GRI INDEX 2021

Smarter cargo flow for a better everyday
This GRI Index and selected SASB indicators are published as a separate report on our website. 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 2021, 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. 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 social, environmental 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: Core option. Therefore, our reporting covers all the General Disclosures, as well as the topic-specific Standards we deem material. 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 2021 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 and after they have gone through the external assurance process. Divested sites are included in the reporting boundary until the date of closing the transaction. However, this only applies to sites that have been part of the Group for at least six months.

Site-related information, divestments and acquisitions
Cargotec’s consolidated figures for 2021 cover 17 assembly sites, 7 competence centers and 122 non-assembly sites. In 2018, significant changes were made to the reporting boundary as the company’s non-assembly sites started reporting for the first time. Since then the consolidated sustainability information covers the entire group, unless otherwise specifically stated.

During 2021 some changes have occurred in the reporting boundary. In 2019, MacGregor completed the TTS acquisition. TTS has now been integrated into the consolidated EHS figures in this report. Following our reporting principles, several non-assembly sites that became operational during 2020-2021, are now included in the reporting boundary for 2021. These include, a newly opened Hiab workshop in Cologne, Germany, a newly acquired site in Vietnam as part of the TTS acquisition and a new Kalmar site in Chile. We have new operations in Portugal and New Zealand, but due to the lack of a full reporting year, those will only be added in our next year’s consolidated data. We have opened up a new competence site in China, Taican which is included in the reporting boundary.

During 2021 we closed down some non-assembly sites - Hiab China, Hiab Manteca US and Hiab Longjumeau France. We have also divested our Navis US business and following our reporting principles their figures are consolidated in the Cargotec figures until the time of the divestment.

Cargotec’s sustainability information presented in the GRI index and related materials covers the entire group, whereas the following indicators have currently been identified as non-material for the non-assembly sites and are therefore published only for 24 Cargotec sites (17 assembly sites and seven technology and competence centres): 303-1, 305-7 and 306-2. Furthermore, data for indicators 302-3 and 305-4 will only be published for the assembly sites as the data for Cargotec total has not been assured in previous years. Additionally, to achieve comparable data against previous years, two separate figures, one for Cargotec total and another for assembly sites, are provided for the following indicators: 302-1, 305-1, 305-2, 403-2. The figure for Cargotec total includes all operations while the figure for assembly sites includes only the 17 assembly sites and the seven technology and competence centres. Data for the following personnel-related indicators 102-8, 102-41, 402-1, 404-3 and 405-1 is consolidated for the whole group, including TTS and Effer.
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 health and safety data is collected through Cargotec’s sustainability system which has been implemented across the whole organization. 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 (302-1) and water consumption (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 for 2019, 2020 and 2021 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’ (2019, 2020, 2021). The Scope 2 emission factors are updated every year after a new version has been published. Scope 2 market-based emissions were reported for the first time in 2018. The 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 2021, 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 2019, 2020 and 2021, 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.

Reported nitrogen oxides (NO), sulfur oxides (SO₂) and other significant air emissions (305-7) includes 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 306-2 is based either on waste records received from contractor companies or on estimations in case of no exact figures from waste contractors have been available.

Personnel information

The personnel-related information unit is head count. The number of Cargotec employees by business area, presented under 102-8, 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.
<table>
<thead>
<tr>
<th>GRI CONTENT INDEX</th>
<th>GRI 102: GENERAL DISCLOSURE</th>
</tr>
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<tbody>
<tr>
<td><strong>ORGANISATIONAL PROFILE</strong></td>
<td><strong>102-1 NAME OF THE ORGANISATION</strong></td>
</tr>
<tr>
<td></td>
<td>Cargotec Corporation</td>
</tr>
<tr>
<td><strong>102-2 ACTIVITIES BRANDS, PRODUCTS AND SERVICES</strong></td>
<td><strong>102-3 LOCATION OF HEADQUARTERS</strong></td>
</tr>
<tr>
<td>Annual report 2021, pp. 4 Cargotec in brief</td>
<td>Helsinki, Finland</td>
</tr>
<tr>
<td>Annual report 2021, pp. 6 Business areas in brief</td>
<td></td>
</tr>
<tr>
<td><strong>102-4 LOCATION OF OPERATIONS</strong></td>
<td><strong>102-5 OWNERSHIP AND LEGAL FORM</strong></td>
</tr>
<tr>
<td>Annual report 2021, pp. 4 Cargotec in brief</td>
<td>Annual report 2021, pp. 4 Cargotec in brief</td>
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<tr>
<td><strong>102-6 MARKETS SERVED</strong></td>
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</tr>
<tr>
<td>Annual report 2021, pp. 4 Cargotec in brief</td>
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<tr>
<td><strong>102-7 SCALE OF THE ORGANISATION</strong></td>
<td><strong>102-8</strong></td>
</tr>
<tr>
<td>Annual report 2021, pp. 4 Cargotec in brief</td>
<td></td>
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<tr>
<td>Annual report 2021, pp. 10 Key figures</td>
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### GRI standard and disclosure Response / SASB

**102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS**

<table>
<thead>
<tr>
<th>Cargotec employees</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalmar</td>
<td>4,876</td>
<td>5,526</td>
<td>5,625</td>
</tr>
<tr>
<td>Hiab</td>
<td>3,586</td>
<td>3,390</td>
<td>4,028</td>
</tr>
<tr>
<td>MacGregor</td>
<td>1,909</td>
<td>1,987</td>
<td>2,350</td>
</tr>
<tr>
<td>Corporate administration and support functions</td>
<td>804</td>
<td>649</td>
<td>584</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,174</td>
<td>11,552</td>
<td>12,587</td>
</tr>
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<table>
<thead>
<tr>
<th>Share of female %</th>
</tr>
</thead>
<tbody>
<tr>
<td>of which permanent contracts</td>
</tr>
<tr>
<td>of which temporary contracts</td>
</tr>
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<table>
<thead>
<tr>
<th>Share of supervised workers in the total workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
</tr>
<tr>
<td>of which female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Permanent employees by employment type and gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
</tr>
<tr>
<td>of which female</td>
</tr>
<tr>
<td>Share of permanent full-time employees</td>
</tr>
<tr>
<td>of which female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total workforce by region and gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
</tr>
<tr>
<td>of which female</td>
</tr>
<tr>
<td>AMER</td>
</tr>
<tr>
<td>of which female</td>
</tr>
<tr>
<td>APAC</td>
</tr>
<tr>
<td>of which female</td>
</tr>
<tr>
<td>EMEA</td>
</tr>
<tr>
<td>of which female</td>
</tr>
<tr>
<td>Total workforce</td>
</tr>
<tr>
<td>of which female</td>
</tr>
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GRI standard and disclosure Response / SASB

102-9 SUPPLY CHAIN

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. Cargotec sets a high bar for our suppliers and ourselves. 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. It is important for us to engage with suppliers that acknowledge our Code of Conduct principles, respect human rights, provide safe and inclusive workplaces for their personnel, and promote a sustainable future. In 2021, we continued to develop our supplier sustainability program, which focuses on mitigating any risks or violations within our supply chain.

Due to Covid-19 continuation 2021, travel and safety precautions have limited the ability to conduct onsite audits in our supply chain, resulting in a greater need to continue to do many of the assessments remotely. In light of the crisis, extra effort has been necessary and we have been working closer than ever with our suppliers.

