

Statement for slavery and human trafficking 2021

About Cargotec

Cargotec is a leading provider of cargo and load handling solutions with operations in more than 100 countries. It has three business areas, Hiab, Kalmar and MacGregor. At the end of 2021 our sales totaled EUR 3,315 million and approximately 11,200 people worked at Cargotec. Cargotec's business model is based on an asset-light and assembly-only production footprint, supply chain expertise, leadership excellence and teamwork.

We recognise the risk of involvement in modern slavery through our value chain, including through our suppliers. Freedom from slavery is a human right and we set clear expectations to our employees and suppliers in regards to respecting human rights.

Policy framework

The Code of Conduct is the foundation of our corporate culture, establishing high standards of integrity on how we do business and how we behave in our daily work. In 2021, we renewed the Cargotec Code of Conduct to ensure that our ethical standards would reflect the changing operational environment. The Code of Conduct is approved by Cargotec's Board of Directors' and defines our common way of working. The principles laid forth in the Code of Conduct apply for all employees, directors and third parties acting on behalf of the company. Cargotec's Code of Conduct is based on the commitment to the UN Global Compact and ILO Declaration on the fundamental principles and rights at work.

Cargotec's Employment Policy sets the global commitment to respect international human rights and to comply with all respective regulations.

Cargotec's Supplier Code of Conduct focuses on managing sustainability risks in our supply chain. Freedom of association, abolition of child labour, human rights and forced and compulsory labour are examples of the basic principles Cargotec demands from its suppliers. During 2021, Cargotec's Supplier Code of Conduct was refined, to cover not only suppliers, but also other third parties. Consequently, it was renamed and is referred to as the Business Partner Code of Conduct (BPCoC).

Cargotec's Suppliers

We emphasise the importance of a sustainable value chain. To achieve that, we expect Cargotec's suppliers to follow sustainable business practices. Cargotec appreciates long-term and localised suppliers throughout each business area. We choose our suppliers on the basis of objective factors such as quality, reliability, delivery and price. Compliance with laws and regulations as well as respect for international human rights are required of each supplier. During 2021 we continued to develop our supplier sustainability program, which focuses on mitigating any risks or violations within our supply chain.

The supplier criteria aim to ensure that our suppliers conduct their business in compliance with international human rights and environmental laws. In the supplier assessment checklist, approximately 20% of the questions are related to issues regarding the environment, labour, ethics and compliance, or health and safety. New suppliers are assessed against the supplier criteria prior to acceptance. Additionally, new strategic suppliers go through a more detailed risk assessment process to ensure further development in human rights work.

Governance and grievance mechanisms

Code of Conduct concerns and potential misconduct are reported to Cargotec's Ethics and Compliance team either directly or through the SpeakUp line. The SpeakUp line is operated by an external provider and managed by the Ethics and Compliance team. All concerns are assessed according to a formal process which is overseen by the Code of Conduct Panel of the Cargotec Leadership Team, which is chaired by the CEO. In 2021, there were no cases related to human rights violations, nor were there any cases related to environmental grievances.

We at Cargotec are committed to respect human rights within our operations, as well as to comply with national and international laws and regulations. We want to be a good corporate citizen in each jurisdiction we operate in and want to be a safe and trusted partner for all our stakeholders.

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