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SUSTAINABILITY REVIEW 2015

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Cargotec's

Sustainability review

Sustainability is an integral part of all Cargotec's operations, and we provide information pertaining to sustainability via several media. Cargotec publishes sustainability information in the form of this annual sustainability review, as part of the Cargotec Annual Report and on the Cargotec website at www.cargotec.com.

The purpose of this review is to comply with the international GRI G4 framework and summarise the main points of Cargotec's sustainability information

into one publication. This review includes a description of Cargotec's focus areas regarding sustainability, as well as a GRI index, with references to relevant information sources where additional information can be found.

This review has been prepared in accordance with the G4 sustainability reporting guidelines defined by the global reporting initiative GRI. The review corresponds to the core option in the G4 reporting guidelines.

GRI in brief

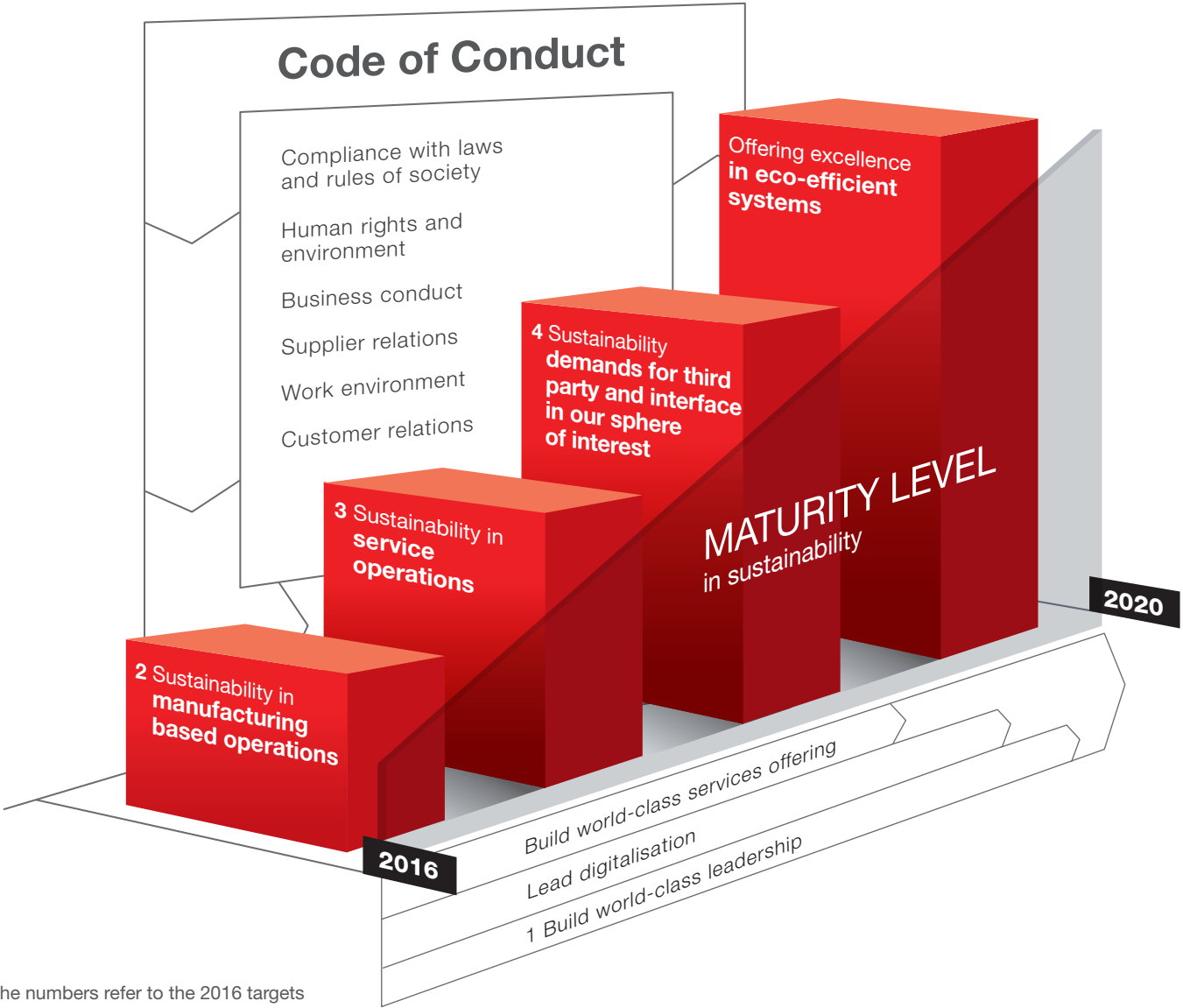
GRI – The Global Reporting Initiative – is an independent institution that develops globally applicable guidelines for organisations on how to conduct sustainability reporting. GRI's G4 guidelines for reporting sustainability are designed to be universally applicable to all organisations across the world.

The level of detail that is expected from organisations reporting on sustainability depends on what internal or external impacts are material to the organisation and its stakeholders. The GRI guidelines are available online on the GRI website.

► [The GRI guidelines are available online on the GRI website.](#)

Moving forward in our sustainability work

In 2015, we focused on creating a foundation for future sustainability work. Our aim was to continue with the implementation of our 2014 targets and integrate our sustainability work into our new strategy.



The numbers refer to the 2016 targets listed on the following page.

In 2015, our first target was to create a Cargotec-level joint environmental impact evaluation criteria for our products. Mid-year we reconsidered the initial target, as our offering scale is wide and the environmental impacts of products vary. A detailed analysis of our equipment and systems would enable us to offer our customers comprehensive information about the environmental impact of our offering and match information to meet the needs of individual customers. Hence, we decided to focus on developing a specific environmental impact evaluation of individual products at Kalmar, Hiab and MacGregor.

The second target was to review the environmental, health and safety (EHS) targets for each business area. Kalmar and Hiab reached their targets and focused on monitoring energy efficiency in manufacturing units and further improving personnel safety. At MacGregor, re-organisations and management changes postponed target implementation to the end of the year; however, the subsequent progress has been good and work towards a high EHS management level is on its way.

The third target was to improve the coverage of our environmental and safety reporting. We are now systematically monitoring all larger units centrally. As we have achieved good progress in our reporting, we will proceed to set precise numeric targets for safety issues at the corporate level.

Target four was to develop our supplier sustainability evaluation criteria. We renewed the criteria as planned, and decided to continue the process in 2016 to achieve a more comprehensive outlook of sustainability risks relating to suppliers.

Aligning sustainability work with our new strategy

Cargotec's strategy aims to secure profitable growth by focusing on services, digitalisation and people leadership. Our three must-win battles — Build world-class services offering, Lead digitalisation, Build world-class leadership — form the core of our strategy. These topics are also the focus of our

sustainability work, acting as a road map that guides our development. At the same time, progress in our sustainability targets propels us forward in achieving our must-win battles. On this path, our Code of Conduct both guides our sustainability work and grows stronger by the steps we take in advancing sustainability.

Sustainability targets for 2016

Our sustainability targets for 2016 and onwards support our strategy and help us achieve stronger maturity in sustainability.

Targets for 2016

- 1 **Permanent sustainability reviews on several management levels:**
Sustainability review is included in business area reviews – review is conducted in the business area management team and Executive Board meetings biannually, and Board of Directors meeting annually.
- 2 **IIFR 5:** Level 5 industrial injury frequency rate (IIFR) at manufacturing sites — prepare to set concrete IIFR targets for all service sites by the end of 2016.
- 3 **Service EHS concept setup:** Service EHS concept implemented by the end of the year to ensure that all Cargotec maintenance personnel have received renewed environmental and safety training.
- 4 **Supplier evaluation:** Sustainability risk analyses and audit plans for suppliers developed further by the third quarter of 2016.