In Kalmar, the total number of direct suppliers was 1,066 in 2021. Kalmar's spend was broken down geographically as follows: 36 percent of purchases were from the Americas, 42 percent from Europe and the Middle East, and 22 percent from Asia-Pacific. In 2021, the top 50 suppliers represented 67 percent of the spend, and the top 150 suppliers represented 80 percent of the spend.

Hiab had a total of 728 direct suppliers in 2021. Geographical breakdown of Hiab purchases is as follows: Europe and Middle East 85 percent, Americas 8 percent and Asia 7 percent. The top 50 suppliers covered 64 percent of the spend and the top 100 suppliers 80 percent of the spend.

In 2021, MacGregor had approximately 750 direct suppliers. Approximately 40 percent of the spend was from China and 9 percent from the rest of Asia, about 50 percent from Europe. The top 50 suppliers covered 60 percent of the spend (with top 20 suppliers covering about 40 percent) and the top 100 suppliers represented 70 percent of the spend.

102-10 SIGNIFICANT CHANGES TO THE ORGANISATION AND ITS SUPPLY CHAIN

Annual report 2021, pp. 6 Business areas in brief
Annual report 2021, pp. 9 Highlights of the year
Annual report 2021, pp. 60-62 Board of Directors’ report

102-11 PRECAUTIONARY PRINCIPLE OR APPROACH

Cargotec’s sustainability policy sets company-wide global objectives and guidelines for sustainability management, including environmental and occupational health & safety (EHS) management. Our sustainability work is based on the balance between social, environmental and economic objectives as represented in the policy. We work continuously towards achieving these objectives considering the complete life-cycle of our products and services, and strive for continuous improvement in all our operations. The sustainability policy can be found on our website. In addition, Cargotec has signed the UN Global Compact initiative, which highlights the precautionary approach principle.

102-12 EXTERNAL INITIATIVES

• UN Global Compact
• ICC Business Charter for Sustainable development
• ILO Declaration on Fundamental Principles and Rights at Work
• Business ambition for 1.5 C
• UN Universal Declaration of Human Rights
• OECD Guidelines for Multinational Enterprises
• Science Based Targets initiative
• United Nations Guiding Principles on Business and Human Rights

All initiatives are voluntary and multi-stakeholder in nature.

102-13 MEMBERSHIP OF ASSOCIATIONS

• The Association of Lorry Loader Manufacturers and Importers (ALLMI)
• The Association of Swedish Engineering Industries
• Center of Maritime Technologies (CMT)
• China-Finland Committee for Innovative Business Cooperation
• Confederation of Finnish Industries
• Digital, Internet, Materials & Engineering Co-Creation (DIMECC)
• European Material Handling Federation (EUMH)
• Finnish Business and Society (FBSI)
• Finnish Industrial Internet Forum (FIF)
• Forum for Intelligent Machines ry
• Global Compact Finnish Network
• Hudiksvall Hydraulik Kluster Innovation AB
• International Chamber of Commerce ICC Finland
• Norwegian Offshore & Drilling Engineering (NODE)
• Piraeus Chamber of Commerce to IMO as part of Greek delegation
• Port Equipment Manufacturers Association (PEMA)
• Swedish Fluid Motion Association (SFPA)
• Swedish Institute for Standards (SIS)
• Swedish Maritime Technology Forum (SMTF)
• Technology Industries of Finland
• Terminal Industry Committee 4.0 (TIC 4.0)
• TRACE International
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 new 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 organisation supports the businesses by providing proactive advice and training and by conducting internal investigations. We have an externally hosted SpeakUp line to enable confidential and, if needed, anonymous reporting of concerns.

Code of Conduct concerns and potential misconduct can be reported through a variety of channels, including to line management, HR, our organisational Heads of Compliance within the Ethics and Compliance team or through the SpeakUp line. The SpeakUp line is operated by an external provider and managed by the Ethics and Compliance function. Each Strategic Business Unit in Cargotec has an assigned Head of Compliance who is responsible for building and promoting the compliance program, including the reporting channels, within each Strategic Business Unit.

The Ethics & Compliance organisation promotes a speak-up culture and awareness of the reporting channels, including the SpeakUp 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 talks by E&C team members to SBU leadership teams and high-risk personnel; and Code of Conduct briefings to sales third parties.

During 2021, 60 reports (2020: 65 reports) of alleged misconduct were made to the Ethics and Compliance (E&C) team. E&C decided to open an investigation in 23 cases (2020: 32). The reports and investigation cases were referred to the bi-monthly Code of Conduct Panel of the Cargotec Leadership Team, which is chaired by the CEO. The Code of Conduct Panel decides upon case closure. Six (2020: 6) cases during 2021 concerned HR issues and 11 (2020: 4) cases related to possible conflicts of interest. Other cases were related to unethical business conduct such as fraud, corruption or policy violations. There were no cases related to environmental grievances, human rights nor privacy matters. During the year, in total 26 investigations were completed and improvement actions were initiated. In 2021, 73 percent of the closed cases (in 2020: 84%) the allegations were substantiated at least partly with some cases resulting in disciplinary actions such as warnings and personnel dismissals.

The Code of Conduct cases were reported to the Board of Directors’ Audit and Risk Management Committee on a quarterly basis, and the Chief Compliance Officer provided an annual update to the full Board of Directors. 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 GRI index 2021 content index is as follows:

**GRI index 2021**

**SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY**

**GRI CONTENT INDEX**

- GRI 102 General disclosure
- GRI 103 Management approach
- GRI 200 Economic
- GRI 300 Environmental
- GRI 400 Social

**INDEPENDENT LIMITED ASSURANCE REPORT**

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**STRATEGY**

**102-14 STATEMENT FROM SENIOR DECISION-MAKER**

Annual report 2021, pp. 7-8 CEO’s review

**102-15 KEY IMPACTS, RISKS AND OPPORTUNITIES**

Annual report 2021, pp. 11 Strategy

**STATEMENT FROM SENIOR DECISION-MAKER**

Annual report 2021, pp. 12 Megatrends, risk & opportunities

**KEY IMPACTS, RISKS AND OPPORTUNITIES**

Annual report 2021, pp. 16-28 Smarter cargo flow for a better everyday

**ETHICS AND INTEGRITY**

**102-16 VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR**

Annual report 2021, pp. 13-15 Managing sustainability at Cargotec

**102-17 MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS**

Annual report 2021, pp. 13-15 Managing sustainability at Cargotec

**GOVERNANCE**

**102-18 GOVERNANCE STRUCTURE**

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**102-19 DELEGATING AUTHORITY**

Annual report 2021, pp. 13-15 Managing sustainability at Cargotec

**CORPORATE GOVERNANCE**

Annual report 2021, pp. 30 Corporate governance statement

**SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY**

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**INDEPENDENT LIMITED ASSURANCE REPORT**

**GRI index 2021**
## GRI standard and disclosure Response / SASB

### 102-20 EXECUTIVE-LEVEL RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

- **Annual report 2021, pp. 13-15** Managing sustainability at Cargotec
- **Annual report 2021, pp. 16-28** Smarter cargo flow for a better everyday
- **Annual report 2021, pp. 52-53** Board of Directors’ report

### STAKEHOLDER ENGAGEMENT

#### 102-40 LIST OF STAKEHOLDER GROUPS

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.

