Cargotec Sustainability Report

2014

CARGOTEC

Contents

Sustainability is Good Business

Dear reader,

Energy efficient, safe and intelligent solutions help create better business for our customers. Cargotec wants to see a world where global business is sustainable for generations to come.

We believe the future of cargo handling will be built on two interlinked megatrends: smart sustainability and digitalisation.

The pressure for better sustainability in logistics is increasing. Cargotec is to provide our customers with sustainable solutions. We aim to enhance our customers' sustainability through smart logistical structures and safer and more energy-efficient innovations, which we back up with customer training and lifetime product support.

Cargotec's work to ensure and enhance sustainability in all operations can be traced back to the origins of our company. Until now, we have focused on developing our internal sustainability processes and implementing our Code of Conduct. Today, we are confident that our efforts in benchmarking, developing and leading our sustainability work have been steps in the right direction.

Cargotec conducts regular analyses to ensure our sustainability management and reporting is agile and stays in tune with our customers, shareholders and the global markets. We know where we stand in relation to our peers and our stakeholder's expectations regarding sustainability management and reporting.

Our development work is goal-oriented and it is progressing. We have relevant sustainability measures and goals for the future and we are continuously creating more. With the sustainable solutions we create, our customers win and their customers win, now and in the future.

Sustainability management and reporting are areas where we still have a great deal to learn, but we feel that the focused effort we have made during the past few years has given us good working knowledge and built a platform for moving forward. Sustainability is part of everything we do. Thus the time is ripe for publishing Cargotec's first in-depth, corporate-level sustainability report.

"Our sustainable actions are best portrayed through our innovations and technological advancements."

Our sustainable actions are best portrayed through our innovations and technological advancements. The examples we present in this report include Cargotec's ZONE, which brings together all people management systems under one transparent, cloud-based, digital umbrella; MacGregor's MacRack electric-drive system for side-rolling hatch covers; Kalmar's hybrid shuttle carriers that deliver a decrease of up to 40 percent in fuel consumption; and Hiab's high-tech anti-corrosion treatment process nDurance™.

I hope you enjoy reading this report. I am confident that once you have read it, you will share our view: sustainability is good business.

Mika Vehviläinen
President and CEO

Enabling global trade for generations to come

For Cargotec, providing sustainable solutions is the most efficient means of supporting sustainability.

Two interlinked megatrends are shaping the future of the cargo handling business: smart sustainability and digitalisation. In logistics, sustainable technology is the key to a sustainable future. Cargotec's efforts to drive sustainability are most effective when focus is placed on developing a sustainable future offering for its business areas MacGregor, Kalmar and Hiab.

"Two interlinked megatrends are shaping the future of the cargo handling business: smart sustainability and digitalisation."

"Cargotec's greatest impact on sustainable development comes from customers using our products and solutions. Cargotec's most important opportunities of impacting on sustainability arise from developing an offering that minimises the burden on our environment, and decreases health and safety hazards in our customers' operations. Our sustainability work is driven by our determination to bring energy efficient, safe and long-lasting solutions to our customers," states **Appu Haapio**, Manager, Environment, Health and Safety (EHS).

Appu Haapio

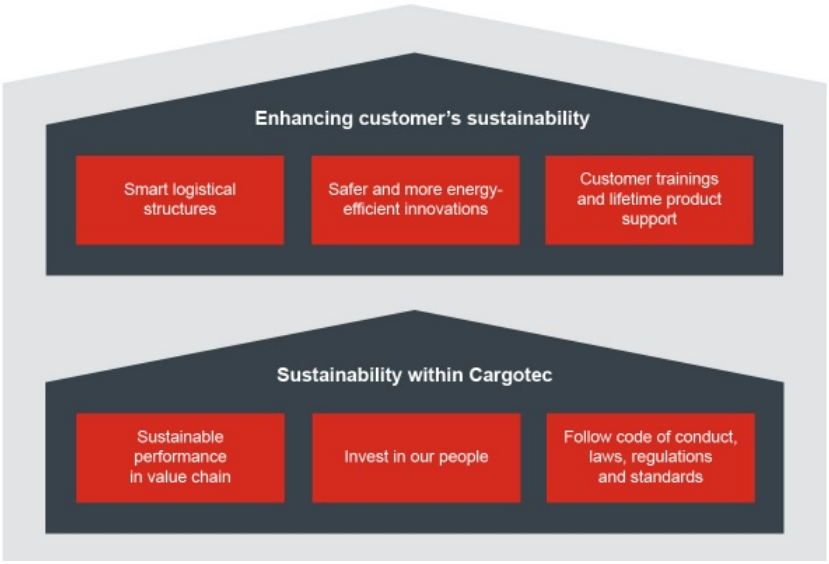
Manager
Environment, Health and Safety (EHS)

Cargotec aims at developing solutions that will enable sustainable and responsible global trade for generations to come. A key prerequisite for reaching this goal is the efficient sharing of best practices between business areas with respect to sustainable technologies, managing sustainability, risk management, and Environment, Health and Safety (EHS) operations.

Cargotec has divided sustainability efforts under two main titles:

- Enhancing customer's sustainability and
- Sustainability within Cargotec.

The drivers of Cargotec's sustainability work are best described by the sustainability framework illustrated below.



Cargotec's sustainability work concentrates on issues that deal with enhancing customer sustainability and customer satisfaction:

- Smart logistical structures
- Safer and more energy efficient innovations
- Customer trainings and lifetime product support.

In internal sustainability development Cargotec emphasises the following topics:

- Sustainable performance in value chain
- Invest in our people
- Follow the Code of Conduct, laws, regulations, standards and international commitments.

Framework of sustainability reporting

The current framework of our sustainability reporting has been influenced by peer and competitor benchmarking, and also through day-to-day work which involves analysing investor and customer requests. Cargotec's commitment to the UN Global Compact and other key international commitments and organisations relating to environmental, health and safety (EHS) issues have also had a great impact on sustainability reporting.

Our first corporate level EHS report was consolidated in 2007. Cargotec's key environmental figures were published for the first time in 2008, based on Key Performance Indicator (KPI) monitoring. KPI monitoring is a fundamental part of our environmental and safety reporting and is followed in almost all assembly sites, megaproject erection sites and Cargotec technology and competence centres.

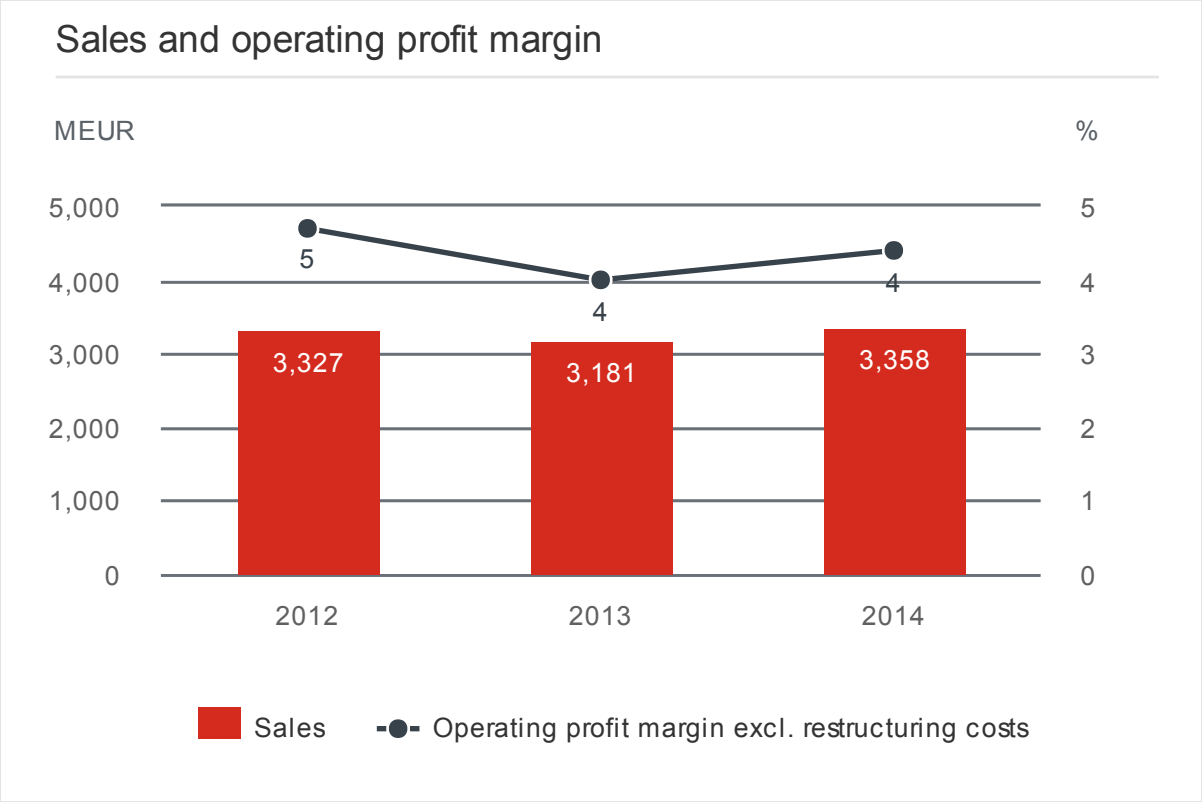
Cargotec has shared information on sustainability issues in annual reports. Since 2008, Cargotec has also reported on key environmental and sustainability figures on a yearly basis, with reports concentrating on energy and water use, greenhouse gas emissions, other air emissions, waste, and industrial injury frequency rate (IIFR).