The numbers refer to the respective notations in the drawing on the previous page.

Megatrends demand more sustainable cargo handling

Our sustainability road map is strongly linked to global megatrends that shape the world and transform cargo handling: digitalisation, the growth of the global consuming population, urbanisation, and growing energy concerns. For more information, please see Cargotec's Annual Review 2015 and its strategy section.

These megatrends offer us significant opportunities and prospects, in which sustainability is a prerequisite to success.

Digitalisation enables increased efficiency and sustainability, allowing customers to optimise their operations with intelligent cargo handling solutions. As a forerunner in the cargo handling business, Cargotec can support the building of more sustainable value chains as digitalisation advances.

The global consuming population is estimated to almost double in the next ten years. This increases demand for eco-efficient and intelligent cargo handling systems that decrease the load to the environment and material resources needed in the entire cargo handling chain.

Urbanisation accelerates global construction activity, increasing the need for urban logistics solutions and adding to the demand for on-road load handling solutions that can operate flexibly and safely in challenging urban areas.

The estimated annual increase of 1–2% in energy demand creates a need to further explore, produce and transport energy from various supply sources, which boosts the seaborne trade and offshore market growth. Simultaneously, the limited traditional energy resources and their continuously increasing costs set pressure to our industry to develop more energy-efficient cargo handling systems. This trend is in sync with our ambitions and supports the targets we have set for ourselves.

Megatrends

-  Population growth
-  Urbanisation
-  GDP growth per capita
-  Consuming population
-  Energy demand
-  Digitalisation

2018

We sh

Must-win battles

Build world-class



Our purpose:

ape cargo handling

services offering	Lead digitalisation	Build world-class leadership
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Sustainability governance

Cargotec's Extended Executive Board is the highest level of executive management dealing with sustainability issues. It conducts a bi-annual sustainability review and approves corporate level sustainability targets. Cargotec's Senior Vice President, Communications is responsible for sustainability issues in the Extended Executive Board.

The management teams of Kalmar, Hiab and MacGregor hold a sustainability review bi-annually for their respective business areas, and approve possible adjustment needs of the corporate level sustainability targets to ensure that the targets match business area operations.

Operationally, sustainability is managed both at a corporate and a business area level over organisational boundaries. Key responsible organisations are units working with strategy, quality, R&D, sourcing, EHS (environment, health and safety), HR and legal issues. The corporate level sustainability targets are proposed, reported on and monitored both internally and externally by Cargotec's Corporate Responsibility function, and each business area has its own function responsible for coordinating its sustainability work.

Sustainability targets are implemented and monitored in both shared and separate processes jointly by business areas and the Corporate Responsibility function. In general, results and anomalies are reported to the Executive Board as one entity. Certain sustainability perspectives, when relevant, are also presented separately as parts of other projects. Sustainability issues are always brought forward separately if the need arises.

Our Board of Directors' roles and responsibilities regarding sustainability issues and the processes through which such issues are brought to the Board's attention are explained in detail in the Corporate Governance principles found on the Cargotec website. In 2016, Cargotec is starting a new practice whereby sustainability issues will be presented to the Board in the form of a consolidated sustainability review.

The sustainability responsibilities of the various corporate and business functions will be further clarified in 2016, and steps will be taken to further standardise the sustainability work and enhance its efficiency.

Policies and management approach

The main goals and principles of our sustainability work are defined by Cargotec's Code of Conduct and our policies. The Code of Conduct defines our way of working. It describes the basic principles of ethical integrity together with our Anti-Corruption Policy, which resolutely prohibits transgression of any kind in our actions. The Cargotec Code of Conduct can be reviewed at www.cargotec.com.

Social responsibility principles are defined in more detail in our Employment policy and in other related HR policies. The implementation of HR policies is monitored primarily with our human resource information system ZONE, which has been in use globally since January 2015. With ZONE we get better visibility to our workforce, enabling us to assess the implementation rate of certain HR policies and processes. To ensure that our principles regarding social responsibility are understood everywhere

at Cargotec, the Code of Conduct review is also included in Cargotec's Performance and Development Plan discussions.

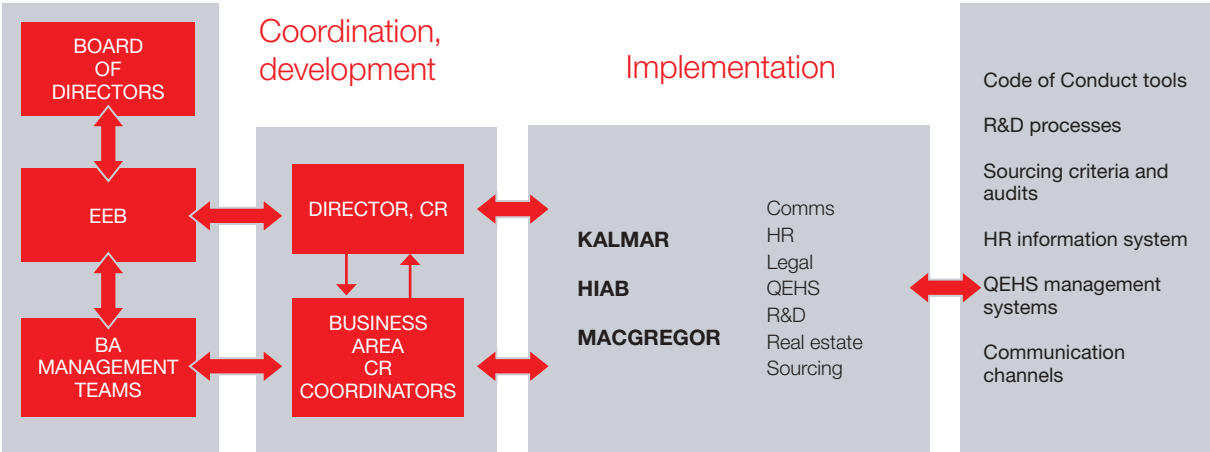
Cargotec's EHS policy determines principles relating to environmental and safety management. The EHS policy is implemented within the integrated management systems, including processes described in the EHS and Quality management standards ISO14001, ISO9001 and OHSAS18001. The coverage of externally certificated systems of Cargotec production sites are ISO14001: 75%; OHSAS18001: 60% and ISO9001: 90%. EHS policy is also integrated into each business area's R&D processes to ensure that environmental, health and safety aspects are understood in product development to a reasonable level within each individual product type.

Supply chain management consists of Cargotec Sourcing Council, including business area presidents and the Cargotec CEO. Each of the three business areas have supply management teams that report directly to the business area in order to better support the needs of the business. There is a high level of collaboration between the business areas' Supply chain management teams in 11 different areas in order to gain synergies across the entire corporation. These collaboration areas include, for example, supplier development and sustainability. All new suppliers are audited based on Cargotec's supplier criteria prior to acceptance. The Cargotec and business area supplier criteria are built to ensure that our suppliers conduct their business in compliance with international human rights and environmental laws.

CR governance and processes

Reviews, targets, policies

Controls, tools



EEB: Extended Executive Board
 BA: Business area
 CR: Corporate responsibility
 QEHS: Quality, Environment, Health & Safety

Materiality analysis

Cargotec aims to report on sustainability issues in a manner that meets the needs of our customers and investors. We actively involve them in discussions regarding the content of our reporting to improve our communication. This review describes our work and sustainability focus areas, also taking into consideration the communication needs towards external stakeholders. Our strategy defines our sustainability approach, which has set the basis for the review.

The reported material key indicators are based on our internal KPIs, measurements, processes and policy statements. To ensure that the review is comparable with other companies and fulfils requests by external stakeholders, our current sustainability reporting framework has been influenced by peer and competitor benchmarking, as well as day-to-day work that involves analysing investor and customer requests. Our sustainability reporting has also been influenced by requests arising from Cargotec's commitment to the UN Global Compact and other key international commitments and organisations relating to sustainability (EHS) issues.