#### 102-41 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.

#### 102-42 IDENTIFYING AND SELECTING STAKEHOLDERS

- **Annual report 2021, pp. 6** Business areas in brief
- **Annual report 2021, pp. 13-15** Managing sustainability at Cargotec
- **Annual report 2021, pp. 16-28** Smarter cargo flow for a better everyday

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, infographics, 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.
In 2021 we continued working on the supplier development. Each business area has its own sourcing organisation and manages sourcing matters on that level. In 2021 the focus of the sourcing organisation has been on suppliers, authorities, and communities.

With our own operations located in 49 countries, we engage with local authorities to ensure regulatory compliance in our operations. Our Human Resources Information System ZONE and our intranet Connect serve as a platform for distributing people processes. We periodically conduct structured surveys with our employees, such as our employee satisfaction survey Compass, and arrange co-operational group meetings, target and performance discussions as well as personnel info and team meetings. We support employees' freedom of association and right to organise.

Cargotec’s Investor Relations 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, Investor Relations organised several events and meetings in 2021.

In 2021, the majority of roadshows and investor meetings were still held online with the main focus on online meetings and digital content distribution. A special focus was put in reaching out to retail investors through targeted digital content and offering opportunities to present questions on social media. During the second half of the year, we also started face-to-face meetings with investors and analysts and held the first physical roadshow since the beginning of 2020. Going forward, we see that there will be a need for both types of meetings.

Another major virtual investor meeting was held in September, when Hiab held a virtual event for institutional investors and analysts. In the event, Hiab’s transformation during the last 18 months was presented and how Hiab will continue its journey of profitable growth. About 50 investors, analysts, credit investors and bankers participated in the webcast.

In early March 2021, Cargotec’s IR team arranged a sustainability presentation for analysts and investors. In the event, current topics like the upcoming EU Taxonomy and governance was presented by Cargotec’s sustainability team. The meeting was recorded and has been available at Cargotec’s Youtube channel.

During 2021 our CBS center is Sofia, Bulgaria took part in several initiatives. Those would include planting trees, taking part in the “Caps for future” initiative which collects caps and then in return donates medical equipment to hospitals. During the CBS also took part during International women’s day in the Choose to Challenge initiative with the idea that we can all choose to call out gender bias and inequality, as well as choose to seek out and celebrate women’s achievements.

Cargotec’s sites are actively involved in local stakeholder engagement and goodwill. Traditionally, we engage in charity action, especially during the holiday season. In 2021, Cargotec made a donation to UNICEF, WWF, Red Cross and BSAG. The total amount was 100,000 euro and it will help children in need, curb the climate crisis, and provide humanitarian assistance to fight the effects of the COVID-19 pandemic.

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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.

Research and education institutions

Cargotec frequently collaborates with universities and other research institutions around the world. As an example, Dundalk Institute of Technology (DIT) has signed a Memorandum Of Understanding (MOU) with Co. Louth manufacturer of MOFFET Truck Mounted Forklifts, Cargotec Engineering Ireland, part of Hiab. It provides a strategic framework for greater collaboration between both organisations in the areas of workforce training, graduate talent pathway development, joint sponsorship initiatives as well as research and innovation projects.

Hiab’s Demountables, Forestry and Recycling Cranes Division has collaborated in research and innovation projects with VTT (Technical Research Centre of Finland Ltd) and TÜV (Tampere University of Technology). An example of this cooperation is the development and testing of an automated wood chip truck at Stora Enso’s Uimaharju site near Joensuu, Finland, that started in March. All needed functions for autonomous driving (steering, perception and navigation system) for a standard truck are developed and implemented at Hiab in collaboration with VTT.

HiAB joint Control Systems & Software Platform department is running several research projects and has two embedded PhD students in the department. During 2022 one more will be added in relation to a fully funded EU Project. The University involved, Linköping University with this Project (Beast) is looking at topology of the hydraulic system in order to deeply investigate electrification criteria together with the University of Linköping (LiU). Project Unicorn is a project with Chalmers university. This project studies sensor fusion with LiDAR and cameras in order to automate crane lift cycles (of underground waste bins). This project is in the closing phase. Project 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. Project Provider is a project with Malardalen University, which is looking at how to utilise 5G in transferring and processing machine data in the cloud in real time for machine control or remote operation. In addition to the above mentioned projects there are also collaborations with Mid Sweden University about sensor technology and one more project with Tampere University on the topic of electrification but they are not yet started. Non Academic research is also carried out in collaboration with Hudiksvall Hurdaulikkluster (HHK, see Partners above) and Research Institutes of Sweden (RISE). Lately a project regarding wireless sensors was conducted.

MacGregor holds continuous dialogue with several universities’ business and maritime faculties to improve understanding of the changing industry landscape and develop solutions for that. For instance, MacGregor works with the Maritime IT Campus in Rotterdam, providing lectures and getting students into projects to perform hands-on work. With the productisation of the How2-App, MacGregor continues the successful collaboration with the technical University of Hamburg (TUHH) in order to speed up the agile product development efforts and to increase the targeted product quality. Ongoing research projects where MacGregor is cooperating with universities and research institutes include SFI Exposed and SFI Autoships where MacGregor cooperates with Sintef and NTNU ++, SFI Offshore Mechatronics cooperation with University of Agder, NORME and several others, and the research project Anti-swing with the University of Agder. Another ongoing research profile, Robotug, focuses on the remote control of tug boats and the automation of corresponding processes. Based on this project, MacGregor is collaborating with industrial partners, the Fraunhofer Center of Maritime Logistics (FML), the Technical University of Hamburg (TUHH), and the University of Rostock. MSD is participating in EC funded projects where MacGregor collaborates with tens of stakeholders in order to enhance the sustainable shortsea shipping in northern parts of Europe as well as in Mediterranean area. Cooperation partners here include Technical University of Denmark, National Technical University of Athens, TNO, MARIN, Traficom and DNV-GL. Several ports and shipping lines are also contributing to these projects. Emphasis is on student collaboration in form of business innovation camps that has been held in separate cooperations with Umeå School of Business, Economics and Statistics in Sweden, University of Turku in Finland, the National University of Singapore and Nanyang Technological University.

Kalmar holds continuous dialogue and collaboration with academic institutes, including Tampere University, Aalto University, LUT University (Sappanoentta and Lahti campus), University of Turku and University of Oulu and research centres like VTT, all in Finland. In order to research new technology and attract talent, Kalmar is participating in EU-funded projects where Kalmar collaborates with tens of 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 last and evaluate advanced Industry 4.0 pilots. Bromma holds continuous dialogue and collaboration with academic institutes, including A’star in Singapore and KTH (Royal Institute of Technology) in Sweden, in order to research new technology and attract talent.

Kalmar holds a project named Unicorn. In this project, MacGregor is collaborating with the Fraunhofer Center of Maritime Logistics (FML), the Technical University of Hamburg (TUHH), and the University of Rostock. MSD is participating in EC funded projects where MacGregor collaborates with tens of stakeholders in order to enhance the sustainable shortsea shipping in northern parts of Europe as well as in Mediterranean area. Cooperation partners here include Technical University of Denmark, National Technical University of Athens, TNO, MARIN, Traficom and DNV-GL. Several ports and shipping lines are also contributing to these projects. Emphasis is on student collaboration in form of business innovation camps that has been held in separate cooperations with Umeå School of Business, Economics and Statistics in Sweden, University of Turku in Finland, the National University of Singapore and Nanyang Technological University.