These earlier reports focused mainly on our assembly units, as they have the highest impact on the environment and the highest risk to health and safety due to their size and type of operations.

The material key indicators used in this report were chosen together with representatives of various operations: business area representatives, global risk management, and local quality, environmental, health and safety management. An external GRI specialist supported the process.

Cargotec in brief

Cargotec is a leading provider of cargo handling solutions. We shape the cargo handling industry for the benefit of our customers and shareholders. Our products are can be found in every major cargo hub worldwide. They are used in ships, ports, terminals, distribution centres, heavy industry and in on-road load handling.



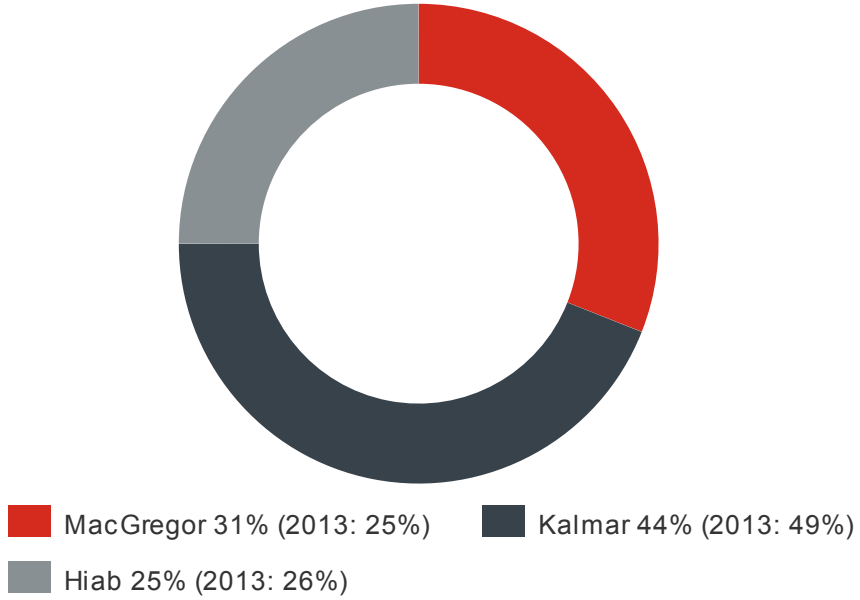
Cargotec has three business areas: MacGregor, Kalmar and Hiab, which are recognised leaders in cargo and load handling solutions around the world. Their global network is positioned close to customers and offers extensive services that ensure a continuous, reliable and sustainable performance according to customers' needs.

MacGregor provides integrated cargo and load handling solutions and services for the maritime transportation and offshore industries. Kalmar offering consists of container and cargo handling equipment and related services, automation, software and integration solutions as well as Navis terminal operating systems (TOS), Bromma spreaders and Siwertell bulk handling systems. Hiab products and related services are used in on-road transport and delivery.

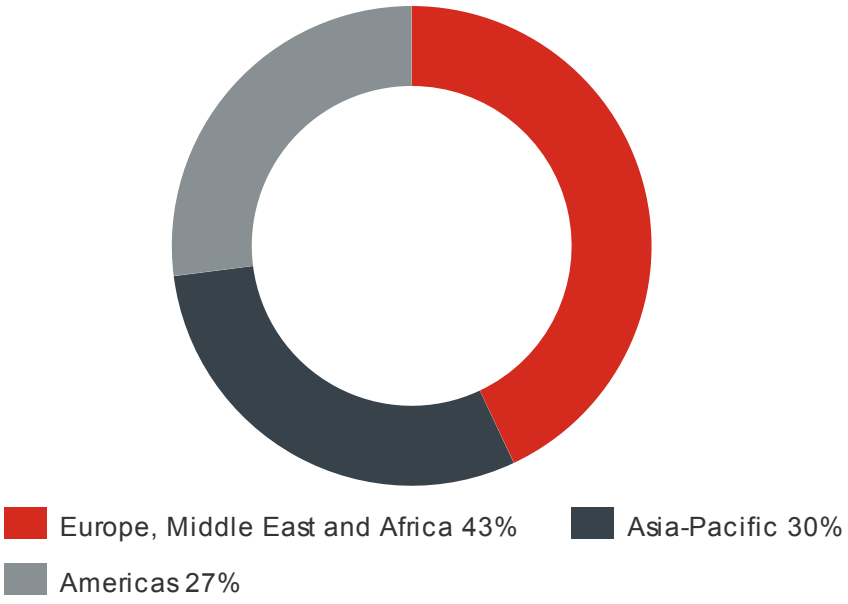
Cargotec was formed in 2005. However, our three business areas have much longer histories during which their know-how, product offering and customer relationships have grown. These deep roots and accumulated knowledge are reflected in Cargotec’s strong brands.

Cargotec’s corporate headquarters is located in Helsinki, Finland, while the business areas’ production facilities are located in China, Finland, Germany, India, Ireland, Malaysia, Norway, Poland, South Korea, Spain, Sweden, the United Kingdom and the United States. A big part of our manufacturing has been outsourced to partner plants located mainly in Asia.

Sales by business area

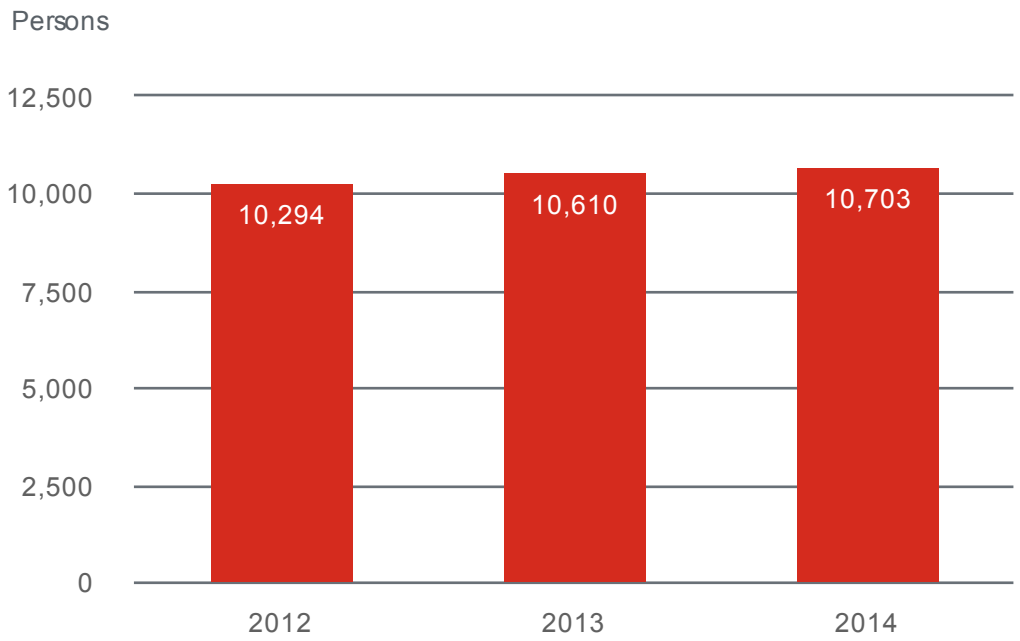


Sales by market area 2014

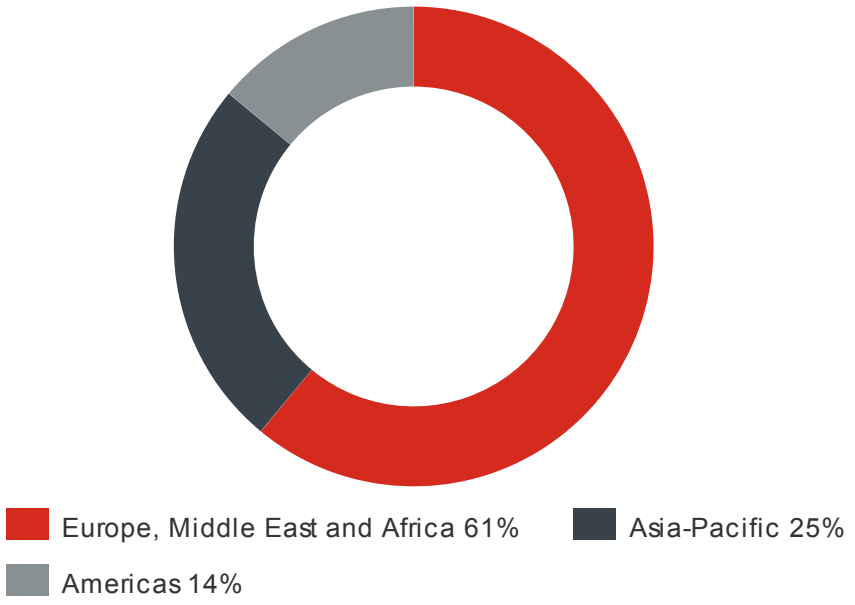


At the end of 2014, we had a total of 10,703 (2013: 10,610) employees. With operations in more than 100 countries, of which we have our own employees in 46, we have a unique sales and service network and we can serve our customers locally ensuring the continuous operation of their equipment.