Some examples of our work in this area: in 2012, ten of our main clients and analysts were interviewed for a Master's thesis on our sustainability reporting, which indicated that although our stakeholders were satisfied with our reporting, they wished for more information on sustainability targets, costs and product life cycles.

In 2013, we conducted a Key Account Review of approximately 50 of our largest clients. Our goal was to assess how they report on sustainability issues and to add to our insight into how key customers wish to see us report on sustainability.

From 2010 onwards, Cargotec's sustainability reporting content has been approved by senior executive management representatives or the Cargotec Executive Board.

The Executive Board has assessed the reporting content of this 2015 review to evaluate its alignment with our new strategy and our sustainability targets, and to ensure that we report matters that are both internal priorities and of interest to our stakeholders. Although no external comments were received from stakeholders requesting changes in the review, the Executive Board approved the reporting content with some adjustments to help define a standard reporting structure and ease comparisons with future reporting. As our strategy work advances, the reporting structure will most likely be somewhat adjusted in the future as well.

Interaction with stakeholders

We uphold open and transparent dialogue with our various stakeholder groups, actively responding to information requests and queries and proactively providing information online, 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. Cargotec's main stakeholders are its customers, personnel and investors.

Cargotec serves investors on many fronts. We provide rapid and easy access to the latest company information online to support fair valuation of the company's shares, and we regularly arrange meetings with investors. In 2015, our Capital Markets Day for analysts and investors was arranged in London in November.

Our business areas gather customer feedback regularly and engage in active dialogue with customers through, for example, direct meetings, marketing, extranet, newsletters and social media. Examples of new forums set up to enhance customer dialogue in 2015 include Kalmar's global Dealer Forum, which provides valuable feedback utilised in setting the business area's growth agenda, and Hiab's Dealer Council – a forum owned by dealers – that has already provided valuable input. Customer input is also increasingly used in product development; a noteworthy example of this is Hiab's BIG5 range in which customer insight formed the foundation for the entire product design phase.

Cargotec's online Human Resources Information System ZONE is a key tool for managing, monitoring and analysing data about our employees. Cargotec's intranet and its People Portal section serve as a platform for distributing people processes and ZONE related information. We periodically conduct structured surveys with our employees, such as employee satisfaction surveys, and regularly arrange co-operation group meetings, target and performance discussions as well as team meetings and personnel info meetings.

Our other stakeholder groups include suppliers, authorities, research and educational institutions, and media. Cargotec actively monitors global dialogue regarding sustainability issues and attends Global Compact networks as a member. We participate in numerous collaborations with research institutions in sustainable product development initiatives. For example, Hiab completed an EU-funded project, iLoad, in collaboration with two Polish universities: West Pomeranian University and the Silesian University of Technology. An augmented Reality Control project and smaller project collaborations with KTH in Stockholm and Umeå University continue into 2016. Kalmar's most significant research collaborations are with Tampere Technical University, Finland, with which it has established versatile cooperation. Kalmar is also actively involved in FIMA (the Forum for Intelligent Machines) and has joint projects with, for example, VTT Technical Research Centre of Finland Ltd. Kalmar and MacGregor both collaborate with Åbo Akademi University in Finland, and both are also active participants in projects coordinated by FIMECC (Finnish Metals and Engineering Competence Cluster).

Accounting

principles and reporting boundary

Aspect boundaries within the organisation

Cargotec's sustainability information, presented in the GRI table and related materials, are reported from all Cargotec sites. Certain indicators are reported from Cargotec production sites. Those indicators are:

G4-EN3; G4-EN5; G4-EN6; G4-EN8;
G4-EN15; G4-EN16; G4-EN18; G4-EN21;
G4-EN23; G4-EN32; G4-LA5; G4-LA6;
G4-LA14; G4-HR10.

According to the Cargotec sustainability accounting principles, new sites (sites acquired or rebuilt) should start the reporting of their environmental and safety-related figures after a reasonable time of EHS management practice implementation. Normally this has been completed after one full operational year. If production on a site is closed during a year, the site's figures are consolidated until the end of that year.

Production sites in this review include 16 units (2014: 17). Compared to 2014, the production site in Germany is now included in the review as a new site and one of the two UK sites is excluded. Additionally, the production on one site in Sweden has ended and it has been removed from the 2015 external reporting. When comparing the information from previous years, the following changes have taken place in the number of reporting sites: in the EHS report in 2013, 14 sites were included and the production sites in Poland were reported as one unit. In 2014, the Polish sites started reporting as two units due to a re-organisation process. In 2014, two production sites were added to the reporting scope:

one in the USA and one in the UK. One production site in India and one in Korea are not included in any of the figures, nor are they included in the 2015 information.

Aspect boundaries outside the organisation

The Cargotec sustainability review describes company policies and related management processes related to certain material aspects that are outside of Cargotec Group companies. These include information about our supplier management and our approach to other third party interaction. Those indicators are:

G4-EN32; G4-LA14; G4-HR4; G4-HR5;
G4-HR6; G4-HR10 as well as G4-24-G4-27.

Accounting methodology, conversion factors, discrepancies

Economic responsibility data presented in this review is based on Cargotec Corporation's audited consolidated financial statements and collected through Cargotec's centralised financial reporting and consolidation system. Data has been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union. Cargotec's accounting principles for the consolidated accounts are available in note 2 to the consolidated financial statements.

G4-EC1 has been defined and calculated as follows:

Sales include revenues from goods and services sold to customers during the financial year. Sales taxes and discounts are deducted from sales.

Purchases include the cost of goods and services purchased from suppliers during the financial year. The figure includes also capital expenditure.

Wages and benefits include wages, salaries and bonuses paid and/or accrued to Cargotec employees during the financial year as well as social costs of employment for the financial year. They also include fringe benefits and pension costs.

Creditors' share of value added is presented as interest on debt and borrowings.

The distribution of value added to the public sector includes income taxes. No deferred taxes are included in this figure. The distribution of value added to shareholders is the total dividend which Cargotec's Board of Directors proposes for distribution to shareholders from the parent company's distributable funds.

Unit conversions used in environmental, health and safety data consolidation are based on the International System of Units (SI). Energy consumption and water consumption are based on invoices or continuous measurements. Cargotec greenhouse gas emissions are calculated by using energy consumption at production sites as a proxy. When supplier/rental operations at a site use the site energy, this consumption is included in the total energy consumption. The disclosed GHG emissions include all greenhouse gases generated from direct and indirect energy consumption within the

organisation. Gross GHG emissions are presented in CO₂ equivalent tonnes. CO₂ emission factors for the 2015 figures relating to direct energy usage (GHG Scope 1) are based on Statistics Finland's fuel classification 2015. Emission factors for indirect energy usage (GHG Scope 2) are from the IEA Statistics publication "CO₂ Emissions from Fuel Combustion" (International Energy Agency, 2015). Conversion factors for earlier years remain unchanged for the gross amount figures. Other emissions to air are reported in case the site is requested to have an environmental permit for emission release. As the air emissions are regulated locally the calculations are based on site-specific methods.

The base year was reset as 2013 due to significant changes in the reporting scope. The historical data of new reporting sites is not available. Energy and GHG emission intensity indices include all production sites in the reporting scope.

Personnel-related information unit is head count. The amount of Cargotec employees by business area, presented under G4-10, is derived from Cargotec's legacy HR system with the principles defined in the Financial review 2015. Other HR-related data is based on data from Cargotec's new online human resources information system. There is a slight difference between the two systems concerning head count information, but the difference is considered insignificant. Unless otherwise stated, HR figures include permanent (full-time and part-time) and temporary employees, trainees and supervised workers. We continue to develop the new system to further enhance its data quality.

