



Statement on modern slavery and human trafficking 2023

About Cargotec

Cargotec is a leading provider of cargo and load handling solutions with operations in approximately 100 countries, with its head office in Helsinki, Finland. In 2023, our sales totaled EUR 4,569 million and at the end of the year, we employed approximately 11,400 people. Of our total sales, 45 percent originated from Europe, Middle East and Africa (EMEA), 38 percent from the Americas and 17 percent from Asia-Pacific. Approximately 4 percent of our sales originated from the United Kingdom.

Our business areas, Kalmar, Hiab and MacGregor, are recognised leaders in cargo and load handling solutions around the world and offer solutions to ports, terminals, distribution centres and heavy industries; the logistics, construction, transport and delivery industries; and the maritime and offshore industries, respectively. Our main suppliers include providers of steel structures, hydraulics (valves and cylinders) and electric components.

Cargotec is committed to respecting human rights within its operations and value chain, including complying with national and international laws and regulations. We recognise that Cargotec's business may be linked to modern slavery in the value chain, especially in the supply chain, and we are committed to addressing any such cases to the best of our ability. Freedom from slavery is a basic human right and we set clear expectations to our employees and suppliers for respecting human rights. We want to be a good corporate citizen in every jurisdiction we operate in and to be a safe and trusted partner to all our stakeholders.

Policy framework

Cargotec is committed to the principles of the International Bill of Human Rights, UN Global Compact, OECD's guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. These commitments are reflected in the Cargotec Code of Conduct which sets the foundation for our corporate culture and established high standards for how we do business and behave in our daily work. It covers topics, such as human trafficking and child and forced labour. The Code of Conduct is approved by Cargotec's Board of Directors and applies to all employees, directors and third parties acting on behalf of Cargotec. The practical implementation of the Code of Conduct is ensured through topic-specific policies, processes and training.

Cargotec's Sustainability Policy's section on human rights describes our high-level approach to human rights due diligence, including remedy for adverse impacts on people and engagement with affected stakeholders. It includes a commitment to respect internationally recognised human rights throughout our value chain and to engage with impacted people to ensure adequate remedy.

Cargotec's Employment policy, which complements the Cargotec Code of Conduct, defines the company's basic employment principles and workplace practices. The policy applies to all Cargotec employees worldwide, and its enforcement is subject to local legislation.

Cargotec's Business Partner Code of Conduct (BPCoC) covers partners in all parts of the company's value chain, with more focus on the supply chain. It includes requirements for Cargotec's partners and suppliers related to human rights and prohibits all forms of modern slavery, including forced and child labour and human trafficking.

Cargotec's business partners

We expect our business partners to follow sustainable business practices, comply with laws and regulations and respect international human rights.

During our supplier approval process, new suppliers must meet pre-requirements and pass an audit conducted by Cargotec before they can be approved as suppliers. The pre-requirements include committing to the company's Business Partner Code of Conduct (BPCoC); a risk assessment conducted by Cargotec; and a supplier sustainability self assessment on a third-party platform. In the audits, approximately 20 percent of the checklist questions are related to the supplier's management of labour and human rights, anti-corruption and the environment.

If any non-compliance of Cargotec's BPCoC is found during assessments or audits, the company decides on corrective measures and timeframes together with the supplier. The priority is always to collaborate with the supplier to improve their sustainability performance. However, if the partner is unwilling to take the mutually agreed corrective action, Cargotec has the right to not approve a new supplier or to terminate an existing contract.

Human rights due diligence

Cargotec has initiated a human rights due diligence process that covers all business areas and functions. During 2023, Cargotec finalised its first human rights impact assessment, which covered our full value chain. The identified impacts and an external partner's feedback shed light on where Cargotec needs to focus on in its future human rights due diligence. After the planned separation of the company's core businesses, the new stand-alone companies will take the lead in further developing their own human rights due diligence processes, including conducting human rights impact assessments specifically for their operations and value chain.

During the year, Cargotec also took steps to further build internal awareness and competence on human rights. The company's human rights-related target for 2023 was to reach 100 percent completion rate on human rights training, as part of mandatory Code of Conduct training. As the Code of Conduct training was postponed to 2024 to be better aligned with the timeline of Cargotec's performance and development plan (PDP) process, the target remains the same for 2024. However, human rights training was offered as an independent e-learning course to all employees.

We have identified sourcing categories and suppliers whose products present the highest risk of containing critical minerals that may be linked to human rights violations in some geographical areas. As part of our due diligence, we request these suppliers to provide information on the smelters and refiners they work with. Cargotec aims to only purchase minerals from smelters and refiners that have completed an audit by the Responsible Minerals Initiative (RMI) and maintain good standing in the RMI auditing programme. In 2023, we began this process with cobalt and mica, in addition to conflict minerals included earlier (tungsten, tantalum, tin and gold; often referred to as 3TGs).

Grievance mechanisms

Cargotec's employees can report their concerns and potential misconduct to, for example, their own manager, local or group-level human resources or Cargotec's Ethics and Compliance function, or through the company's SpeakUp line. The SpeakUp line is an externally hosted reporting tool for anonymous reporting and can be accessed by both internal and external stakeholders. The SpeakUp line and reports filed through it are managed by Cargotec's Ethics and Compliance function.

All reported cases are evaluated confidentially and, when necessary, investigated according to the company's Code of Conduct response process. Cargotec never imposes retaliation measures on the reporting person unless the report has been intentionally filed with malice. In substantiated cases, Cargotec has a case-by-case approach to remedy and corrective action. The company's Ethics and Compliance function agrees with relevant management team members on appropriate corrective actions, such as improved controls, training, disciplinary actions or termination of third-party relationships. Similarly, appropriate and adequate means of remedy are determined based on the details of the case, the needs of the affected person or people, and local legislation. The Cargotec Leadership Team has a Code of Conduct panel that discusses compliance topics regularly and reviews the need for remedial and/or corrective measures.

During 2023, 78 reports (2022: 93 reports) of alleged misconduct were made to Cargotec's Ethics and Compliance function. The function decided to open an investigation in 16 cases (2022: 31). Of these, three cases (2022: 5) were related to possible conflict of interest issues, while two cases (2022: 9) were related to workplace environment, and three (2022:2) to export controls or sanctions issues. Other cases were related to unethical business conduct, financial integrity or other policy violations. In addition, nine cases related to

workplace environment were handled by Human Resources. No cases were related to forced labour or human trafficking.

To support suppliers with the lowest sustainability self assessment scores, Cargotec commissioned third-party onsite audits with 15 suppliers during 2023, focusing on human rights. Two Kalmar suppliers were found to use monetary penalties as disciplinary means, of which one also charged recruitment fees as a condition of employment. The suppliers received tailored improvement plans which they are working on, and Kalmar will conduct a full re-audit during 2024 to follow up on the corrective actions. Similarly, three MacGregor suppliers were found to require monetary deposits or recruitment fees from employees as a condition of employment. One of these suppliers was also found to use monetary penalties as disciplinary means. MacGregor's sourcing managers are following up on mutually agreed corrective actions with the suppliers. MacGregor will conduct an audit of all three suppliers during 2024.

Signed by
Casimir Lindholm, President and CEO, Cargotec
23 May 2024

This statement is made in accordance with section 54(1) of the UK Modern Slavery Act 2015. It constitutes our Statement on modern slavery and human trafficking for the 2023 financial year. The statement has been approved by the Cargotec Board of Directors on 20 May 2024.