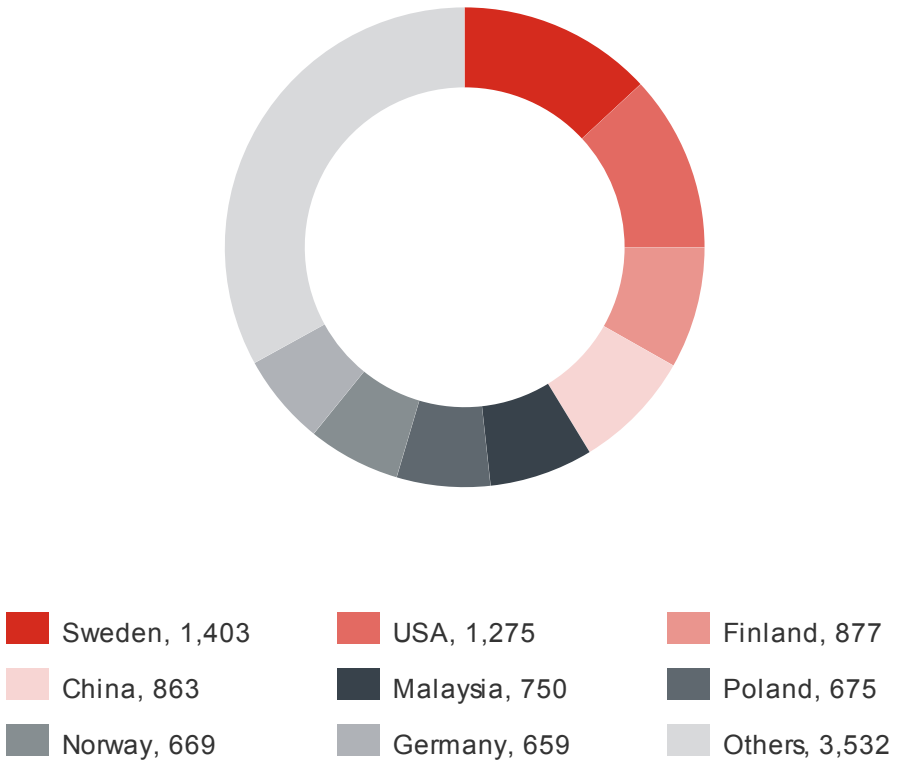
Number of employees at the end of year



Employees by region 31 December 2014



Personnel by countries 31 December 2014



Targets and results

Cargotec is focused on enabling and creating sustainable business. We are at the beginning of our journey, but we already see ourselves as a sustainably-oriented company. We have concrete evidence of our sustainability development work to show: a framework guides our change efforts and we are in the process of implementing a sustainability concept into our operations.

Cargotec's corporate-level sustainability targets create a framework for the business areas. The status of target implementation and practices are reviewed and followed up by the Extended Executive Board.

Cargotec's corporate-level sustainability targets for 2014

1. to define environmental impact evaluation criteria for our main products
2. to define business area specific Environment, Health and Safety (EHS) targets
3. to increase the coverage of active EHS reporting for up to 60 percent of personnel
4. to review the supplier sustainability evaluation criteria and supplier assessment processes.

We have made good progress with these targets, but we did not accomplish all of them by the end of 2014. In 2015 Cargotec will continue to work to reach its sustainability targets.

Cargotec's corporate-level sustainability results in 2014

1. The definition work for common environmental impact evaluation criteria for our products progressed slower than planned and was still ongoing at the end of 2014.

2. Business areas generally proceeded well with sustainability target implementation. Target setting in Kalmar and Hiab is driven by customer and investor requests and analyses on internal risks and impacts. Hiab's EHS targets focus on the supply organisation.

   Organisational changes delayed a wider customer analysis for target setting in MacGregor. The existing EHS targets are set at a general level. However, there are more specific site-level targets, which are in line with ISO 14001 environmental management systems.

3. Cargotec achieved the target set for coverage of EHS reporting. This was a considerable accomplishment, as approximately 37 percent of our employees were covered in EHS reporting at the beginning of the year. At the end of 2014, 61 percent of all Cargotec's employees were covered by our Corporate Sustainability Management (CSM) reporting. In Hiab 72 percent of employees are covered by CSM, in Kalmar 57 percent, and in MacGregor 62 percent.

4. Cargotec's policies; the Code of Conduct, the anti-corruption policy and the EHS policy created a strong base for updating business area supplier requirements and assessment processes.

   Kalmar and Hiab updated their supplier requirements and assessment templates, which will be implemented at the beginning of 2015. MacGregor continues to work on updating supplier requirements and assessment templates, with a target to approve and implement them into processes in 2015.

Materiality analysis and reporting content

Our main goal in all our sustainability work is to serve our customers and investors, and we want to ensure our reporting meets their needs. Therefore, we actively involve them in discussions regarding the content of our sustainability reporting to develop our communication.

In 2008, Cargotec conducted its first comprehensive competitor analysis to benchmark sustainability reporting in cargo handling and logistics. Two years later, in 2010, Cargotec conducted an Internal Sustainability Reporting Review involving people from all business areas and the Executive Board to determine focus areas for sustainability development and reporting.

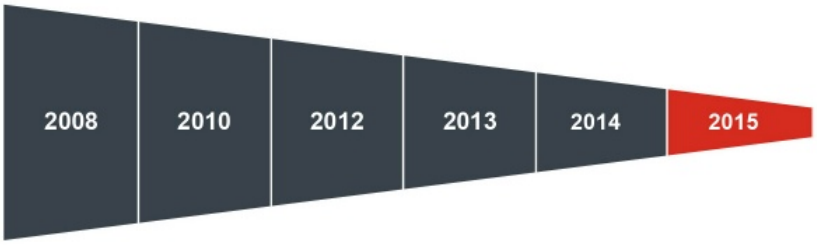
In 2012, ten of our main clients and analysts were interviewed for a Master's thesis on our sustainability reporting. The results showed overall satisfaction in our reporting. However, they also indicated that our stakeholders wish to hear more about Cargotec's sustainability goals and see more reporting directly linked to costs and the product life cycle.

> **"Our stakeholders wish to hear more about Cargotec's sustainability goals and see more reporting directly linked to costs and the product life cycle."**

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 add to our insight into how key customers wish to see us report on sustainability.

During 2013 and 2014, Cargotec's sustainability framework and related materiality analyses were updated and approved by the Executive Board. Previously recognised material sustainability topics were prioritised based on their economic, environmental and social impacts in the value chain, current business environment and stakeholder interest. In 2014, Cargotec's material theme content was mapped against GRI G4 aspects, which are now communicated in this report and approved by our Executive Vice President and Chief Financial Officer, Senior Vice President, Communications and Public Affairs and Senior Vice President, Human Resources.

As a result of this work, our sustainability reporting concentrates on the aspects presented in the **Disclosure on Management Approach (DMA) for the material themes**.



2008 – Analysing competitor sustainability reporting
2010 – Internal sustainability reporting review and sustainability focus area definition to management
2012 – Master's thesis on stakeholders' views on Cargotec's sustainability reporting
2013 – Key account sustainability reporting review and competitor analysis update
2014 – Materiality analysis following GRI G4
2015 – First Sustainability report

Interaction with stakeholders

Cargotec engages its various stakeholder groups through open communication and dialogue. Stakeholder relationships are conducted with integrity, fairness and confidentiality, and in compliance with stock exchange rules. Cargotec's main stakeholders are its customers, personnel and investors.

Customers

The success of our customers is the key to our success. A customer feedback system is used in all Cargotec's business areas to gather structured information from the market. The process leads to immediate actions when necessary, and helps to understand the development needs of the customer in the long term.

Personnel

The other key to our success is talented personnel. Last year, we strongly emphasised in the management of personnel. Cargotec's common Human Resources Information System ZONE was launched in December, 2014. In addition, Cargotec's first global employee engagement survey was completed with a 75 percent response rate in the end of 2014. For more information, visit **People Management at Cargotec** and **ZONE brings together all people management systems**.

Investors

We share information on Cargotec as an investment and serve Cargotec's shareholders and other capital markets participants through providing rapid and easy access to the latest company information. Cargotec's investor pages at www.cargotec.com aim to support fair valuation of the company's shares. Capital Market Day is organised for analysts and professional investors regularly.

Other stakeholders

In addition, our stakeholder groups include suppliers, authorities, research and educational institutions, and media. We continuously keep abreast of globally ongoing discussions on sustainable development priorities. Interaction with research institutions, universities, associations and networks, such as Global Compact networks, has supported this.

Memberships in associations

Cargotec is an active member in several associations and Cargotec's representatives participate in the work of various industry organisations.

The Baltic Sea Action Group (BSAG)

BSAG is devoted to rescuing the Baltic Sea with carefully chosen projects. Cargotec's Chairman of the Board **Ilkka Herlin** is a co-founder and Chairman of the Board of BSAG.

ICC Finland

ICC Finland is the Finnish National Committee of the International Chamber of Commerce. Kalmar's President **Olli Isotalo** is a member of Business Council.

Finnish Metals and Engineering Competence Cluster (FIMECC)

FIMECC offers a platform for open innovation to drive breakthrough innovations in the industry. Cargotec is a FIMECC shareholder and participates in several technology and business-related research programmes.

Global Compact Nordic Network

UN Global Compact is the world's largest corporate citizenship initiative and promotes ten principles for responsible business practice. Its Nordic network includes approximately 180 companies and business associations from the Nordic countries, all of whom have committed to the UN Global Compact.

Norwegian Offshore & Drilling Engineering (NODE)

NODE is a leading global technology cluster in the southern part of Norway. In 2014, NODE was awarded Global Centre of Expertise status which enables NODE to further develop the cluster and to have even greater emphasis on research and development. **Leif Haukom**, Head of Offshore Mooring and Loading Division, MacGregor, is a member of the Board.

Port Equipment Manufacturers Association (PEMA)

PEMA's Environment Committee provides a neutral information and education platform on the development and application of environmental technologies in the port and terminal industries. **Per-Anders Holmström**, President of Bromma, is the Vice President of PEMA.