GRI index

SR: Sustainability review 2015 **AR:** Annual review 2015 **FR:** Financial review 2015

GRI CONTENT		REFERENCE AND OMISSIONS	UNGC principle
GENERAL STANDARD DISCLOSURES			
STRATEGY AND ANALYSIS			
G4-1	Statement from the CEO	AR: CEO's review	
G4-2	Description of key impacts, risks, and opportunities	AR: Megatrends, Strategy SR: Moving forward in our sustainability work	
ORGANISATIONAL PROFILE			
G4-3	Name of the organisation	AR: Cargotec in brief	
G4-4	Primary brands, products, and services	AR: Kalmar, Hiab, MacGregor	
G4-5	Headquarters' location	AR: Cargotec in brief	
G4-6	Countries of operation	AR: Cargotec in brief SR: Accounting principles	
G4-7	Nature of ownership and legal form	FR: Cargotec corporate governance statement 2015	
G4-8	Markets served	AR: Cargotec in brief, Kalmar, Hiab, MacGregor	
G4-9	Scale of the organisation	AR: Company key figures	

G4-10	Employee data	<p>SR: Accounting principles</p> <table border="1"> <thead> <tr> <th>Cargotec employees by business area</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Kalmar</td> <td>5,328</td> <td>5,219</td> <td>5,269</td> </tr> <tr> <td>Hiab</td> <td>2,757</td> <td>2,572</td> <td>2,823</td> </tr> <tr> <td>MacGregor</td> <td>2,543</td> <td>2,737</td> <td>2,354</td> </tr> <tr> <td>Corporate</td> <td>209</td> <td>176</td> <td>164</td> </tr> <tr> <td>Total</td> <td>10,837</td> <td>10,703</td> <td>10,610</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Total workforce by employees and supervised workers and by gender¹</th> <th>%</th> <th>Female %</th> </tr> </thead> <tbody> <tr> <td>Share of own employees in total workforce</td> <td>93</td> <td>18</td> </tr> <tr> <td>of which permanent contracts</td> <td>87</td> <td>17</td> </tr> <tr> <td>of which temporary contracts</td> <td>12</td> <td>22</td> </tr> <tr> <td>of which trainees</td> <td>1</td> <td>29</td> </tr> <tr> <td>Share of supervised workers in total workforce</td> <td>7</td> <td>18</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Permanent employees by employment type and gender²</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Fulltime</td> <td>98</td> </tr> <tr> <td>of which female (%)</td> <td>16</td> </tr> <tr> <td>Part-time</td> <td>2</td> </tr> <tr> <td>of which female (%)</td> <td>58</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Total workforce by region and gender¹</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>EMEA</td> <td>61</td> </tr> <tr> <td>of which female</td> <td>18</td> </tr> <tr> <td>APAC</td> <td>25</td> </tr> <tr> <td>of which female</td> <td>18</td> </tr> <tr> <td>AMER</td> <td>14</td> </tr> <tr> <td>of which female</td> <td>19</td> </tr> <tr> <td>Total workforce</td> <td>100</td> </tr> <tr> <td>of which female</td> <td>18</td> </tr> </tbody> </table> <p>1) Total workforce includes supervised workers. Headcount of the total workforce was 11,749. 2) Number of permanent employees was 9,576. Majority of the work managed by Cargotec is conducted by own employees. There are no significant variations in the employment numbers during the reporting period.</p>	Cargotec employees by business area	2015	2014	2013	Kalmar	5,328	5,219	5,269	Hiab	2,757	2,572	2,823	MacGregor	2,543	2,737	2,354	Corporate	209	176	164	Total	10,837	10,703	10,610	Total workforce by employees and supervised workers and by gender¹	%	Female %	Share of own employees in total workforce	93	18	of which permanent contracts	87	17	of which temporary contracts	12	22	of which trainees	1	29	Share of supervised workers in total workforce	7	18	Permanent employees by employment type and gender²	%	Fulltime	98	of which female (%)	16	Part-time	2	of which female (%)	58	Total workforce by region and gender¹	%	EMEA	61	of which female	18	APAC	25	of which female	18	AMER	14	of which female	19	Total workforce	100	of which female	18	6
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G4-11	Collective bargaining agreements	<p>Collective bargaining agreements are applied on a country-specific basis. Information on the bargaining agreement coverage is available in Finland and Sweden, where payroll system is integrated into HR systems. 96% of our employees in Finland and 100% in Sweden are covered by local bargaining agreements. Statistics are not available for operations in other locations.</p>	3																																																																						

G4-12	The organisation's supply chain	<p>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 and price. Compliance with laws and regulations, and respect of international human rights are required of each supplier. The decreasing trend in the number of suppliers will continue as business areas concentrate increasingly on preferred suppliers.</p> <p>In Kalmar, the total number of suppliers was around 1,100 at the end of 2015 – down by ca. 100 suppliers from 2014. Approximately half of the suppliers were from Europe, roughly 25% from America and about 20% from Asia. The share of Eastern European and Chinese partners is increasing. The top-50 suppliers covered 60 percent and the top-100 suppliers 75 percent of the supply volume. Currently, Kalmar has 30 strategic global partners, whose agreements last from three to five years at a time. Those strategic partners are monitored by Kalmar's global Supplier Relationship Management in order to ensure that the supplier requirements are met.</p> <p>Hiab has a total of some 800 suppliers, of which 20–25 are preferred suppliers. Focusing on preferred suppliers enables continuous development. Together with a few selected suppliers, Hiab runs extended Supplier Relationship Management programmes to generate competitive advantages, business benefits and customer values for both Hiab and the suppliers. The top-50 suppliers covered 65 percent and the top-100 suppliers 80 percent of the supply volume. The major part of Hiab suppliers is from Europe (81%), whereas the share of Eastern Europe suppliers is increasing due to the strong focus on the factory in Stargard, Poland. The rest of the suppliers come from America (13%) and Asia (6%).</p> <p>MacGregor has a history of more than 20 years of collaboration with particular suppliers, and the termination of contracts is extremely rare. The number of suppliers leaped in 2013–2014 due to acquisitions and was approximately 900 at the end of 2015. The top-50 suppliers covered 65 percent and the top-100 suppliers 75 percent of the supply volume. Over 70% of the supplier volume was from Asia.</p>	
G4-13	Significant changes during the reporting period	<p>AR: Kalmar, Hiab, MacGregor FR: Board of Director's report</p>	
G4-14	Precautionary approach	Cargotec has signed the Global Compact, which includes the principle on precautionary approach. Additionally, Cargotec's environmental, health and safety policy defines the precautionary approach as the basic objective of Cargotec EHS work.	
G4-15	External characters, principles and initiatives	<ul style="list-style-type: none"> • United Nations initiative "Global Compact" • UN Declaration of Human Rights • ILO Declaration on Fundamental Principles and Rights at Work • OECD Guidelines for Multinational Enterprises • ICC Business Charter • Clinton Global Initiative • Baltic Sea Action Group <p>All initiatives are voluntary and multi-stakeholder in nature.</p>	
G4-16	Memberships in associations	<ul style="list-style-type: none"> • Baltic Sea Action Group (BSAG) • Center of Maritime Technologies (CMT) • Finnish Industrial Internet Forum (FIIF) • Finnish Marine Industries • Finnish Metals and Engineering Competence Cluster (FIMECC) • German Engineering Federation (VDMA): Marine Equipment and Systems • Global Compact Nordic Network • ICC Finland • Norwegian Offshore & Drilling Engineering (NODE) • Port Equipment Manufacturers Association (PEMA) 	

