the Criteria, and for presenting the non-financial disclosures and the selected indicators in accordance with that Criteria for the reporting year 2022, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Cargotec on 16.09.2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY

GRI CONTENT INDEX

GRI 2 General disclosure

GRI 3 Material topics

GRI 200 Economic

GRI 300 Environmental

GRI 400 Social

INDEPENDENT LIMITED ASSURANCE REPORT

judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

Ernst & Young also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our

procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

EU Taxonomy regulation is currently in nature changing and interpretation as well as market practice develops constantly. Therefore, taxonomy reporting is subject to uncertainty and interpretation, and current assumptions might need to be revised in the following years.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the non-financial disclosures, specific indicators and related information presented in the Board of Directors Report 2022 and the GRI-Index Report 2022 and applying analytical and other appropriate procedures

Our procedures included:

- a) Gathering an understanding of Cargotec's material non-financial reporting topics, organization and activities
- b) Interviews with senior management to understand Cargotec's sustainability management
- c) Interviews with personnel responsible for gathering and consolidation of the non-financial information and the specific indicators to understand the systems, processes and controls related to gathering and consolidating the information
- d) Assessing non-financial data from internal and external sources and checking the data to reporting information on a sample basis to check the accuracy of the data
- e) Virtual visits to Kalmar Stargard FLU, Bromma Malaysia, Hiab Moffet Dundalk, Macgregor Sweden sites to assess reporting practices

We also performed other procedures we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the non-financial disclosures in the Board of Directors' Report 2022 and the specific indicators in GRI-Index Report 2022 for the period 1.1-31.12.2022, in order for it to be in accordance with the Criteria.

Helsinki, 13.2.2023

Ernst & Young Oy
Authorized Public Accountant Firm

Heikki Ilkka
Authorized Public Accountant

Nathalie Clément
Leader of Climate Change and Sustainability Services

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Cargotec (Nasdaq Helsinki: CGCBV) enables smarter cargo flow for a better everyday with its leading cargo handling solutions and services. Cargotec's business areas Kalmar, Hiab and MacGregor are pioneers in their fields. Through their unique position in ports, at sea and on roads, they optimise global cargo flows and create sustainable customer value. Cargotec has committed to the United Nations Global Compact Business Ambition for 1.5°C. Cargotec's sales in 2022 totalled approximately 4 billion and it employs around 11,500 people.
www.cargotec.com

Annual Report 2022



GRI Index 2022



The Annual Report 2022 consists of the annual review, the financial review, the corporate governance statement and the remuneration report. The Financial review includes the Board of Directors' report, the financial statements, and the auditor's report. All documents are available at the company website www.cargotec.com/2022.