New MacGregor crane developed to assist renewable energy installations

Specific operational demands drive innovative solutions. Siem Offshore's new infield support vessel (ISV) is the first to feature a MacGregor offshore crane that will land containers of tools and equipment on small, high platforms on offshore windmill installations.

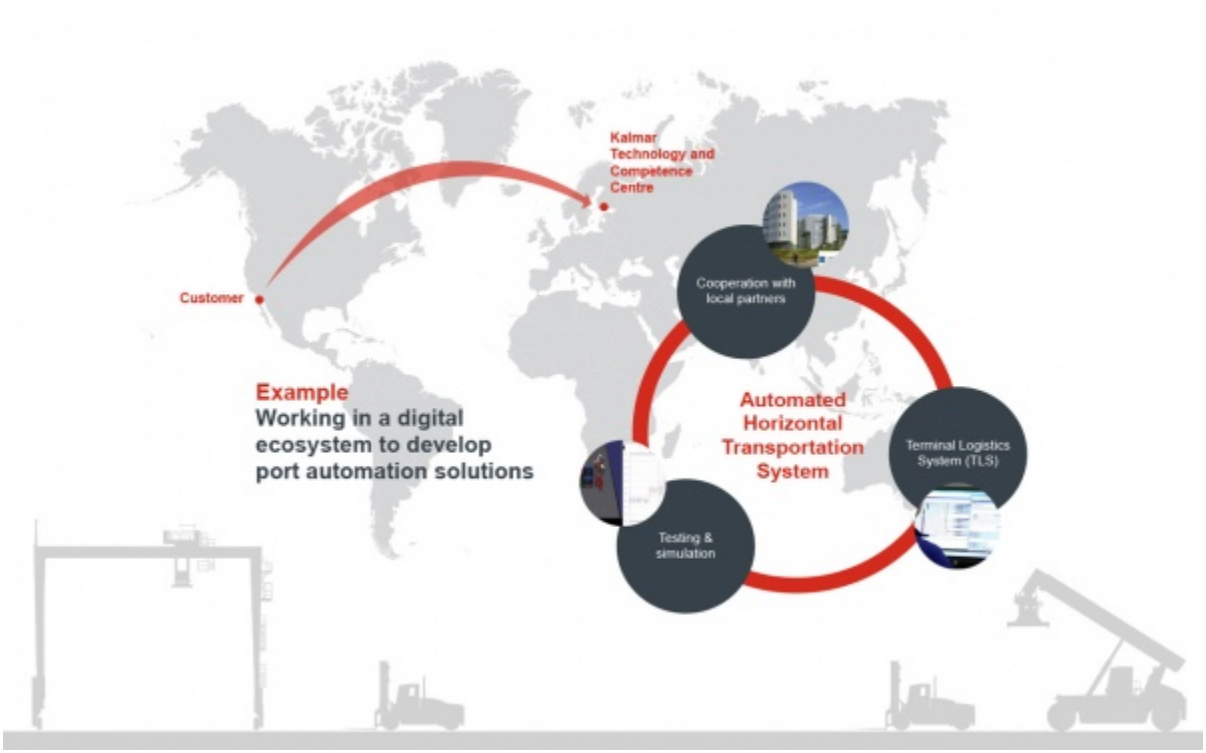
MacGregor was approached by the customer – Siem Offshore – to develop an innovative type of crane for their new infield support vessel *Siem Moxie*. MacGregor's engineers worked closely with the customer on the operating specification of the crane. In addition, the challenging offshore environment was considered carefully. The landing platforms of the offshore windmill installations are about 20 metres above the water and they are only 4 m_2 in size. They are often located in waters with significant waves, so precise load handling is essential with no margin for error. MacGregor's engineers were able to develop new technology that compensates for vessel movements in the horizontal plane (pitch and roll) as well as in the vertical plane. Thanks to this, the crane can perform extremely accurate load positioning operations in challenging offshore environments.

The crane was delivered to Siem Offshore in May 2014. The vessel is operating in the offshore renewable energy markets, carrying out installations, repairs, maintenance and general service duties. One specific task for *Siem Moxie* will be to transfer containers of tools and equipment to the top of offshore windmill foundations to install power cables and other apparatus before the rotating parts of the windmill are installed. The vessel will also be used for maintaining windmills in operation.

The crane is a first of its kind, not just for MacGregor but for the entire offshore industry. It won the Offshore Support Journal's Innovation of the Year award at the beginning of 2014.

Kalmar drives performance optimisation through a digital ecosystem

Kalmar is using a unique digital ecosystem allowing collaboration with the customer and other stakeholders when building, optimising and maintaining an automated terminal.



Working in a digital ecosystem to develop port automation solutions.

Whether it is a greenfield project or a conversion to automation, the deployment of new technology requires deep technical expertise as well as capability to integrate numerous complex systems. Thorough testing is required to ensure the compatibility of all elements that make up the automated operation.

Kalmar's Technology and Competence Centre in Tampere, Finland, has the industry's largest automation test field and world-class facilities and laboratories for prototyping, simulation, testing, monitoring and optimisation. Automated equipment can be tested with live equipment in Tampere and via remote connection 24/7, even when the customer is located on the other side of the world. This set-up is effectively deployed in the product development, delivery, optimisation and maintenance phases.

To deliver their full potential, automated equipment and the entire system always need to be in 100 percent working condition. Therefore, systematic proactive maintenance processes are essential. Predictive data analytics is performed based on the real use of equipment and the digital ecosystem can also be used for remote maintenance.

Kalmar can also offer emulation of its terminal logistic system (TLS) and various terminal operating systems (TOS). In addition, the virtual environment can be used for regression testing of new software product releases.

Partnering ensures a fresh perspective

“We work together with the customer in this digital ecosystem which has been built in close collaboration with Kalmar's technology partners and suppliers as well as research institutes and universities. Kalmar's Technology and Competence Centre is close to the Tampere University of Technology and we are able to utilise the long expertise in automation and engineering in the region. Partnering helps us keep pace with developments in digitalisation and guarantees a fresh perspective on the newest technology. Kalmar's research activities in FIMECC, the Finnish Metals and Engineering Competence Cluster, also contribute strongly to the digital ecosystem building,” comments **Tommi Pettersson**, Vice President, Automation, Kalmar.

The ultimate aim is to optimise the performance of the customer’s terminal over its lifetime. The advantages of the digital ecosystem have been proven in Kalmar’s recent port automation projects. Once delivered for the customer, the systems are in use for 20 to 30 years, and Kalmar offers them a home base for remote maintenance and further development.

Hiab presents new environmentally smart vehicle concept

In collaboration with Volvo Truck Center Sweden AB, Hiab has developed an environmentally smart load handling solution. It is the new Volvo FM (Euro 6), equipped with Hiab's most energy efficient loader crane and hooklift.

The truck uses an electro-hydraulic system, or electric power take-off (ePTO), installed additionally to the traditional engine power take-off. This enables the crane operator to work with the engine switched off – quietly and free from exhaust fumes.

The crane, powered by lithium-ion batteries instead of the truck's diesel engine, is 100 percent emission free, and the noise level is reduced by half. This opens up many new areas of possible use. An ePTO crane truck can be used indoors, replacing scissor lifts, sky lifts and forklifts. Being very silent, it can also be used in cities and residential areas during the night.

Using electric power instead of conventional diesel power offers considerable benefits in terms of transport efficiency, noise levels and environmental impact, as well as making it possible to work indoors. For example, the energy required to operate the crane is 60–70 percent less than for a conventional crane.

The system's battery has a capacity of 40 kWh; sufficient for a normal day's work with a crane. With quick-charge equipment, the battery can be charged to 80 percent in 50 minutes. The truck also has a conventional pump on the gearbox power take-off for normal operation. Using ePTO has no impact on crane productivity, and the crane works with full capacity and speed with ePTO enabled.

Sustainability management at Cargotec

At Cargotec, sustainability is an integral part of our everyday business and a key aspect of all our leadership and management practices. In cargo handling, sustainability is business. For us, sustainability is a hands-on issue that is considered in every business decision we make and in all operations. Cargotec corporate governance statement outlines our policy principles for managing the company in a responsible and ethical way, underlining sustainability matters.

“Sustainability is an integral part of our everyday business and a key aspect of all our leadership and management practices.”

Cargotec has made sure sustainability issues can be brought to the Board’s attention in many ways, as they relate to so many areas of business. Issues can be brought forth by President and CEO, the Extended Executive Board (EEB), Risk Management, Legal Department and Director of Environment, Health and Safety (EHS).

Sustainability management is carried out on many levels at Cargotec, with responsibilities given to our business areas, our President and CEO, EEB and its members individually.

Cargotec’s Board of Directors receives reports on sustainability issues from our Senior Vice President Corporate Audit, who reports to the Board’s Audit and Risk Management Committee. More information on these issues can be found in this report under the heading **Ethical Integrity**.

Sustainability targets reassessed regularly

On a corporate-level, sustainability-related issues are coordinated by Cargotec’s Director of EHS. Cargotec’s **corporate sustainability targets** are affirmed and processes are followed up by the EEB. The targets are reassessed at least twice each year, with additional assessments when the need arises. In Code of Conduct matters, sustainability leadership at Cargotec is divided between the Corporate Audit and Cargotec’s General Counsel.

“Cargotec has corporate-level sustainability targets. In addition, our business areas and multi assembly units have also set specific sustainability targets of their own. All our sustainability management ultimately aims to enhance our customers’ sustainability through improved sustainability at Cargotec – especially by developing a sustainable future offering,” underlines **Appu Haapio**, Manager EHS.