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	List of entities in the consolidated financial statement	FR: Consolidated financial statements (IFRS)	
G4-18	Defining the report content and the aspect boundaries	SR: Materiality analysis	

G4-19	Material aspects identified	<p>SR: Accounting principles and reporting boundary</p> <p>LIST OF MATERIAL ASPECTS IDENTIFIED:</p> <p>Economic: Economic performance</p> <p>Environmental: Energy, Water, Emissions, Effluents and waste, Supplier environmental assessment, Environmental grievance mechanisms</p> <p>Social: <i>Labour practice and decent work:</i> Employment, Labour/management relations, Occupational health and safety, Training and education, Diversity and equal opportunity, Supplier assessment for labour practices, Labour practices grievance mechanisms</p> <p><i>Human rights:</i> Freedom of association and collective bargaining, Child labour, Forced or compulsory labour, Supplier human rights assessment, Human rights grievance mechanism; <i>Society:</i> Anti-corruption, Grievance mechanisms for impacts on society</p> <p><i>Product responsibility:</i> Customer health and safety, Product and service labeling</p>	
G4-20	Aspect boundary within the organisation	SR: Accounting principles and reporting boundary	
G4-21	Aspect boundary outside the organisation	SR: Accounting principles and reporting boundary	
G4-22	The effect of restatements of information provided in previous reports	There are a few changes related to environmental and safety figures from 2013 and 2014, but effect of these restatements in total figures is minor.	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	SR: Accounting principles and reporting boundary	

STAKEHOLDER ENGAGEMENT		
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G4-24	List of stakeholder groups engaged	SR: Interaction with stakeholders	
G4-25	Identificaton and selection of stakeholders	SR: Interaction with stakeholders	
G4-26	Approach to stakeholders engagement	SR: Interaction with stakeholders	
G4-27	Response to key topics and concerns raised	<p>SR: Interaction with stakeholders, Materiality analysis</p> <p>In addition to ongoing dialogue, certain issues regarding Cargotec's operations and responsible business have been given special attention. We have been open and transparent in these discussions and wish to continue to do so in the future.</p> <p>Our interaction with employees builds a foundation for both innovations and a committed workforce. We receive highly valuable feedback from our employees. Structured methods of gathering employee feedback include our employee engagement survey Compass.</p> <p>In 2015 Compass received an 86% response rate (2014: 75%). Among other things, 2015 Compass results show that employee engagement has increased slightly from the previous year, from 69% to 70% in 2015. Overall work satisfaction level was now 66% (2014: 62%). Based on our employee feedback, their understanding, belief and commitment to the future strategies of our business areas has consistently increased and employees find the development of our Customer Focus as positive. Still, there is room for improvement in both of these areas and we will continue efforts to develop these aspects of our operations.</p> <p>Cargotec has also commented on United Against Nuclear Iran's discussion about Cargotec equipment, which has been sold to Iran via second-hand channels not controlled by Cargotec and reportedly seen to be used in human rights violations.</p> <p>We are sad and deeply concerned about the ongoing situation. We have clearly stated that we have and will continue to follow international rules and regulations regarding trade with Iran. As Iran's trade develops we will assess possible impacts of our actions to find if Cargotec's operations affect the existence and possible continuation of these possible human rights violations.</p>	

REPORT PROFILE

G4-28	Reporting period	1 January 2015–31 December 2015	
G4-29	Date of the most recent previous report	Cargotec SR 2014 on 24 April 2015	
G4-30	Reporting cycle	Annual	
G4-31	Contact point for questions	communications(at)cargotec.com	
G4-32	'In accordance' option, GRI content index, and external assurance	This review has been prepared in accordance with the G4 sustainability reporting guidelines defined by the global reporting initiative GRI. The review corresponds to the core option in the G4 reporting guidelines. See the Independent assurance report. The external assurance covers indicators under the specific standard disclosures as well as G4-10 and G4-11 under the general standard disclosures.	
G4-33	Assurance	See the Independent assurance report.	

GOVERNANCE

G4-34	Governance structure	Link to website: Corporate governance section SR: Governance	
G4-35	The process for delegating authority for sustainable topics	Link to website: Corporate governance section SR: Governance	
G4-36	Executive-level positions with responsibility for sustainability topics	SR: Governance	
G4-37	Processes for consultation between stakeholders and the highest governance body on sustainability topics	Link to website: Corporate governance section SR: Materiality analysis, Interaction with stakeholders, Governance	

ETHICS AND INTEGRITY

G4-56	Codes of conduct, codes of ethics	Link to website: Code of Conduct	10
G4-57	Mechanism for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity	Link to website: Code of Conduct	10
G4-58	Mechanism for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	Link to website: Code of Conduct	10

SPECIFIC STANDARD DISCLOSURES

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA | SR: Sustainability governance

ECONOMIC

ECONOMIC PERFORMANCE

G4-EC1	Direct economic value generated and distributed	Economic value generated and distributed, MEUR	2015	2014	2013
		Economic value generated	3,729	3,358	3,181
		Sales	3,729	3,358	3,181
		Economic value distributed	3,627	3,309	3,177
		Purchases	2,811	2,567	2,515
		Wages and benefits	680	636	581
		Interest expenses	21	33	24
		Income taxes	63	37	31
		Dividends	52 ¹	35	27
		Economic value retained	102	49	4
		1) Based on the Board's proposal for dividend Omission: Taxes by region/country are not disclosed. Cargotec will develop the tax reporting in line with the upcoming changes in the international reporting.			
G4-EC3	Coverage of the organisation's defined benefit plan obligations	FR: note 27, Employee benefits Omission: Cargotec does not disclose the level of participation in retirement plans. The development of the reporting will be in line with the the development of our systems and processes in due course.			

ENVIRONMENTAL

ENERGY

G4-EN3	Energy consumption within the organisation	SR: Accounting principles and reporting boundary				7, 8
		Energy consumption, TJ	2015	2014	2013	
		Direct energy consumption	135.54	130.92	117.07	
		Non-renewable sources	135.12	130.92	117.07	
		Diesel	30.81	27.02	24.21	
		Gasoline	0.003	0.00	0.00	
		Kerosene	0.41	1.75	0.00	
		Light fuel oil	8.59	6.80	7.35	
		Liquified petroleum gas	14.64	14.69	18.34	
		Natural gas	80.67	80.66	67.17	
		Renewable sources	0.42	0	0	
		Wood pellets	0.42	0	0	
		Indirect energy consumption	195.25	234.25	219.36	
		Electricity	145.73	171.06	163.00	
		District heat	49.52	63.19	56.36	
		Total energy consumption	330.79	365.17	336.43	
				Consumption of indirect energy decreased 17%, and direct energy consumption increased 4% compared to 2014. Total energy consumption decreased 9% compared to 2014. No energy is sold outside the organisation. No cooling or steam consumption within the organisation.		
		G4-EN5	Energy intensity	SR: Accounting principles and reporting boundary		
Energy intensity	2015			2014	2013	
Energy intensity index ¹	82			105	100	
		1) Energy intensity index is based on the ratio: total energy consumption/sales by production sites. The reference year is 2013, where index value is 100. In 2015, energy intensity decreased 22% compared to 2014.				