Kalmar holds continuous dialogue and collaboration with academic institutes, including Tampere University, Aalto University, LUT University (Sappanoentta and Lahti campus), University of Turku and University of Oulu and research centres like VTT, all in Finland. In order to research new technology and attract talent, Kalmar is participating in EU-funded projects where Kalmar collaborates with tens of 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 last and evaluate advanced Industry 4.0 pilots. Bromma holds continuous dialogue and collaboration with academic institutes, including A’star in Singapore and KTH (Royal Institute of Technology) in Sweden, in order to research new technology and attract talent.
Three main topics can be raised from the year 2021: the planned merger between Cargotec and Konecranes; the COVID-19 pandemic; and the launch of our climate ambition plans and our commitments to become a 1.5 degree company.

**Merger**
It was announced on 1 October 2020, that the Boards of Directors’ of Cargotec and Konecranes have signed an agreement to combine the two companies through a merger. The two companies are planning to merge to create a global leader in sustainable material flow. The internal communication about this merger has been handled, for example through Connect news, internal town hall meetings, webcasts, CEO newsletter, line manager information material, and news pieces from SBU presidents.

**Covid-19 pandemic**
The Covid-19 pandemic continued throughout 2021 and has had major implications on our workforce, as many of the employees have worked remotely, travelling has been reduced to minimum, and additional safety and hygiene measurements have taken place at the offices and other sites. The pandemic, and changes in the way we work, have had significant implications on how and where the day-to-day work has been carried out, as well as on wellbeing issues, such as work-life balance.

A regular Coronavirus Action Group, led by Cargotec’s CEO has been in control of the situation and corporate-level decision making. Furthermore, there has been a Corona Task Force to consolidate the actions and implementations, formed by HR, Real estate, IM and Communications functions. The Task Force has for example created guidelines, and taken care of internal communications around corona related issues, mainly through Corona Update corner at Connect, Cargotec’s intranet site.

**Climate programme**
During the year, we have worked intensively to meet our climate target, which was validated and approved by the Science Based Targets initiative. To drive our emission reduction in practice, Cargotec’s climate programme, Mission Climate, was founded in May 2021. The programme focuses on decarbonising the supply chain, decarbonising our own operations and boosting the sustainable offerings. Our target is to reduce the greenhouse gas emissions of at least 50 percent across all three emission scopes by 2030, from a 2019 base year.
### GRI standard and disclosure Response / SASB

#### 102-47 LIST OF MATERIAL TOPICS

<table>
<thead>
<tr>
<th>Themes</th>
<th>Material topics</th>
<th>SASB material topics for Industrial Machinery &amp; Goods industry</th>
<th>GRI topics</th>
<th>Suppliers</th>
<th>GRI topic boundaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>Climate solutions • Low-carbon solutions for customers • Extended product life cycle • Air quality • Environmental impacts in the supply chain</td>
<td>Energy management • Total energy consumed • Percentage grid electricity • Percentage renewable Fuel economy &amp; emissions in use-phase</td>
<td>302 Energy 305 Emissions 306 Effluents and waste 308 Supplier environmental assessment</td>
<td>✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>Impacts from own operations • Greenhouse gas emissions, waste, effluents and spills in Cargotec’s own operations</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Social</td>
<td>Safety and wellbeing • Employee health, safety and wellbeing • Safety of products and services • Supplier and subcontractor safety</td>
<td>Employee health &amp; safety • Total recordable incident rate (TRIR) • Fatality rate • Near miss frequency rate (NMFR)</td>
<td>401 Employment 402 Labour-management relations 403 Occupational health and safety 404 Training and education 405 Diversity and equal opportunities 407 Freedom of association and collective bargaining 408 Child labour 409 Forced or compulsory labour 410 Supplier social assessment 414 Supplier social assessment 416 Customer health and safety</td>
<td>✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>Working conditions and human rights • Employee engagement and satisfaction • Diversity and equal treatment of employees • Fair wages • Freedom of association and collective bargaining • Human rights in the supply chain</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Governance</td>
<td>Compliance • Compliance with legal and ethical standards</td>
<td>Materials sourcing</td>
<td>102 General disclosures 103 Management approach 201 Economic performance 205 Anti-corruption</td>
<td>✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>Communication • Open communication internally and externally</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td></td>
<td>Sustainability management • Leadership commitment to sustainability • Systematic sustainability management</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓ ✓ ✓</td>
</tr>
</tbody>
</table>
GRI index and disclosure Response / SASB

102-48  RESTATEMENTS OF INFORMATION

Sustainability accounting principles and reporting boundary pp. 2-3

102-49  CHANGES IN REPORTING

Sustainability accounting principles and reporting boundary pp. 2-3

102-50  REPORTING PERIOD

1 January–31 December 2021

102-51  DATE OF THE MOST RECENT REPORT

Cargotec Annual Report 2020, 23 February 2021

102-52  REPORTING CYCLE

Annual

102-53  CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

sustainability@cargotec.com

102-54  CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS

This report has been prepared in accordance with the GRI standards: Core option, defined by the Global Reporting Initiative GRI.

102-55  GRI CONTENT INDEX

GRI Index and SASB Disclosures pp. 4-27

102-56  EXTERNAL ASSURANCE

The external assurance covers selected indicators under the specific standard disclosures.

Independent limited assurance report pp. 28-29
GRI standard and disclosure Response / SASB

**GRI 103: MANAGEMENT APPROACH**

<table>
<thead>
<tr>
<th>103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Annual report 2021, pp. 16-28 Smarter cargo flow for a better everyday</td>
</tr>
<tr>
<td>Sustainability Accounting Principles and Reporting Boundary, pp. 2-3</td>
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<td>Annual report 2021, pp. 52-62 Board of Directors’ report</td>
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</table>

<table>
<thead>
<tr>
<th>103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual report 2021, pp. 6 Business areas in brief</td>
</tr>
<tr>
<td>Annual report 2021, pp. 13-15 Managing sustainability at Cargotec</td>
</tr>
<tr>
<td>Annual report 2021, pp. 16-28 Smarter cargo flow for a better everyday</td>
</tr>
<tr>
<td>Annual report 2021, pp. 52-62 Board of Directors’ report</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>103-3 EVALUATION OF THE MANAGEMENT APPROACH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual report 2021, pp. 6 Business areas in brief</td>
</tr>
<tr>
<td>Annual report 2021, pp. 13-15 Managing sustainability at Cargotec</td>
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<tr>
<td>Annual report 2021, pp. 16-28 Smarter cargo flow for a better everyday</td>
</tr>
<tr>
<td>Annual report 2021, pp. 52-62 Board of Directors’ report</td>
</tr>
</tbody>
</table>

The management approach is evaluated continuously as a part of our operation. All impacts of our processes and tools on our material topics are carefully assessed throughout the year. Constant improvements are made, so that the goals and targets that have been set for the year are achieved. Our processes and tools are evaluated through internal and external auditing processes and regular assessments are also done via engagement, customer and stakeholder surveys. Our sustainability work is assured on a yearly basis and improvements are made according to findings and recommendations. Our business areas have implemented management systems in place that ensures the proper management of material topics. Operational management is done on the business area level, implementing key practices and principles, which are aligned with Cargotec objectives and guidelines. The business areas are also responsible for the implementation and follow up on related actions. Corporate functions are providing expert assistance and strategic guidance.
GRI standard and disclosure Response / SASB