Appu Haapio

Manager
Environment, Health and Safety (EHS)

MacGregor, Kalmar and Hiab have EHS responsible leaders overseeing sustainability matters. The EHS leaders work together in the business areas' joint cooperation forum to create EHS requirements. They also determine business area audit procedures, and supervise administrative staff in charge of sustainability in the supply and subcontracting chains.

Cargotec's human resources (HR) function is in charge of the fair and equal treatment of employees and other relevant matters regarding HR sustainability. Finally, every Cargotec employee is empowered to carry out business in compliance with Cargotec's Code of Conduct, and report any concerns regarding sustainability to their nearest manager.

Disclosure on Management Approach (DMA) for the material themes

Material aspects and their management approach of Cargotec's sustainability reporting are presented in the following table.

Material aspects:	Management approach:
Future Technologies and Offerings	**Future technologies**
Aspect: Products and Services	**Code of Conduct**
Aspect: Customer Health and Safety	Indirect sourcing policy
Aspect: Economic Performance	Innovation management procedure
	Instruction for royalty payments
	Sourcing policy
Customer satisfaction	**Future technologies**
Aspect: Product and Service Labelling	Anti-corruption policy
	Code of Conduct
Employee Relations	**Invest in People**
Aspect: Employment	**Code of Conduct**
Aspect: Labour/Management Relations	Compensation and benefits policy
Aspect: Training and Education	Employment policy
Aspect: Diversity and Equal Opportunity	Learning and development policy
	Performance and development plan (PDP) policy
	Recruitment and internal transfer policy
Environment, Health and Safety management	**Sustainability Management**
Aspect: Energy	**Code of Conduct**
Aspect: Water	Environment, health and safety (EHS) policy
Aspect: Emissions	Global Reporting Initiative (GRI G4)
Aspect: Effluents and Waste	Greenhouse Gas (GHG) Protocol
Aspect: Occupational Health and Safety	ISO 14001
	OHSAS18001
Ethical Integrity	**Ethical integrity**
Aspect: Environmental Grievance Mechanism	**Invest in people**
Aspect: Labour Practices Grievance Mechanism	Anti-corruption policy
Aspect: Freedom of Association and Collective Bargaining	**International commitments**
Aspect: Child Labour	**Code of Conduct**
Aspect: Forced or Compulsory Labour	Code of Conduct response process
Aspect: Human Rights Grievance Mechanism	
Aspect: Anti-corruption	
Aspect: Grievance Mechanism for Impacts on Society	

Supply Chain	**Ethical integrity**
Aspect: Supplier Environmental assessment	**Supply chain**
Aspect: Supplier Assessment for Labour Practices	Anti-corruption policy
Aspect: Supplier Human Rights Assessment	**International commitments**
Aspect: Supplier Assessment for Impacts on Society	**Code of Conduct**
	Code of Conduct response process

Technology in tune with customer needs

Cargotec invests in developing its future technology offering to guarantee customer satisfaction and fulfil its market potential. Two megatrends, smart sustainability and digitalisation, will significantly impact on customer needs in the near future.

In our business, you cannot speak about sustainability without digitalisation, or vice versa."

"In our business, you cannot speak about sustainability without digitalisation, or vice versa. They are both upcoming megatrends, and digitalisation is a key enabler of smart sustainability," says **Mikael Laine**, Senior Vice President, Strategy.

Mikael Laine

Senior Vice President
Strategy

"Sustainability has always been a consideration of our R&D, but interest has piqued during the past decade. Around 2006−2007 more customers started asking for solutions to enhance energy efficiency, save time in operations, increase safety and durability, and reduce noise," Laine explains.

"At this stage, R&D started developing many new, more sustainable products and solutions. We introduced the HIAB XS 1055 loader cranes with lower fuel consumption in 2007 and Kalmar's Pro Future™ environmentally friendly equipment in 2008. MacGregor's electric crane series, with a low environmental impact, started attracting considerable customer interest in 2010. Today, sustainability is an important driver of our strategy and we have many exciting innovations in the pipeline," Laine notes.

Adding efficiency in R&D

In 2015, Cargotec intends to create tools to measure and track innovations in business area R&D processes. "The old saying goes that you get what you measure. Our history in creating innovations is solid, but by creating measures to track innovations, we hope to be able to improve knowledge sharing, efficiency and get customers' requests and needs transformed into new products and solutions at an even faster pace," Laine affirms.

While developing future technologies, a global company is easily tempted to try and find common solutions for all markets. Laine emphasises that one size does not necessarily fit all. Infrastructure alone creates different requirements from country to country, and Cargotec customers have versatile needs.

"Time and again we have noticed that the best-selling products are those that are tailored to specific markets. A good example is the durable and reliable Kalmar Ottawa terminal tractor with automatic transmission that has been the 'gold standard' of the US market for decades," Laine points out.

Customer feedback helps steer Cargotec's direction

Tracking customer satisfaction and listening to our customers' evolving needs are important prerequisites to developing a sustainable future technology offering. At Cargotec, customer satisfaction is tracked and customer needs assessed by business areas.

Ship owners appreciate MacGregor's people and business understanding

MacGregor has systematically gathered feedback since 2008 through its global customer relationship measurement survey called CROL. In 2014 the survey also covered the recently-acquired Hatlapa and Mooring and Loading Systems (MLS). Results show positive feedback from customers regarding the integration of Hatlapa and MLS into MacGregor.

Ship owners appreciate MacGregor's people and their business understanding. Product quality and performance also get positive feedback from MacGregor's customers, while meeting schedules was seen as an area for improvement which MacGregor is now addressing.

Kalmar collects customer feedback systematically

Kalmar has been using a systematic global process to collect and act on customer feedback since 2010. This process has been gradually extended to cover most of Kalmar's business lines.

The results for 2014 show that customers were satisfied with the performance of Kalmar equipment and the competencies of Kalmar personnel. Kalmar's innovativeness and environmentally friendly solutions are appreciated by customers, while customer communication was mentioned as an area for improvement. Kalmar focuses on ensuring feedback such as this leads to corrective action and longer term action plans within business lines.

Customer satisfaction Hiab's top priority

Hiab's first priority is customer satisfaction. Twice a year, Hiab approaches customers who have received a Hiab product within the last three to six months, with a survey measuring their satisfaction. The global questionnaire covers all aspects of the customer relationship.

Hiab generally scores highly in the customer satisfaction survey. The results are incorporated in Hiab's processes – the aim is to continuously improve products and service quality. In 2014, four surveys were conducted to ensure satisfaction and gain feedback on changes in Hiab's customer interface that were conducted in the latter part of 2013 and in 2014. The increasing focus on health, safety and environmental issues among truck owners is estimated to have a positive effect on Hiab's business.

Safety and health top priorities in Cargotec technology

Cargotec's products' safety is one of the key drivers in product development. Cargotec aims to provide customers with products which surpass the safety requirements of current legislation.

In Europe, Cargotec's Kalmar and Hiab products comply with EU legislation and they are granted CE marking. For MacGregor products, an extensive set of SOLAS, statutory as well as classification society requirements are applied for all contracts.

Cargotec's products are always delivered with the relevant information for safe product use.

MacGregor's remote-controlled devices increase safety

Safer, ergonomic and operationally handy machinery and solutions are one of the focus areas for MacGregor's customers. MacGregor has worked on developing remote-controlled devices that increase safety. A good example is TRIPLEX multi-deck handler which can be operated from a safe distance, and thus eliminate the need to have any crew in a hazardous area during operations.

Kalmar emphasises safety in machine design

Today, most terminal operators put safety at the top of their daily agenda. In Kalmar, safety is an essential criterion in machine design and delivery of automated solutions. Advanced tools – such as virtual simulators and visualisation environments – are increasingly deployed to test the functionality and safety of proposed solutions in real time.

For example, Kalmar G-generation reachstackers offer a wide range of functions enhancing safety, such as reverse warning system, fire suppression system and tyre pressure monitoring. Customer training and documentation provided upon delivery ensure that Kalmar's equipment is used in a safe, efficient and environmentally conscious way. Eventually, the most effective impact on a safer working environment can be achieved through automation. Even partial automation of certain terminal processes can improve safety incrementally.

In 2014, Kalmar defined common minimum requirements for health and safety management in site operations during delivery projects.

Hiab implemented a new safety toolkit in 2014

The Hiab Production System ensures uniform production quality in all assembly units globally. Hiab assembly units worldwide have a safety KPI standard in use, covering green cross, number of days without accidents and industrial injury frequency rate (IIFR).

Hiab's new safety toolkit was being implemented at the end of 2014. The toolkit includes 5S, safety talk, a risk assessment tool as well as sharing learnings and best practices among sites. In addition, Hiab's service organisation worked on implementing the safety initiative, and activities with 40 workshops globally are on plan for completion during 2015.

Sustainable product innovations to customers' needs

In most of Cargotec's current segments, we are not only a strong market leader, we also have several leading business-to-business brands in the world. This strong position in the market puts us in a unique position: we can create new markets and product categories and impact the entire industry with our innovations and decisions. We will keep pushing to improve and to shape a future we are proud of.

Our business areas MacGregor, Kalmar and Hiab work to continually improve their ability to listen to customers and to develop innovative and sustainable products and solutions. Energy efficiency and decreasing greenhouse gas emissions are important aspects in Cargotec's R&D, and our products are known for their sustainability value.