G4-EN6	Reduction of energy consumption	<p>Energy reduction was set as an environmental target in Kalmar and Hiab business areas. Kalmar reached its target of reducing energy consumption by 2%. Reduction of Kalmar's total energy consumption was 14.48 TJ, and total indirect and direct energy consumption decreased 10% from the 2014 level. In Hiab the target was to continuously improve energy efficiency. Hiab's energy savings were 40.18 TJ, and decrease in total energy consumption was 19% from the 2014 level. Reduction in Hiab was mostly due to changes in production footprint and related changes in the reporting boundary. A more comprehensive example on Cargotec's energy consumption is given in the energy intensity index, which represents the energy consumption in proportion to sales.</p>									
G4-EN7	Reduction in energy requirements of products and services	<p>There is no industrial standard currently existing for evaluating the environmental impacts of any of the Cargotec products or services. The Cargotec product range is wide, which increases the difficulty in having one evaluation methodology or same parameters to evaluate all products or services. Therefore, business areas have developed evaluation methodologies and related parameters as per individual products and/or services, when required by customers, regulation or other market development need. We do not publish calculation methodologies or detailed information about the technical achievements due to business secrets. Energy reductions are presented as percentage as it gives a better perspective to the scale of reduction.</p> <p>Products listed under this indicator are those that have been launched during the 2015 reporting period. Please refer to cargotec.com, kalmarglobal.com, hiab.com and macgregor.com for more information about our eco-efficient offering.</p> <p>Kalmar: K-Motion, new drive train system embedded in the Gloria reachstacker. Fuel reduction during usage time up to 40% compared to standard reachstacker. Our estimation is based on the energy usage litre/hour. ASC 5.0. Automatic stacking crane, decreasing energy usage by approximately 3%. Our estimation is based on the MWh/h. AR: Kalmar section.</p> <p>Hiab: MULTILIFT Futura, energy savings compared to standard product are approximately 10%. Our estimation is based on the energy usage litre/hour. MOFFETT E-Series E2 and E4 electric truck-mounted forklifts. These are lithium-ion-powered forklifts that replace the previous diesel-powered models, thereby removing the requirement to use traditional fuels. AR: Hiab section.</p> <p>MacGregor: MacGregor semi-electric knuckle-boom crane. Crane is mostly electrically powered with hydraulic cylinders to control jib movements. With re-generative energy system, the crane decreases ships' overall power consumption. Our estimation is based on the energy usage kWh/litre. AR: MacGregor section.</p>	8, 9								
WATER											
G4-EN8	Total water withdrawal by source	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Water consumption, m³</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2013</th> </tr> </thead> <tbody> <tr> <td>Municipal water supplies</td> <td style="text-align: center;">90,600</td> <td style="text-align: center;">87,400</td> <td style="text-align: center;">82,700</td> </tr> </tbody> </table> <p>Sites are connected to public drainage systems, one site has its own well. No other water sources are used.</p>	Water consumption, m ³	2015	2014	2013	Municipal water supplies	90,600	87,400	82,700	7, 8
Water consumption, m ³	2015	2014	2013								
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EMISSIONS																							
G4-EN15 G4-EN16	Direct greenhouse gas (GHG) emissions (Scope 1) Energy indirect greenhouse gas (GHG) emissions (Scope 2)	<p>SR: Accounting principles and reporting boundary</p> <table border="1"> <thead> <tr> <th>GHG emissions, tCO₂e</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Direct GHG emissions</td> <td>8,100</td> <td>7,800</td> <td>7,100</td> </tr> <tr> <td>Indirect GHG emissions</td> <td>24,900</td> <td>23,900</td> <td>18,200</td> </tr> <tr> <td>Total</td> <td>33,000</td> <td>31,700</td> <td>25,300</td> </tr> </tbody> </table> <p>Even though indirect energy consumption has decreased compared to 2014, Scope 2 emissions have increased due to changes in the production footprint and related country-specific CO₂ emission factors. The increase of Scope 1 emissions is due to increased direct energy usage. Scope 1 emissions include also diesel used in testing, parts of which are left in the product's tank while the product is being delivered to the customer. No biogenic CO₂ emissions.</p>	GHG emissions, tCO ₂ e	2015	2014	2013	Direct GHG emissions	8,100	7,800	7,100	Indirect GHG emissions	24,900	23,900	18,200	Total	33,000	31,700	25,300	7, 8				
GHG emissions, tCO ₂ e	2015	2014	2013																				
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G4-EN18	Greenhouse gas (GHG) emissions intensity	<p>SR: Accounting principles and reporting boundary</p> <table border="1"> <thead> <tr> <th>GHG emissions intensity</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>GHG emissions intensity index¹</td> <td>108</td> <td>121</td> <td>100</td> </tr> </tbody> </table> <p>1) GHG emissions intensity is based on the ratio: total GHG emissions/sales by production sites. The reference year is 2013, where index value is 100. In 2015, emissions intensity decreased 11% compared to 2014.</p>	GHG emissions intensity	2015	2014	2013	GHG emissions intensity index ¹	108	121	100	8												
GHG emissions intensity	2015	2014	2013																				
GHG emissions intensity index ¹	108	121	100																				
G4-EN21	NO _x , SO _x and other significant air emissions	<table border="1"> <thead> <tr> <th>Weight of emissions, t</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Nitrogen oxides</td> <td>2.0</td> <td>2.7</td> <td>0.7</td> </tr> <tr> <td>Particulate matter</td> <td>0.2</td> <td>0.1</td> <td>0.1</td> </tr> <tr> <td>Sulphur dioxide</td> <td>0.2</td> <td>0.3</td> <td>0.3</td> </tr> <tr> <td>Volatile organic compounds</td> <td>54.6</td> <td>51.4</td> <td>50.6</td> </tr> </tbody> </table>	Weight of emissions, t	2015	2014	2013	Nitrogen oxides	2.0	2.7	0.7	Particulate matter	0.2	0.1	0.1	Sulphur dioxide	0.2	0.3	0.3	Volatile organic compounds	54.6	51.4	50.6	7, 8
Weight of emissions, t	2015	2014	2013																				
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Sulphur dioxide	0.2	0.3	0.3																				
Volatile organic compounds	54.6	51.4	50.6																				
EFFLUENTS AND WASTE																							
G4-EN23	Total weight of waste by type and disposal method	<table border="1"> <thead> <tr> <th>Weight of waste, t</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Hazardous waste for disposal</td> <td>500</td> <td>700</td> <td>400</td> </tr> <tr> <td>Non-hazardous waste for disposal</td> <td>1,200</td> <td>1,100</td> <td>1,100</td> </tr> <tr> <td>Recycled waste</td> <td>7,400</td> <td>5,700</td> <td>6,400</td> </tr> <tr> <td>Total waste</td> <td>9,100</td> <td>7,500</td> <td>7,800</td> </tr> </tbody> </table> <p>Waste reporting criteria has been revised in 2015, which may affect the comparability of the figures year-to-year. Omission: Cargotec does not publish information on disposal methods due to lack of data from waste management contractors. Approximately 40–50% of the waste is metal and aluminium, which have a high recycling rate. In addition there was a small amount of waste generated with no weight data available.</p>	Weight of waste, t	2015	2014	2013	Hazardous waste for disposal	500	700	400	Non-hazardous waste for disposal	1,200	1,100	1,100	Recycled waste	7,400	5,700	6,400	Total waste	9,100	7,500	7,800	8
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Total waste	9,100	7,500	7,800																				
G4-EN24	Total number and volume of significant spills	No significant spills have occurred during the reporting period.																					
SUPPLIER ENVIRONMENTAL ASSESSMENT																							
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	See G4-LA14	8																				
ENVIRONMENTAL GRIEVANCE MECHANISMS																							
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	A small number of cases reported prior to 2015 are still under process according to our own procedures. During 2015, 19 new cases were reported through the Code of Conduct response process. Of these, seven (7) cases have or should be closed pending final review. Others remain open under an active or pending internal investigation or review process. The grievances are mostly around areas of business conduct and work environment as defined in our code. Due to the low amount of cases, to protect the anonymity of persons/organisations in question, Cargotec does not publish any other detailed information about these cases.	8																				

