

Statement for slavery and human trafficking 2019

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 2019 our sales totaled EUR 3,683 million and over 12,500 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

Cargotec's Code of Conduct sets the standards for how we do business - every day and wherever we operate. 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.

Suppliers are expected to follow the same principles and those are set in the Supplier Code of Conduct.

Cargotec's Suppliers

We emphasize 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 localized suppliers throughout each business area. We choose our suppliers on the basis of objective factors such as quality, reliability, delivery and price. The Supplier Code of Conduct highlights human rights as one crucial element of sustainability.

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, 20% of the questions are related to issues regarding the environment, labor, ethics and compliance, or health and safety. All new suppliers are audited against these supplier criteria prior to acceptance. Additionally, new strategic suppliers go through a more detailed risk assessment process, which focuses on screening human rights and other sustainability risks in our supply chain.

In 2019, we carried out an analysis of the most important operational aspects related to human rights risks and measures to mitigate those risks. We identified the main risks related to human rights violations in our supply chain and in activities concerning mergers and acquisitions (M&A). In terms of M&A related human rights risks, we conducted a review and updated the process for screening possible risks in each M&A case to be more straightforward.

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 Speak-Up line. The Speak-Up 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 2019, there were no case reports related to suspected human rights violations, nor were there reports about 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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