MacGregor increases the ability to meet customers' needs

MacGregor made the decision to change its operative structure as of the beginning of 2015 to increase its ability to meet customers' needs. Its six new operative divisions, together with Global Lifecycle Support, enable MacGregor to improve customer service throughout the lifecycle of the products. In addition, they enable MacGregor to offer more comprehensive packages and boost the development of new ship type-specific solutions.

MacGregor also set up a new cross-divisional function – Technology, Sourcing and QEHS (Quality, Environment, Health and Safety) – in January 2015, to ensure a stronger focus on sustainability principle implementation in product development.

Examples of MacGregor’s sustainable product innovations

- MacGregor electric cranes save approximately 35 percent energy. MacGregor’s switch to using electric drives eliminates hydraulic oil leaks and pollution to the sea.
- MacGregor’s lighter products, such as lighter car decks for RoRo ships, and MacRack electric drive system for side-rolling hatch covers, decrease fuel consumption.
- MacGregor electric mooring systems consume 20−30 percent less energy than hydraulically-driven systems.
- Utilising the regenerated energy from electric cranes as an energy source to all machinery on-board is one of MacGregor’s latest ongoing development projects.

MacRack eliminates risks and saves energy

The MacRack is an electric-drive system for side-rolling hatch covers installed on bulk carriers. The MacRack is a mechanism which lifts and rolls the hatch cover panels open and once the cargo hold is unloaded/loaded, the mechanism closes the opening. The MacRack offers a stand-alone, electrically operated system. Traditional systems on the market are hydraulically operated. With the MacRack, there is a portable operating unit, which allows the hatch operator to move freely around the operating area. It gives the best view at any point in the operation, ensuring safety.

Unlike hydraulic systems, the electric motors of MackRack operate only when a hatch cover is being moved. This minimises running time, energy consumption and greenhouse gas emissions. Hydraulic systems, and especially their power units, can be very noisy. Due to the electric motors, the MacRack is quiet. This decreases noise pollution, and is important in complying with port regulations. In addition, the MacRack provides a safer working environment. Moreover, the electric-drive system eliminates the need for hydraulic oil. There are no risks of oil leaks causing contamination, environmental pollutions or slip hazards.

The MacRack saves about 11 tonnes in weight compared to the traditional hydraulic versions. It may not be a major benefit, but every tonne saved in weight increases a ship's earning capacity. The MacRack is easier and approximately 50 percent quicker to install than hydraulic systems – it is effectively "a plug and play system". With the MacRack, there are fewer components to install at the shipyard. This reduces the possibility of errors and improves productivity. Without hydraulics pipework, the decks are tidier. Shipowners benefit from the shipyards' reduced costs and improved productivity.

Performance testing ensures reliability

MacGregor requires that the performance of all MacRack units are individually tested at the supplier's premises (overload test of 70 tonnes compared to nominal maximum 60 tonne test). Typically, a one side-rolling panel weighs 40 tonnes. The tests indicate that the MacRack is very reliable and experiences minimal downtime.

Hydraulic systems can be affected by extremes in temperature, particularly extreme cold. The MacRack is less sensitive to these conditions. Furthermore, electric drives are ideal for the application of remote diagnostics technology. Using the latest diagnostic tools, the MacRack can benefit from real-time equipment condition analysis and reporting via telephone or satellite communication.

The MacRack was launched in 2009. In 2010, it won the International Bulk Journal award. By November 2014, MacGregor had 672 MacRack units on order for 38 bulk carriers. MacGregor expects the MacRack to become the industry standard system for side-rolling hatch covers.

Kalmar aims to drive the industry forward

Kalmar's competence centres around the world form the backbone of its efforts to drive the industry forward by focusing on its customers' business needs. In addition, Kalmar's new product development is overseen by its Offering Development Council, which ensures R&D investments are used to create solutions that meet industry needs, and drive new market opportunities through product innovation.

Automation is widely accepted as the way towards improved productivity, safety, efficiency and competitiveness at today's container ports and terminals. In addition to new terminals, the benefits of automation are also accessible to existing terminals. Kalmar's strategy is strongly focusing on port automation.

In Kalmar, product development focuses on environmental, efficiency and safety considerations, with continued efforts to meet the latest criteria in each regard. Customers are showing a growing interest in energy efficiency, including electric and hybrid machinery. For customers of mobile working machines, safety and total cost of ownership (TCO) over the equipment lifetime play an important role. To support this, Kalmar has, for example, developed a TCO calculator for its forklift trucks.

Examples of Kalmar's sustainable product innovations

- Kalmar's new electric forklift cuts energy costs by 75 percent and creates zero emissions.
- Kalmar's hybrid straddle and shuttle carriers, which have regenerative energy system that converts braking and spreader-lowering energy into electrical power and stores it in a state-of-the-art on-board battery system, deliver up to a 40 percent decrease in fuel consumption and reduction of carbon dioxide emissions by over 50 tonnes per year per machine compared to diesel-electric designs.
- Kalmar's new reachstackers have an optional start/stop function that automatically activates and deactivates the machine. Its latest diesel mobile equipment can be switched to 'Eco' mode, an engine setting that automatically reduces fuel consumption by up to 20 percent.
- Kalmar piloted a dual-fuel (diesel and liquefied natural gas, LNG) reachstacker. It promises annual savings of EUR 12,750 over 3,000 operating hours and cuts carbon dioxide emissions by 20–30 percent. It also generates lower emissions of nitrogen oxides (NO_x), sulphur oxides (SO_x) and toxic particulate matter.

Benchmark for fuel consumption and emissions

The new Kalmar hybrid straddle carrier, launched in 2013, is a leap forward in terminal yard equipment. Its regenerative energy system converts braking and spreader lowering energy into electric power that is stored by state-of-the-art battery technology. An automated start-stop system chooses the optimal balance between engine and battery power.

The new hybrid straddle carrier meets the most stringent engine emission regulations worldwide. In addition, there is less noise pollution. The Kalmar hybrid is the quietest straddle carrier ever built according to measurements. Moreover, the lifetime of the hybrid machine's engine and generator is extended, making it more economical to maintain with longer service intervals of up to 1,000 hours.

In 2014, MSC PSA European Terminal (MPET) in Antwerp, Belgium, tested the new Kalmar hybrid straddle carrier. The demands were high in terms of fuel consumption, CO_2 emissions, usability and driver experience. During one month of operating the new Kalmar hybrid, MPET achieved a 37 percent decrease in fuel consumption, compared to a conventional diesel-electric machine. The average fuel consumption of the hybrid straddle carrier was 12.3 litres per hour. This reduces CO_2 emissions by 97 tonnes per year compared to a traditional machine.

Moreover, the new straddle carrier has proven to be a more ergonomic working environment for drivers. "The next generation driver's cabin has been developed in close cooperation with the MPET operators and based on their feedback," says **Tero Kokko**, Vice President, Horizontal Transportation, Kalmar. "Improved visibility and ergonomics for the driver guarantees improved operator experience, overall safety and performance."

Kalmar has developed the upgraded active stability control system to prevent the possibility of unstable situations the operators face in their daily operations. To support smooth and safe operations, several functions have been automated; for example, the spreader centres automatically after picking or placing a container, and also when the speed exceeds 10 km/h. Kalmar straddle carriers can handle loads of up to 60 tonnes and stack containers up to 4-high.

Hiab invests in innovative strategic planning

Hiab's determination to remain at the forefront of the technological race is reflected through the ongoing investment in innovative strategic planning. In 2013, Hiab received EUR 1.4 million in funding from the European Union for iLOAD – a three-year research cooperation project with academic partners in Poland to boost research and development related to more sustainable load handling equipment.

During 2014, iLOAD concentrated on load handling equipment with a specific focus on the improvement of operational safety and equipment efficiency. Additionally, the research team was assigned to develop design strategies that incorporate advanced light materials in applications for load handling structures, in order to reduce weight and fuel consumption.

To ensure broader and deeper technology development and testing – and to launch innovative new technology on the market faster – Hiab also invested further in its product development and test centre in Hudiksvall, Sweden in 2014.

Examples of Hiab's sustainable product innovations

Hiab is advancing its product offering to create products that are durable, reliable, safe and easy to use. Hiab has an environmental programme to make certain that it commits itself to adopting a precautionary approach to any environmental challenges it encounters in its operations, and to ensure its compliance with applicable requirements. Major environmental aspects are identified using an environmental impact analysis tool, analysis of reported indicators, the expectations of interested parties and on-site assessments and visits.

Hiab markets products and solutions with less environmental impact with its Pro Future™. Examples of this range include:

- Hiab's MULTILIFT Pro Future™ hooklifts that bring about up to 25–30 percent CO_2 emission and diesel consumption savings. They also have several hundred kilos lighter dead weight compared to an average hooklift, contributing further to CO_2 and diesel consumption savings.
- MOFFETT M4 ProFuture™ truck-mounted forklift reduces noise levels by 4dBA compared to the standard model, making it quiet enough for early morning deliveries in a residential inner city environment. This reduces running costs and enables better job performance with a lower impact on the environment.

Phosphate-free nDurance™

Hiab introduced a revolutionary anti-corrosion treatment process, called nDurance™, which is being used in its new, modern multi-assembly unit (MAU) in Stargard Szczecinski, Poland.

A crane is constantly exposed to the elements of nature. Therefore, effective surface protection to prevent corrosion is crucial. nDurance™ safeguards the long and cost-effective ownership of a durable and good looking crane throughout its lifetime.

nDurance™ is a technologically advanced and environmentally sound pre-treatment and paint process based on nanotechnology and e-coating. It offers a unique three-layer protection against corrosion and harsh working environments. The process is 100 percent phosphate-free, it does not use any heavy metals and leaves basically no waste – resulting in great savings on energy and water.