SOCIAL

EMPLOYMENT

G4-LA1	Total number and rates of new employee hires and turnover by age group, gender and region	<table border="1"> <thead> <tr> <th colspan="4">Rate of new employee hires and employee turnover</th> </tr> <tr> <th></th> <th>Number</th> <th colspan="2">%</th> </tr> </thead> <tbody> <tr> <td>New employee hires¹</td> <td>1,044</td> <td colspan="2">11</td> </tr> <tr> <td>Employee turnover²</td> <td>1,350</td> <td colspan="2">14</td> </tr> <tr> <td>Voluntary turnover³</td> <td>700</td> <td colspan="2">7</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">New employee hires by gender, age group and region</th> </tr> <tr> <th></th> <th>Number</th> <th>% of new hires</th> <th>New hire rate¹ %</th> </tr> </thead> <tbody> <tr> <td colspan="4">New employee hires by gender</td> </tr> <tr> <td>Male</td> <td>840</td> <td>80</td> <td>11</td> </tr> <tr> <td>Female</td> <td>204</td> <td>20</td> <td>12</td> </tr> <tr> <td colspan="4">New employee hires by age group</td> </tr> <tr> <td>Under 30 years old</td> <td>353</td> <td>34</td> <td>28</td> </tr> <tr> <td>30–50 years old</td> <td>552</td> <td>53</td> <td>10</td> </tr> <tr> <td>Over 50 years old</td> <td>124</td> <td>12</td> <td>5</td> </tr> <tr> <td colspan="4">New employee hires by region</td> </tr> <tr> <td>EMEA</td> <td>380</td> <td>36</td> <td>6</td> </tr> <tr> <td>APAC</td> <td>352</td> <td>34</td> <td>17</td> </tr> <tr> <td>AMER</td> <td>312</td> <td>30</td> <td>20</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Employee turnover by gender, age group and region</th> </tr> <tr> <th></th> <th>Number</th> <th>%</th> <th>Turnover rate² %</th> </tr> </thead> <tbody> <tr> <td colspan="4">Employee turnover by gender</td> </tr> <tr> <td>Male</td> <td>1,113</td> <td>82</td> <td>14</td> </tr> <tr> <td>Female</td> <td>237</td> <td>18</td> <td>14</td> </tr> <tr> <td colspan="4">Employee turnover by age group</td> </tr> <tr> <td>Under 30 years old</td> <td>251</td> <td>19</td> <td>20</td> </tr> <tr> <td>30–50 years old</td> <td>718</td> <td>53</td> <td>13</td> </tr> <tr> <td>Over 50 years old</td> <td>379</td> <td>28</td> <td>15</td> </tr> <tr> <td colspan="4">Employee turnover by region</td> </tr> <tr> <td>EMEA</td> <td>637</td> <td>47</td> <td>11</td> </tr> <tr> <td>APAC</td> <td>348</td> <td>26</td> <td>17</td> </tr> <tr> <td>AMER</td> <td>365</td> <td>27</td> <td>23</td> </tr> </tbody> </table> <p>Disclosure of turnover and new hires is based on the data on permanent employees. There was no age group information available of 15 persons hired and 2 persons leaving the company.</p> <p>1) The new employee hire rate is based on the following ratio: number of new permanent employees/total number of permanent employees at the end of the year. For example, a new employee hire rate inside a breakdown group is: number of new permanent female employees/total number of permanent female employees.</p> <p>2) Turnover rate is based on the following ratio: number of permanent employees leaving the company/number of permanent employees at the end of the year.</p> <p>3) Voluntary turnover is based on the ratio: permanent employees resigning voluntarily/total number of permanent employees.</p>	Rate of new employee hires and employee turnover					Number	%		New employee hires ¹	1,044	11		Employee turnover ²	1,350	14		Voluntary turnover ³	700	7		New employee hires by gender, age group and region					Number	% of new hires	New hire rate ¹ %	New employee hires by gender				Male	840	80	11	Female	204	20	12	New employee hires by age group				Under 30 years old	353	34	28	30–50 years old	552	53	10	Over 50 years old	124	12	5	New employee hires by region				EMEA	380	36	6	APAC	352	34	17	AMER	312	30	20	Employee turnover by gender, age group and region					Number	%	Turnover rate ² %	Employee turnover by gender				Male	1,113	82	14	Female	237	18	14	Employee turnover by age group				Under 30 years old	251	19	20	30–50 years old	718	53	13	Over 50 years old	379	28	15	Employee turnover by region				EMEA	637	47	11	APAC	348	26	17	AMER	365	27	23	6
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LABOUR/MANAGEMENT RELATIONS

G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	The minimum notice periods regarding operational changes are defined by national legislation and local collective bargaining agreements. Cargotec operates in various countries and there is no standard definition for the length of notice period. Similarly, there is no standard content for collective bargaining agreements globally regarding the notice period and provisions for consultation and negotiations.	3, 6
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OCCUPATIONAL HEALTH AND SAFETY

G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	All Cargotec production sites have occupational health and safety committees. Employees working at a particular site have representation in their respective committee.																																																																					
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, total number of work-related fatalities, by region and by gender	<table border="1"> <thead> <tr> <th>Number of injuries by type</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr><td>Back</td><td>5</td><td>9</td><td>5</td></tr> <tr><td>Eyes</td><td>3</td><td>1</td><td>6</td></tr> <tr><td>Feet</td><td>0</td><td>6</td><td>10</td></tr> <tr><td>Hands</td><td>20</td><td>27</td><td>36</td></tr> <tr><td>Head</td><td>5</td><td>4</td><td>5</td></tr> <tr><td>Legs</td><td>9</td><td>11</td><td>12</td></tr> <tr><td>Multiple parts of the body</td><td>1</td><td>0</td><td>0</td></tr> <tr><td>Neck</td><td>0</td><td>1</td><td>0</td></tr> <tr><td>Thorax</td><td>0</td><td>5</td><td>5</td></tr> <tr><td>Total number of injuries</td><td>43</td><td>64</td><td>79</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Number of injuries by region</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr><td>EMEA</td><td>26</td><td>37</td><td>51</td></tr> <tr><td>APAC</td><td>7</td><td>14</td><td>22</td></tr> <tr><td>AMER</td><td>10</td><td>13</td><td>6</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Rate of injury (IIFR)¹, %</th> <th>2015</th> <th>2014</th> <th>2013</th> </tr> </thead> <tbody> <tr><td>IIFR</td><td>5.76</td><td>9.11</td><td>12.23</td></tr> </tbody> </table> <p>Injury reporting covers both Cargotec employees and supervised workers. In addition, contractors are included when they are under Cargotec's health and safety management. In 2015, there were no reported injury cases occurring to contractors. Injuries include lost time injuries, i.e. such incidents that lead to absence beyond the day of the injury. No work-related fatalities have occurred during the reporting period of 2013–2015.</p> <p>1) Rate of injury is the number of injuries per million hours worked on a twelve month rolling base.</p> <p>Omission: No data regarding either lost days, occupational diseases and absentee rate, or injuries by gender and region. The development of the reporting will be in line with the development of our systems and processes in due course.</p>	Number of injuries by type	2015	2014	2013	Back	5	9	5	Eyes	3	1	6	Feet	0	6	10	Hands	20	27	36	Head	5	4	5	Legs	9	11	12	Multiple parts of the body	1	0	0	Neck	0	1	0	Thorax	0	5	5	Total number of injuries	43	64	79	Number of injuries by region	2015	2014	2013	EMEA	26	37	51	APAC	7	14	22	AMER	10	13	6	Rate of injury (IIFR) ¹ , %	2015	2014	2013	IIFR	5.76	9.11	12.23	
Number of injuries by type	2015	2014	2013																																																																				
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TRAINING AND EDUCATION