GRI 200: ECONOMIC

GRI 201: ECONOMIC PERFORMANCE

<table>
<thead>
<tr>
<th>Economic value generated and distributed, MEUR</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic value generated</td>
<td>3,618</td>
<td>3,314</td>
<td>3,721</td>
</tr>
<tr>
<td>Revenues*</td>
<td>3,618</td>
<td>3,314</td>
<td>3,721</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td>3,327</td>
<td>3,236</td>
<td>3,556</td>
</tr>
<tr>
<td>Operating costs*</td>
<td>2,384</td>
<td>2,336</td>
<td>2,632</td>
</tr>
<tr>
<td>Wages and benefits</td>
<td>756</td>
<td>767</td>
<td>781</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>26</td>
<td>32</td>
<td>28</td>
</tr>
<tr>
<td>Income taxes</td>
<td>90</td>
<td>23</td>
<td>44</td>
</tr>
<tr>
<td>Dividends</td>
<td>70</td>
<td>78</td>
<td>71</td>
</tr>
<tr>
<td>Donations**</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Economic value retained</td>
<td>290</td>
<td>78</td>
<td>165</td>
</tr>
</tbody>
</table>

* Revenues corrected for years 2020-2019 and impacting also Operating Costs
**Donations are paid from the retained earnings according to the decision made in the Annual General Meeting.

The scope of individual elements in the calculation of Economic value generated and distributed were revisited in 2019 in order to more accurately present the underlying value creation for different stakeholders during the financial year. The reported figures for previous years were restated accordingly.

GRI 203: ECONOMIC

GRI 204: ENVIRONMENT

GRI 205: SOCIAL

GRI CONTENT INDEX

GRI 102 General disclosure
GRI 103 Management approach
GRI 200 Economic
GRI 300 Environmental
GRI 400 Social

INDEPENDENT LIMITED ASSURANCE REPORT
The Board of Directors receive 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. We do not collect data required for the indicators by percentage or breakdown by employee category and region on a global level.

employees without an email address or access to the intranet. The Code of Conduct training has been completed by 84 percent of Cargotec employees in 2021 (2020: 82%). In addition, onsite training workshops have been arranged for its employees, again in 20 languages. The e-learning consists of exercises that help employees with their day-to-day dilemmas around ethics and compliance. The target group of the e-learning course includes employees with an individual company email address and access to the company intranet.

Training efforts focused on the overall population globally via the new mandatory Code of Conduct e-learning, which includes anti-corruption. Anti-corruption training was also given to stakeholders across the organisation that have involvement with third parties, particularly in the area of sales, supply chain and mergers and acquisitions, as well as joint ventures.

As of 2019 the Ethics & Compliance function in Cargotec reports directly to the CEO and the Audit and Risk Committees of the Cargotec Board of Directors. Cargotec’s Board of Directors receives an annual update from the Ethics and Compliance (E&C) team. In addition, the Audit and Risk Committee of the Board receives periodic updates about anti-corruption activities and other Code of Conduct matters during the year. The Cargotec Leadership Team also has a monthly Code of Conduct Panel where the topics are communicated and discussed.

During the previous years the E&C team has focused on training and awareness efforts throughout the company. Based on input from risk assessments and Code of Conduct cases the focus area for 2021 has been Third Party management. Training efforts focused on the overall population globally via the new mandatory Code of Conduct e-learning, which includes anti-corruption. Anti-corruption training was also given to stakeholders across the organisation that have involvement with third parties, particularly in the area of sales, supply chain and mergers and acquisitions, as well as joint ventures.

The Code of Conduct is a key step towards a more sustainable future and a benchmark for ethical behaviour within the company. Therefore, following the Code launch in September 2021, Cargotec has introduced an interactive e-learning for its employees, again in 20 languages. The e-learning consists of exercises that help employees with their day-to-day dilemmas around ethics and compliance. The target group of the e-learning course includes employees with an individual company email address and access to the company intranet. The Code of Conduct training has been completed by 84 percent of Cargotec employees in 2021 (2020: 82%). 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.
Cargotec's total energy consumption amounted to 158,300 MWh in 2021. The total energy consumption of the assembly sites increased by 16 percent compared to 2020. No new assembly site were added to the calculation during the year, but one new Competence site located in China was added to the boundary. Due to the impacts of the COVID-19 pandemic in 2020 there were some closures of our productions sites which also led to lower energy consumption. In 2021 there were no closures and the assembly activities increased, leading to the increase in energy consumption. Total energy consumption figures for 2020 have been restated.

* 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 2021, 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, Italy, Germany, China were powered by renewable electricity, resulting in approximately 47 percent of Cargotec’s electricity being renewable.

As of 2018, all Cargotec operations are included in the reporting boundary as Cargotec total. The assembly sites information covers 17 assembly sites and seven competence centres.
GRI standard and disclosure Response / SASB

302-5 REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES UNGC Principle 8, 9

Annual report 2021, pp. 6 Business areas in brief
Annual report 2021, pp. 13-15 Managing sustainability at Cargotec
Annual report 2021, pp. 16-28 Smarter cargo flow for a better everyday

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. In 2021, the eco portfolio sales were 19 percent of Cargotec’s total sales (2020: 24%). Our product range is wide and all products and solutions need to pass an external review process prior to inclusion in the portfolio. During 2021, no new products were added to the portfolio, as our focus has been on revising the eco portfolio criteria to align with the upcoming EU Taxonomy regulation. The EU Taxonomy classification system provides appropriate definitions for economic activities to be considered 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. During the year we have started an initiative to conduct product life-cycle assessments for the eco potential products. The pilot LCAs confirm the hypothesis that electric versions of the equipment result in substantial GHG savings throughout the products entire life-cycle. The goal is to have all eco potential products assessed during 2022, in order to prove the EU Taxonomy-alignment of the eco equipment.

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 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 utilize this data in calculation of the emissions from the use of sold products (see GRI 305-3). During the year much focus has been 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 our eco portfolio can be found at www.cargotec.com, www.kalmarglobal.com, www.hiab.com and www.macgregor.com

GRI 303: WATER

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

<table>
<thead>
<tr>
<th>Water consumption, m³</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal water supplies</td>
<td>81,750</td>
<td>76,300</td>
<td>91,860</td>
</tr>
</tbody>
</table>

This indicator covers Cargotec assembly sites and competence centers.
GRI standard and disclosure Response / SASB

GRI 305: EMISSIONS
305-1 DIRECT (SCOPE 1) GREENHOUSE GAS EMISSIONS
305-2 ENERGY INDIRECT (SCOPE 2) GREENHOUSE GAS EMISSIONS

<table>
<thead>
<tr>
<th>GHG emissions, tCO₂e</th>
<th>2021 total</th>
<th>2021 assembly</th>
<th>2020 total</th>
<th>2020 assembly</th>
<th>2019 total</th>
<th>2019 assembly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct GHG emissions (Scope 1)</td>
<td>21,300</td>
<td>7,100</td>
<td>21,300</td>
<td>6,200</td>
<td>22,000</td>
<td>8,100</td>
</tr>
<tr>
<td>Indirect GHG emissions (Scope 2) location-based</td>
<td>24,700</td>
<td>17,800</td>
<td>23,700</td>
<td>19,300</td>
<td>29,700</td>
<td>24,500</td>
</tr>
<tr>
<td>Indirect GHG emissions (Scope 2) market-based</td>
<td>20,200</td>
<td>16,500</td>
<td>21,000</td>
<td>14,600</td>
<td>28,200</td>
<td>22,300</td>
</tr>
<tr>
<td>Total (Scope 1 + Scope 2 location-based)</td>
<td>46,000</td>
<td>24,900</td>
<td>45,000</td>
<td>25,600</td>
<td>51,700</td>
<td>32,600</td>
</tr>
</tbody>
</table>

As of 2018, all Cargotec operations are included in the reporting boundary as Cargotec total. Currently the assembly sites includes 17 assembly sites and 7 competence centres.