In short, the nDurance™ process works as follows:

1. Nano pre-treatment

Step one in the nDurance™ process is the pre-treatment and application of the first anti-corrosion layer. It creates an ultra-thin, chrome-free, nano-ceramic shield that protects all surface areas, including cavities and areas that are usually difficult to access.

2. E-coating

Step two is the application of the lacquer polimery coating, using the latest technology in e-coating. The technique leaves no drip or sag marks and also increases film thickness on edges by up to 100 percent compared to standard e-coating systems.

3. Painting

The third step is the powder coating. In the oven the powder paint turns into a hard and durable surface that features excellent protection and mechanical properties to cope in the harshest of working environments.

After the completion of the nDurance™ process, all parts are thoroughly controlled before going into the actual assembly of cranes. Following Hiab Paint Standards, Hiab also periodically run tests in an external laboratory to verify the resistance to corrosion, adherence and permeation. With nDurance™ Hiab can offer the best protection in the industry.

Consistent, competitive, fact based and fair people management

Cargotec's Human Resource (HR) management – our people management – is focused on ensuring competitive, fact based, transparent, and fair treatment to all employees, with equal terms for everyone and using the same HR policies in our entire corporation. The central idea behind our people management can be put in very simple terms: we want to have the right people doing the right things at the right time – so we treat our people right.

We want to have the right people doing the right things at the right time – so we treat our people right."

Cargotec sees consistent people management practices, effective organisation and well-honed leadership as prerequisites to successful business strategy implementation. Our corporate HR acts as a strategic architect to our business area-specific HR teams who ensure the support of each business area's strategy implementation through people management with consistent improvement of global processes and tools.

Fact-based people management

"Fact-based people management is founded on fairness, a core value of any sustainable business. Each employee must be treated on equal terms, guided by the same policies, and managed with the same processes and information systems. Fact-based people management is the key to achieving this, and securing our competitiveness as a company," affirms **Mikko Pelkonen**, Senior Vice President, Human Resources.

Mikko Pelkonen

Senior Vice President
Human Resources

During 2014, Cargotec conducted significant groundwork in establishing fact-based people management throughout all its operations. "Last year we took a major step forward for us, but we still have a lot of work ahead of us," says Pelkonen.

Development started by identifying key issues

Development work commenced at the turn of 2013–2014 when Cargotec identified key strengths, weaknesses, opportunities and threats regarding people management. Key strengths included employee commitment, competence levels and experience. The complex organisation, lack of transparency, lack of shared corporate level processes and systems were among the main weaknesses identified. Additionally, a global employee survey called Compass, which further clarified Cargotec's strengths and development areas, was conducted at the end of 2014.

The results of the development work and the employee survey were used to create a people roadmap that Cargotec is now following step by step to achieve its goal of fact-based people management in all operations. The roadmap has four main headings, all of which include several development targets and measures to track progress:

- Basics in place
- Organisational effectiveness
- Driving performance
- Leadership and talent management.

Common Human Resources practices created in 2014

In 2014, Cargotec focused mainly on the first area – basics in place – to tackle the main weaknesses identified in its people management policies, processes and tools.

“Our development work involved 180 Human Resources (HR) professionals. It is targeted to support a total of 1,500 line managers in fact-based people management. Our goal was to create a common set of policies throughout all Cargotec operations, common transactional processes, common deployment approach and alignment of resources, and a common integrated HR information system for employee data, a transactional HR processes and people-related reporting. By the end of 2014, we achieved most of these targets. Other key HR processes such as performance and compensation management will follow early on in 2015,” Pelkonen underlines.

ZONE brings together all people management systems

ZONE – Cargotec's online Human Resources Information System – went live in December 2014. ZONE's purpose is to ensure all people management at Cargotec is fact-based, real time and transparent. It brings together all people management systems under one cloud-based, digital umbrella. Prior to ZONE, all personnel information was spread out in approximately 150 people management systems, including Excel sheets, databases and various people management systems at MacGregor, Kalmar, Hiab and Cargotec HR. Today, nearly all this information is gathered into ZONE.

> **ZONE's purpose is to ensure all people management at Cargotec is fact-based, real time and transparent."**

Finding an optimal balance between transparency and confidentiality was one of the key driving factors in developing ZONE. Personnel and employment data is available for people management use in ZONE, but all information is accessible on a need-to-know basis and only basic phonebook information is available to everyone, increasing organisational clarity and effectiveness.

Early feedback very positive

Early feedback on ZONE has been very positive. For the first time in Cargotec's history, HR personnel and management can get an accurate head count of the entire global staff with a click of the mouse. Our system provider SAP SuccessFactor affirmed that Cargotec's ZONE made history as one of the fastest project implementations they have seen in Europe for such a large and complex corporation.

Although getting ZONE live has been a massive project and a considerable step forward, Cargotec is still at the beginning of its journey towards sustainable, fact-based people management. In 2015, Cargotec will complete employee personal target setting, performance evaluation and development plan processes (PDP) digitally in ZONE and incorporate much of the payroll information into the system.

ZONE's data quality is still not at the aspired level, as Cargotec has combined information from a considerable amount of sources. Sustaining ZONE systems performance will also take time. Integrating ZONE into Cargotec's everyday work will require a great deal of learning and discipline to ensure Cargotec gets the most out of the investment and impacts its own business performance.

Human Resources targets for 2015

Cargotec's fact-based people management is moving forward with clear targets. In 2014 we put the basics in place, and in 2015 we will build on this foundation. Targets are:

- Enhancing ZONE data quality and processes across the entire organisation.
- Launching a global performance management process, utilising ZONE as a platform to drive overall performance.
- Developing consistent and competitive compensation practices.
- Driving Cargotec's transformation through systematic leadership development, talent management and organisational effectiveness process and actions.
- Following a roadmap driving us towards a well-managed, high performance organisation and culture.

Cargotec involves employees by performance management

Performance management is a systematic process by which Cargotec involves its employees in improving organisational effectiveness in the accomplishment of Cargotec's business targets. Performance management is arranged with the Performance and Development Plan (PDP) concept and process.

The main purpose of the PDP process is to support the performance culture by clarifying required actions for each employee and by ensuring fairness in the performance evaluation. An individual performance and development discussion between the line manager and employee is conducted twice a year, resulting in a Performance and Development Plan.

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The performance and development discussions include target setting, a mid-year review and an annual evaluation phase. In the target-setting discussion, the employee and the line manager agree on the annual performance targets and development objectives. These development objectives form the basis of a development plan. The development plan is a mandatory and important part of the PDP process, and it forms the basis for all learning and development activities in Cargotec. The performance and development discussion does not replace daily leadership and vice versa. All PDP documentation is done in ZONE, Cargotec's new fact-based people management tool.

Cargotec's first global employee engagement survey was completed with a 75 percent response rate at the end of 2014. Based on this survey, 81 percent of females and 74 percent of males had had a PDP discussion during the past year.

Learning and development support Cargotec's goals

The purpose of learning and development in Cargotec is to equip employees with the necessary skills, knowledge and attitudes to support the achievement of organisational goals as well as the personal development of each employee. Cargotec has a 70-20-10 rule in learning and training. This means that 70 percent of the development actions take place on-the-job, through experience and observation. 20 percent of development actions encompass learning from others, such as through coaching and mentoring. Some 10 percent are arranged through formal training, workshops and/or e-learning. Employees are expected to take an active role in their own learning and development.

Enrolment on global training courses, for instance language courses, takes place through the PDP. There are also business area-specific training courses and development programmes.

After the acquisitions at the turn of 2013–2014, MacGregor focused on emphasising Cargotec's and MacGregor's policies and practices. MacGregor has supported the further implementation of the Code of Conduct, PDP process, HR policies, sales processes and tools, sourcing and legal processes. In addition, MacGregor has organised training to increase product knowledge for all Sales and Service employees following the acquisitions.

In 2014, Kalmar provided global training in the area of leadership, container terminal operations, sales and value-based selling, business etiquette, managerial finance and project management. The training programmes support Kalmar's key strategic focus areas, among others, by building project business competence and strengthening the participants' understanding of customer business.

Hiab is undergoing a significant change process related to organisation, processes and ways of working. To support the change, Hiab organised training for the Sales and Markets employees. Moreover, monthly webinars for leaders were introduced. Among others targets, the webinars focused on increasing knowledge and sharing good practice and information with colleagues. The Hiab Leadership Programme is designed to develop managerial capabilities and strengthen the Hiab way of working.

Cargotec Personnel Meeting

The Cargotec Personnel Meeting is the corporate collaboration forum in Europe. Employee questions are collected and brought before the meeting by country representatives and are answered by Cargotec management. The 2014 meeting was attended by 17 employee representatives from 12 countries. Issues related to CPM role development, each business area's development views and the new Human Resources information system ZONE were the subject of lively discussion.

A working committee consisting of country representatives of the Cargotec Personnel Meeting is convened several times a year, to ensure the continuity of company-employee dialogue. Other country-specific and local cooperation bodies convene in line with the established practices and legislation of each country.