G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	<p>AR: Personnel</p> <p>Cargotec Performance and Development Plan (PDP) covers 5,884 employees, mostly in manager, specialist and expert level positions. Additional PDPs outside this group are held as per local practices. The PDP completion rate for the first mentioned 5,884 employees is regularly monitored; in 2015 it was 91%, of which 26% were female and 74% were male. The completion rate for local PDPs was not monitored centrally in 2015.</p>	6
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DIVERSITY AND EQUAL OPPORTUNITY

G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	<table border="1"> <thead> <tr> <th>Composition of governance bodies</th> <th>Board of Directors</th> <th>Extended Executive Board</th> </tr> </thead> <tbody> <tr><td>Male, %</td><td>86</td><td>64</td></tr> <tr><td>Female, %</td><td>14</td><td>36</td></tr> <tr><td>Under 30 years old, %</td><td>0</td><td>0</td></tr> <tr><td>30–50 years old, %</td><td>0</td><td>36</td></tr> <tr><td>Over 50 years old, %</td><td>100</td><td>64</td></tr> </tbody> </table> <p>Omission: Cargotec does not currently follow the break-down of employees per employee category. The development of the reporting will be in line with the development of our systems and processes in due course.</p>	Composition of governance bodies	Board of Directors	Extended Executive Board	Male, %	86	64	Female, %	14	36	Under 30 years old, %	0	0	30–50 years old, %	0	36	Over 50 years old, %	100	64	6
Composition of governance bodies	Board of Directors	Extended Executive Board																			
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Over 50 years old, %	100	64																			

GRI CONTENT	REFERENCE AND OMISSIONS	UNGC principle
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SUPPLIER ASSESSMENT FOR LABOUR PRACTICES		
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G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Cargotec's supplier criteria include elements to audit the compliance of the supplier regarding management of labour practices, human rights, anti-corruption and the environment. In 2015, the criteria were renewed to further emphasise the importance of these aspects. All business areas have implemented Cargotec's supplier criteria with business-specific adjustments. Based on audit records, over 90% of new product suppliers were audited regarding the management of labour practice and human rights, and over 80% were audited against the environmental management criteria.	
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LABOUR PRACTICES GRIEVANCE MECHANISMS		
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G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	SR: See G4-EN34	
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HUMAN RIGHTS		
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FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
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G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measure taken to support these rights	Link to website: Code of Conduct Cargotec's Code of Conduct and related policies state that Cargotec is committed to respecting international human rights and request the same from its suppliers and agents. Freedom of association, abolition of child labour and forced or compulsory labour are basic principles to comply with. Cargotec has not identified significant risks related to these principles in its own operations, nor in the supplier operations. Cargotec launched its online Human Resources (HR) information system in 2015, which further supports Cargotec to prevent the possible non-compliances with the principles. The system enables fact-based, equal and transparent people management and decision-making across the whole company. It improves visibility over our workforce, as well as the speed and quality of our people processes globally.	3, 6
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CHILD LABOUR		
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G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	In line with Cargotec corporate sustainability targets for 2016, suppliers will be further evaluated in relation to these risks.	5
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FORCED OR COMPULSORY LABOUR		
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G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour		4
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SUPPLIER HUMAN RIGHTS ASSESSMENT		
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G4-HR10	Percentage of new suppliers that were screened using human rights criteria	SR: See G4-LA14	2
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HUMAN RIGHTS GRIEVANCE MECHANISMS		
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G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	SR: See G4-EN34	1
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GRI CONTENT	REFERENCE AND OMISSIONS	UNGC principle
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SOCIETY

ANTI-CORRUPTION

G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<p>Link to website: Code of Conduct</p> <p>Cargotec initiated a risk assessment of corruption risks in 2013 covering the operations of Cargotec. Main identified risks were related to the interaction with third parties. There have been numerous initiatives and trainings for key organisations after the risk assessment to prevent the risks. As an example, a new agent appointment process was defined. The process includes several actions ensuring the prospective agent's compliance with the anti-corruption legislation. Training sessions on the new process were arranged to employees working with agency management.</p>	10
G4-SO4	Communication and training on anti-corruption policies and procedures	<p>Link to website: Code of Conduct</p> <p>Cargotec's Code of Conduct, Anti-Corruption Policy and related processes were discussed in the Cargotec Board of Directors before Board approved the documents. Cargotec's Code of Conduct and the Anti-Corruption Policy have been communicated to all Cargotec employees via several channels. Both policies are available in Cargotec intranet. The Code of Conduct is part of new employees' initiation. Code of Conduct e-learning course was launched in 2014 and the participation rate on the target group achieved 90% level. Target group includes employees with an individual company email address and access to the intranet. The e-learning tool covers all sub-sections of the Code of Conduct but has a special focus on anti-corruption. The course will be renewed regularly, after which the participation rate will be re-evaluated. The Code of Conduct and participation to the e-learning of each employee is also revised in the personal development plan (PDP) discussion. As of 2013, trainings on anti-corruption have been organised for business area management teams on several levels, and for the corporate Executive Board. Cargotec's Code of Conduct is communicated to agents and suppliers.</p> <p>Omission: As the Code of Conduct applies to all employees, Cargotec follows the completion rates of e-learning tool trainings "as of number of employees", not "as per employee category and region". Additional trainings and communication processes are also followed by sites/events.</p>	10

GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through grievance mechanisms	See G4-EN34	
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PRODUCT RESPONSIBILITY

CUSTOMER HEALTH AND SAFETY

G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<p>100%.</p> <p>Customer health & 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 regulative requirements. The EU Machinery directive and related standards guide the evaluation when applicable; outside the EU, local regulations and requests are followed.</p> <p>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 assemblies at customer's facilities are conducted.</p> <p>Possible hazardous materials used in the components of the equipment are controlled with appropriate safety management practices and safety data sheets. Production is always planned taking into account the special features of produced product safety.</p>	
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PRODUCT AND SERVICE LABELING

G4-PR5	Results of surveys measuring customer satisfaction	<p>AR: Kalmar, Hiab, MacGregor</p>	
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Independent Practitioner's Assurance Report

To the Management of Cargotec Corporation

We have been engaged by the Management of Cargotec Corporation (hereinafter also the "Company") to perform a limited assurance engagement on the Selected sustainability information described below for the reporting period 1 January 2015 to 31 December 2015.

Selected sustainability information

The Selected sustainability information consists of the General Standard Disclosures G4-10 and G4-11 and the Specific Standard Disclosures disclosed as Indicators indicated in the Company's GRI index 2015 (hereinafter the "Selected sustainability information"). The Selected sustainability information is set out in the Company's Sustainability review 2015 and within the Annual report 2015 on the Company's website.

We have not been engaged to provide assurance on any information relating to prior reporting periods or to any other information in the Sustainability review 2015 or within the Annual report 2015.

Management's responsibility

The Management of Cargotec Corporation is responsible for preparing the Selected sustainability information in accordance with the Reporting criteria as set out in Cargotec Corporation's reporting principles and the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative. The Management of Cargotec Corporation is also responsible for such internal control as the

management determines is necessary to enable the preparation of Selected sustainability information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers Oy applies International Standard on Quality Control 1 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.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". That standard requires that we plan and

perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other disclosures in the Selected sustainability information. The procedures selected depend on the practitioner's judgement, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Visiting the Company's Head Office as well as four sites in Finland, Germany and Poland.
- Interviewing employees responsible for collecting and reporting the Selected sustainability information at the Group level and at the different sites where our visits took place.
- Assessing how Group employees apply the reporting principles and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.

Limited assurance 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 Carcotec Corporation's Selected sustainability information for the reporting period ended 31 December 2015 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Cargotec Corporation for our work, for this report, or for the conclusions that we have reached.

Helsinki, 10 March 2016

PricewaterhouseCoopers Oy

Maj-Lis Steiner
Authorised Public Accountant

www.cargotec.com