Cargotec’s total scope 1 and scope 2 (location-based) GHG emissions amounted to 46,000 tCO₂e in 2021. For assembly sites, both scope 1 and scope 2 GHG emissions increased compared to 2020. Scope 1 GHG emissions increased by 14 percent and scope 2 emissions increased by 7 percent. The increase in total GHG emissions coming from assembly was 9 percent compared to 2020. Emissions reported during 2020 were affected by the closures due to COVID-19 that happened during that same year. In 2021 our assembly activities increased, thus resulting in higher emission figures. Our total emissions covering both assembly and non-assembly sites also increased slightly with around 2 percent. We have restated our 2020 emission figures.

* The market-based emissions were calculated for the first time in 2018, using contractual emissions factors for Finland and Sweden, and residual mix emission factors for other European countries. We are calculating these following the same approach, using residual mix emission factors for European countries where these are available and contractual ones for Finland, Sweden, Spain, the Netherlands, US, Norway, Italy, Germany, Ireland, the UK and China. Average grid emission factors published by the International Energy Agency (IEA) were used for the remaining countries. Approximately 47 percent of the electricity used across the whole organisation was renewable.

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

<table>
<thead>
<tr>
<th>Scope 3 GHG emissions, tCO₂e</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of sold products</td>
<td>3,420,000</td>
<td>3,110,000</td>
<td>3,640,000</td>
</tr>
<tr>
<td>Purchased goods and services</td>
<td>2,510,000</td>
<td>2,320,000</td>
<td>2,460,000</td>
</tr>
<tr>
<td>Transportation and distribution</td>
<td>193,000</td>
<td>140,000</td>
<td>136,000</td>
</tr>
<tr>
<td>Business travel</td>
<td>3,000</td>
<td>4,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Fuel- and energy-related activities</td>
<td>13,000</td>
<td>10,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Total</td>
<td>6,139,000</td>
<td>5,584,000</td>
<td>6,262,000</td>
</tr>
</tbody>
</table>

Cargotec discloses indirect scope 3 emissions for all the emission categories deemed relevant. In 2019, a comprehensive calculation of scope 3 emissions was initiated and we have improved the calculation process during 2021. The use of sold products and purchased goods and services represent more than 97 percent of all scope 3 emissions and more than 96 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 them. We have our complete greenhouse gas inventory disclosed in our CDP Climate Change response. For the categories purchased goods and services, and transportation and distribution, the emissions are calculated with the scope 3 Evaluator tool (GRI Protocol/Quantis) based on spend data. For the use of sold products we are using product specific information and emission factors for diesel and electricity (location-based). The data source of the emission factor for diesel was updated to consider the average tidal island, and the emissions for 2019 and 2020 are restated accordingly. When calculating emissions from use of sold products we account for the 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.
Progress towards the Science Based Target

- **Direct GHG emissions (Scope 1)**: 21,300, 21,300, 22,000
- **Indirect GHG emissions (Scope 2)**: 20,200, 21,000, 28,200
- **Upstream and downstream emissions (Scope 3)**
  - Use of sold products: 3,420,000, 3,110,000, 3,640,000
  - Purchased goods and services: 2,130,000, 2,000,000, 2,230,000
- **Total GHG emissions (Scope 1 + Scope 2 location-based + Scope 3)**: 5,591,500, 5,152,300, 5,920,200

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 90% 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 total GHG emissions decreased by 6 percent in 2021.

**GHG emissions intensity**

- **GHG emissions intensity index**
  - 2021: 98
  - 2020: 100
  - 2019: 100

This indicator covers the whole organisation. The greenhouse gas intensity index is based on the ratio of total greenhouse gas emissions and sales by sites included in the reporting boundary. We have set up a base year which 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 2021 the intensity decreased compared to the base year. We have restated the intensity index for 2020 along with emissions.

**Reduction of GHG emissions**

- **Reduction of GHG emissions, t CO₂eq**
  - 2021: 3,400
  - 2020: 3,600
  - 2019: 3,100

The GHG reduction is based on the certified renewable electricity use in own operations.

**Nitrogen oxides (NOₓ), Sulfur oxides (SOₓ), and other significant air emissions**

<table>
<thead>
<tr>
<th>Emission Type</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitrogen oxides (NOₓ)</td>
<td>2.3</td>
<td>2.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Particulate Matter (PM)</td>
<td>1.7</td>
<td>2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Sulphur oxides (SOₓ)</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Volatile organic compounds (VOC)</td>
<td>11</td>
<td>34.4</td>
<td>81.2</td>
</tr>
</tbody>
</table>

This indicator covers Cargotec assembly sites and competence centers. Air emissions have decreased due to the outsourcing of some activities outside of our production sites.
### GRI standard and disclosure Response / SASB

#### GRI 306: EFFLUENTS AND WASTE

<table>
<thead>
<tr>
<th>Weight of waste, t</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hazardous waste</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>diverted from disposal (recycled)</td>
<td>780</td>
<td>820</td>
<td>930</td>
</tr>
<tr>
<td>directed to disposal</td>
<td>110</td>
<td>320</td>
<td>440</td>
</tr>
<tr>
<td>Landfilled</td>
<td>610</td>
<td>500</td>
<td>490</td>
</tr>
<tr>
<td>Incinerated</td>
<td>310</td>
<td>130</td>
<td>210</td>
</tr>
<tr>
<td>Method not known</td>
<td>200</td>
<td>280</td>
<td>220</td>
</tr>
<tr>
<td><strong>Non-hazardous waste</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>diverted from disposal (recycled)</td>
<td>9,400</td>
<td>9,300</td>
<td>11,800</td>
</tr>
<tr>
<td>directed to disposal</td>
<td>1,750</td>
<td>2,800</td>
<td>1,800</td>
</tr>
<tr>
<td>Landfilled</td>
<td>1,130</td>
<td>730</td>
<td>700</td>
</tr>
<tr>
<td>Incinerated</td>
<td>510</td>
<td>410</td>
<td>600</td>
</tr>
<tr>
<td>Method not known</td>
<td>110</td>
<td>700</td>
<td>300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,000</td>
<td>12,900</td>
<td>14,300</td>
</tr>
</tbody>
</table>

This indicator covers Cargotec assembly sites and competence centers. Approximately 80 percent of the waste generated at Cargotec sites is metal, aluminum and wood waste, which have high recycling value.

#### GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

<table>
<thead>
<tr>
<th>308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA</th>
<th>UNGC Principle 8</th>
</tr>
</thead>
</table>

Cargotec’s supplier assessment includes elements to audit the compliance of the supplier regarding the management of labour practices, human rights, anti-corruption and the environment. Over 20 percent of the questions in the supplier assessment checklist are related to sustainability. It is part of the supplier onboarding process that all new direct suppliers should be assessed against the supplier criteria.
## GRI standard and disclosure Response / SASB

### GRI 400: SOCIAL

#### GRI 401: EMPLOYMENT

**401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER**

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of employees</th>
<th>% of total</th>
<th>New hire rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>New employee hires</td>
<td>1628</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>Employee turnover</td>
<td>1552</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>Voluntary turnover</td>
<td>963</td>
<td></td>
<td>9%</td>
</tr>
</tbody>
</table>

**New employee hires by gender, age group and region**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number of employees</th>
<th>% of total</th>
<th>New hire rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1190</td>
<td>73%</td>
<td>14%</td>
</tr>
<tr>
<td>Female</td>
<td>438</td>
<td>27%</td>
<td>21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age group</th>
<th>Number of employees</th>
<th>% of total</th>
<th>New hire rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30 years old</td>
<td>493</td>
<td>30%</td>
<td>39%</td>
</tr>
<tr>
<td>30–50 years old</td>
<td>894</td>
<td>55%</td>
<td>14%</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>241</td>
<td>15%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**By region**

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of employees</th>
<th>% of total</th>
<th>New hire rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMER</td>
<td>505</td>
<td>31%</td>
<td>34%</td>
</tr>
<tr>
<td>APAC</td>
<td>191</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>EMEA</td>
<td>902</td>
<td>57%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Employee turnover by gender, age group and region**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number of employees</th>
<th>% of total</th>
<th>Turnover rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1219</td>
<td>79%</td>
<td>14%</td>
</tr>
<tr>
<td>Female</td>
<td>333</td>
<td>21%</td>
<td>16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age group</th>
<th>Number of employees</th>
<th>% of total</th>
<th>Turnover rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30 years old</td>
<td>257</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>30–50 years old</td>
<td>859</td>
<td>55%</td>
<td>14%</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>436</td>
<td>28%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**By region**

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of employees</th>
<th>% of total</th>
<th>Turnover rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMER</td>
<td>292</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>APAC</td>
<td>217</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>EMEA</td>
<td>1043</td>
<td>67%</td>
<td>14%</td>
</tr>
</tbody>
</table>

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 2021. 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 2021. Turnover rates are calculated on similar basis as new hire rates.
GRI standard and disclosure Response / SASB

GRI 402: LABOR/MANAGEMENT RELATIONS

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

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 83 percent.

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.

403-3 OCCUPATIONAL HEALTH SERVICES

Occupational health services are dealt with at the local level by fulfilling all of the legal requirements in the relevant country. Since we operate in approximately 49 countries, the process is decentralised and depending on the local legislation requirements.

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 SpeakUp line.

75 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.

During the year we have also organized training related to the management of hazardous substances (focusing on REACH, EPA and ROHS).

All employees are also required to carry out the Code of Conduct e-learning, which includes a chapter on health and safety. The training was renewed during 2021 and is mandatory for all our employees.

403-6 PROMOTION OF WORKER HEALTH

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

During 2021 the general focus has been on worker well-being and several initiatives were established, amongst others the Wellbeing Community and Hub’s Employee First programme.

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 standard and disclosure Response / SASB

**403-9 WORK-RELATED INJURIES**

SASB RT-IG-320a.1

Internally we use the Lost Time Injuries (LTI), here referred to as injuries and the Industrial Injury Frequency Rate (IIFR) to follow up on our targets in the health and safety area. Thus, these 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 (TRIR), which has the same definition as the recordable work-related injuries under GRI 403-9, thus we consider covering both of these requirements under it. This is the second time we are reporting high consequence injuries and are currently in the process of defining the main work-related hazards for these. They would include physical and ergonomic hazards - it was physical hazards that caused the two injuries that we had during the year. Our focus will be on mitigating these by improving instructions, protective equipment usage and safety procedures.

<table>
<thead>
<tr>
<th>Number of injuries by body part</th>
<th>2021 total</th>
<th>2021 assembly</th>
<th>2020 total</th>
<th>2020 assembly</th>
<th>2019 total</th>
<th>2019 assembly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back</td>
<td>17</td>
<td>10</td>
<td>15</td>
<td>3</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Eyes</td>
<td>6</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Face</td>
<td>18</td>
<td>7</td>
<td>9</td>
<td>0</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Hands</td>
<td>47</td>
<td>18</td>
<td>45</td>
<td>13</td>
<td>73</td>
<td>33</td>
</tr>
<tr>
<td>Head</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Legs</td>
<td>16</td>
<td>8</td>
<td>9</td>
<td>1</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Multiple parts or whole body</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Neck</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Thorax</td>
<td>8</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total number of lost time injuries</strong></td>
<td><strong>123</strong></td>
<td><strong>51</strong></td>
<td><strong>106</strong></td>
<td><strong>24</strong></td>
<td><strong>159</strong></td>
<td><strong>65</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of injuries by type</th>
<th>2021 total</th>
<th>2021 assembly</th>
<th>2020 total</th>
<th>2020 assembly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abrasion/cut/scratch</td>
<td>17</td>
<td>3</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Bone fracture</td>
<td>20</td>
<td>5</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Burn injury</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Chemical exposure</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Concussion</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Contusion/bruise</td>
<td>18</td>
<td>11</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>Electric shock</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eye injury</td>
<td>3</td>
<td>2</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Hearing loss</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Heatstroke/hypothermia</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loss of consciousness</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loss of limbs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Poisoning</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sprain/strain/dislocation</td>
<td>27</td>
<td>12</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Whiplash injury</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>35</td>
<td>18</td>
<td>27</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total number of lost time injuries</strong></td>
<td><strong>123</strong></td>
<td><strong>51</strong></td>
<td><strong>106</strong></td>
<td><strong>24</strong></td>
</tr>
</tbody>
</table>
Number of High-consequence injuries 2021 total 2021 assembly 2020 total 2020 assembly
2 1 3 1

Number of hours worked 2021 total 2021 assembly 2020 total 2020 assembly 2019 total 2019 assembly 20,483,000 6,983,000 20,273,000 7,091,000 23,102,000 9,239,000

Number of lost time injuries by region 2021 total 2021 assembly 2020 total 2020 assembly 2019 total 2019 assembly
AMER 22 15 6 6 14 11
APAC 8 1 10 1 13 4
EMEA 93 35 90 17 132 50

Frequency Rate of injury (IIFR)* 2021 2020 2019
Assembly sites 7.3 3.4 7.0
Non-assembly and competence centres 5.3 6.2 6.8
Cargotec total 6.0 5.2 6.9

Frequency Rate of injury (HCIR)** 2021 2020
Assembly sites 0.10 0.14
Non-assembly and competence centers 0.07 0.15
Cargotec total 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. No work-related fatalities occurred during the reporting periods 2019, 2020 and 2021. External contractors are included in all the figures since they work under our direct supervision and we have both their incidents and working hours information. However, subcontractors are mostly excluded as we do not have a way of collecting their working hours at the moment. We are investigating with HRI and QEM departments how we can incorporate also subcontractor data in the future reporting. Wherever we have the data available for subcontractors we have included their working hours and injuries in our IIFR calculations.

** High-consequence injury rate is the number of high-consequence injuries per million hours worked. The two injuries we have reported we consider as high consequence injuries since the employees could not recover fully to pre-injury health status within 6 months.

403-10 WORK-RELATED ILL HEALTH
There have been 21 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 from previous injuries - back and shoulder pains as well as some hernia pain. We are yet to gather the information regarding hazards that pose a risk for ill health in our operations.

SASB RT-10-320A.1
The data is presented as rolling 12 months. The indicators included are (1) Total recordable incident rate (TRIR) where 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 are included. (2) Fatality rate - includes fatalities (3) near miss frequency rate (NMFR) - includes work-related near misses, 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 standard and disclosure Response / SASB

**GRI 404: TRAINING AND EDUCATION**

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

UNGRC Principle 6

Annual report 2021, pp. 23-25

People, health and safety

Nearly 95 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

UNGRC Principle 6

<table>
<thead>
<tr>
<th>Composition of governance bodies and employees by gender and age group, %</th>
<th>Board of Directors</th>
<th>Leadership Team</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>By gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>67%</td>
<td>73%</td>
<td>76%</td>
</tr>
<tr>
<td>Female</td>
<td>33%</td>
<td>27%</td>
<td>19%</td>
</tr>
<tr>
<td>By age group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 30 years old</td>
<td>0%</td>
<td>0%</td>
<td>14%</td>
</tr>
<tr>
<td>30-50 years old</td>
<td>0%</td>
<td>9%</td>
<td>59%</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>100%</td>
<td>91%</td>
<td>28%</td>
</tr>
</tbody>
</table>

**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

UNGRC Principle 3

Cargotec’s new Code of Conduct and related policies state that Cargotec is committed to respecting international human rights and requests the same from its suppliers and other third parties. Fully aligned with Cargotec’s own Code of Conduct, Cargotec has a specific Supplier Code of Conduct, which has been delivered to all suppliers. Freedom of association, abolition of child labour and forced and compulsory labour are examples of the basic principles Cargotec demands from its suppliers. The Supplier Code of Conduct process is part of Cargotec’s supplier sustainability management program, with which Cargotec aims to mitigate any risks for breaching international human rights. During 2021, new suppliers have been asked to acknowledge the Supplier Code of Conduct, which focuses on human rights and other sustainability risks in our supply chain.

During the year we have renewed several of the tools included in our supplier sustainability management programme. The renewal project was initialised with a benchmark study of sustainability leaders within our industry, followed by an analysis of selected risk approaches. Also the supplier assessment tool was renewed and a new supplier risk approach was selected.

Cargotec's Supplier Code of Conduct was renewed to cover, not only suppliers, but also other third parties, and is now referred to as the Business Partner Code of Conduct (BPCoC). The refined code is aligned with Cargotec’s own Code of Conduct, which was also updated during the year. The Business Partner Code of Conduct was updated to better address all relevant ESG topics, including CO2 related disclosure, as well as disclosure on the usage of conflict minerals. The supplier assessment tool, including the supplier pre-evaluation process and the supplier audit checklist, was reviewed against the updated BPCoC to make sure that all new suppliers and selected existing suppliers are assessed against all key ESG elements. The target for next year is to have all the refined processes implemented as part of a wider responsible sourcing programme.

In 2021 Cargotec has adopted a risk-based approach in managing indirect suppliers’ compliance risks, which include, but are not limited to risks of corruption, fraud, money laundering, trade sanctions, privacy, health and safety, human rights, and the environment. Throughout 2021 special focus was placed on the indirect suppliers and the suppliers of Cargotec sales & services units. In total close to 1,200 suppliers were subject to integrity screening. The identified potential concerns were subsequently reviewed by the Ethics and Compliance and the Sourcing functions.

**GRI 408: CHILD LABOUR**

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

UNGRC 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

UNGRC Principle 4

See 407-1
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.
INDEPENDENT ASSURANCE REPORT TO THE MANAGEMENT OF CARGOTEC CORPORATION

Scope of Engagement
Cargotec Corporation ("Cargotec") commissioned DNV Business Assurance Finland Oy Ab ("DNV") to conduct a limited assurance engagement over the Non-financial Disclosures as a part of the Board of Directors' Report 2021 (pages 52-62) and Selected information presented in the GRI-index 2021 (the “Report”) for the reporting period 1st January to 31st December 2021.

Selected Information
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:

— Disclosure on non-financial issues including narrative information and the following metrics:
  • Scope 1 emissions (tCO2e)
  • Scope 2 emissions, market-based (tCO2e)
  • Scope 3 emissions (tCO2e)
  • Total emissions (tCO2e)
  • Emissions intensity, relative to sales (tCO2e/MEUR)
  • Share of eco portfolio sales of total sales (%)
  • Total energy use in own operations (MWh)
  • Share of renewable energy of total energy use (%)
  • Proportion of turnover from products or services associated with Taxonomy-eligible economic activities (%)
  • Proportion of Capital Expenditure from products or services associated with Taxonomy-eligible economic activities (%)
  • Proportion of Operating Expenditures from products or services associated with Taxonomy-eligible economic activities
  • Industrial injury frequency trend (IIFR)
  • Compass Employee Engagement survey results:
    • Engagement index (%)
    • Sustainability index (%)
    • Leadership index (%)
    • Team climate index (%)
    • Code of Conduct index (%)
    • Number of reported alleged misconduct cases
    • Cargotec Code of Conduct training completion (%)
  • GRI disclosures:
    • 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 (tCO2e)
      • GRI 305-2 Energy indirect (scope 2) greenhouse gas emissions (tCO2e)
      • GRI 305-3 Other indirect (scope 3) greenhouse gas emissions (tCO2e)
      • GRI 305-4 Greenhouse gas emissions intensity (%)
    • GRI 308 Supplier environmental assessment
      • GRI 308-1 New suppliers screened using environmental and social criteria (%)
    • GRI 403 Occupational health and safety
      • GRI 403-9 Work-related injuries
    • GRI 414 Supplier social assessment
      • GRI 414-1 New suppliers screened using environmental and social criteria (%)
  • SASB disclosures:
    • 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)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Global Reporting Initiative's GRI Standards, SASB Industrial Machinery and Goods Sustainability Accounting Standard and Cargotec’s sustainability accounting principles, (the “Criteria”, see pages 2-3 of the GRI-index).

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Cargotec’s website for the current reporting period.

Our conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information and is to be read in the context of this Assurance Report, in particular the inherent limitations explained below.

Standard and level of assurance
We performed a limited assurance engagement 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. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity Assessment
Requirements for bodies providing audit and certification of management systems, 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.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

Basis of our conclusion
We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:
- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with Cargotec’s management to obtain an understanding of the data management systems and processes used to generate, aggregate and report the Selected Information;
- Four remote site audits to review process and systems for preparing site level data consolidated at Head Office.

The site reviews were conducted at:
- Cargotec Korea, Haib Chungbuk in South Korea,
- Kalmar China, Competence Center Taican in China,
- Kalmar Front Line operations in Spain,
- MacGregor in Poland

DNV was free to choose the sites on the basis of materiality and type of sites visited in previous assurance engagements;
- Reviewing data at source and following this through to consolidated group data;
- Reviewing whether the evidence, measurements, and scope of the Selected Information is prepared in accordance with the Criteria; and
- Reviewing the Report and narrative accompanying the Selected Information in the Report with regard to the Criteria.

Inherent limitations
Our assurance relies on the premise that the data and information provided by Cargotec to us as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. Energy use data utilized in greenhouse gas (GHG) emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. Finally, the selection of different but acceptable measurement techniques may result in materially different measurements.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Report.

Responsibilities of the Management of Cargotec and DNV
The Management of Cargotec have sole responsibility for:
- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Cargotec in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

For and on behalf of DNV Business Assurance Finland Oy Ab
Espoo, Finland, 31st January 2022

Mikael Niskala
Lead Auditor
DNV Business Assurance

Olli Miettinen
Principal Consultant and Reviewer
DNV Business Assurance

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The Annual Report 2021 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/2021.