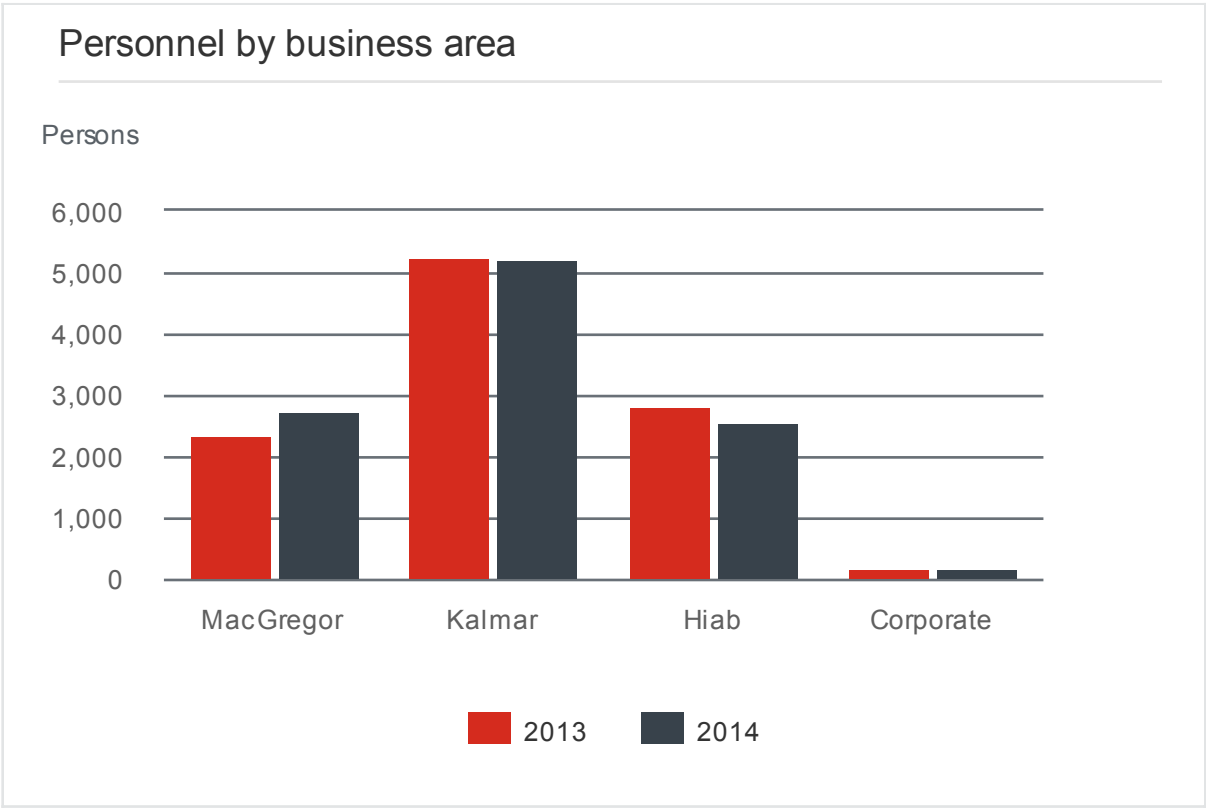
According to Cargotec's global Employment Policy, all employees have the right to be a member of a trade union of their choice and to bargain collectively. Cargotec also ensures that employee representatives are not the subject of discrimination and that employee representatives have access to their members at the workplace.

The minimum notice periods regarding significant operational changes depend on locations and national legislation. Globally, Cargotec conforms to local labour law and follows binding collective agreements where applicable. In Finland, 98 percent of employees are covered by collective bargaining agreements.

Personnel in figures

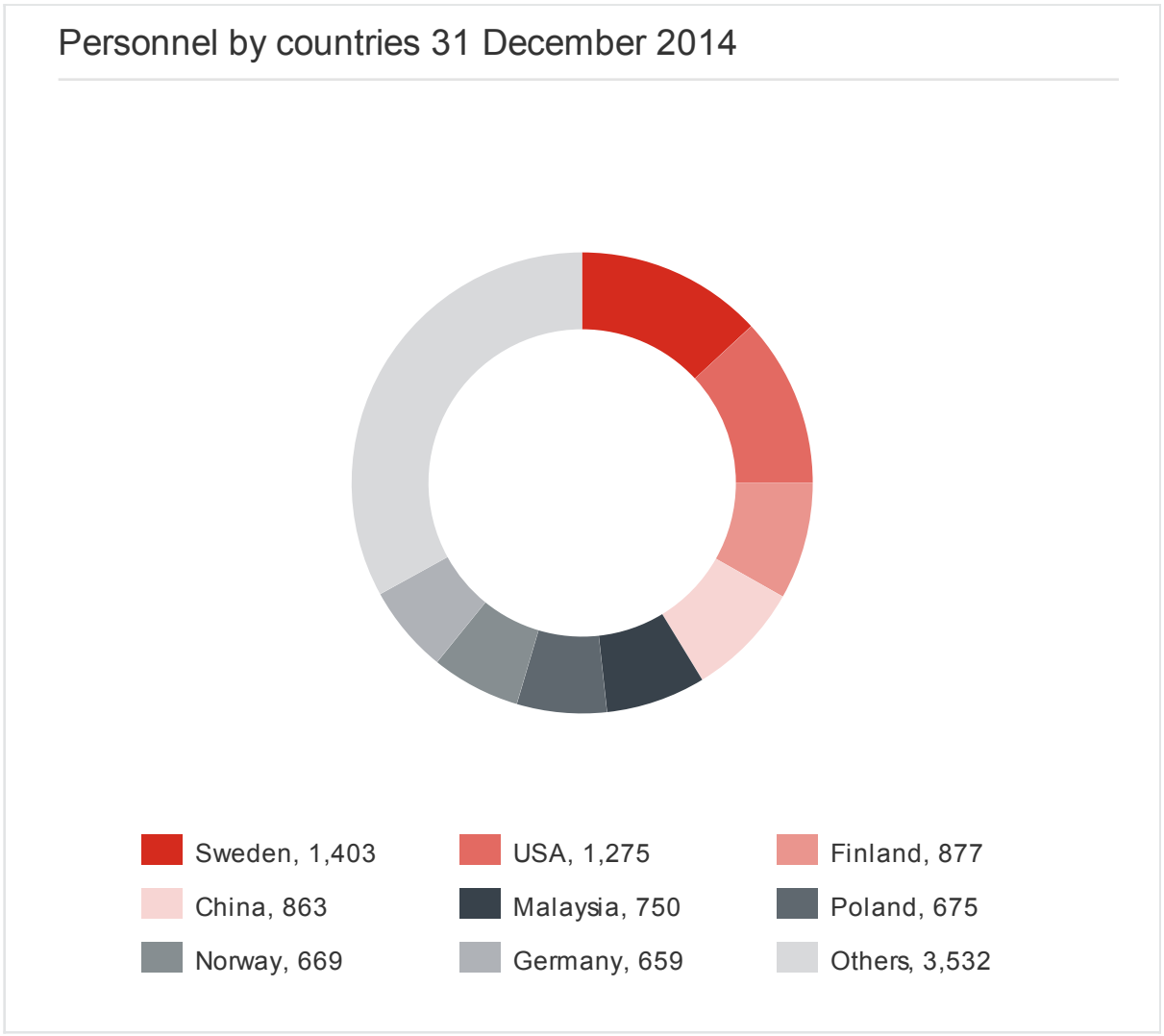
ZONE, Cargotec's new human resources information system, was launched on 1 December 2014. Information has been collected from around 150 people management systems. There are some inaccuracies which will be corrected during 2015. The figures presented here represent the situation on 31 December 2014. The age of employees is not publicly available; therefore the age groups are not reported here.

In 2014, Cargotec had a total of 10,703 (2013: 10,610) employees; of which 2,737 (2,354) were employed by MacGregor, 5,219 (5,269) by Kalmar, 2,572 (2,823) by Hiab and 176 (164) by corporate administration and support functions. In addition, there were 492 externals working for Cargotec. Among the total number of employees, there were 520 employees (4%) whose information had not yet been uploaded into ZONE by the end of 2014. These 520 employees are excluded from the other calculations and figures presented here.



The share of female employees has increased slightly. Female employees represented 18 (16) percent and male employees 82 (84) percent of Cargotec's entire workforce. Some 88 percent of employees had a permanent contract, and 12 percent fixed-term contracts. Part-time employees accounted for 2 percent of personnel, and external workers 5 percent.

Cargotec has operations in more than 100 countries, and its own employees in 46 countries. The ten biggest countries are presented in the figure below.



In 2014, Cargotec's Board of Directors comprised seven members; one woman (14%) and six men (86%). All the members were over 50 years old. On the Executive Board there were six members; one woman (17%) and five men (83%). Four of the members (67%) were over 50 years and two members (33%) were aged between 30 and 50. More information about the members of Board of Directors and the Executive Board is available at **www.cargotec.com**. On the Extended Executive Board, there were ten persons; four women (40%) and six men (60%).

Environment and safety

Cargotec's key environmental, health and safety figures are reported on an annual basis, for the same period as the financial figures. The reporting principles are based on the international sustainability reporting standard, the Global Reporting Initiative GRI G4 and the Greenhouse Gas Protocol (GHG Protocol).

The figures in this Environment, Health and Safety (EHS) section cover 17 assembly units (2013: 14). In the EHS report in 2013, the assembly sites in Poland were reported as one unit. In 2014, they are separated and reported as two units. Two assembly sites in UK and the United States are also included in the reporting. They are included as new sites, due to the lack of historical data. The assembly site in India is not included in the figures. Assembly site in Germany and several service sites in Europe and Asia are going to be consolidated into the figures in 2015 when the ongoing organisational changes enable harmonising reporting practices.

The changes in assembly operations have also an impact on the trend of environmental, health and safety (EHS) figures. Therefore, the figures are compared to the established base year, 2010. The reporting period for gross total emissions is 2010—2014. The base year gives a better understanding of EHS development on the current sites throughout the years. The figures for 2014 are presented in the text, and the figures for 2013 are given in parentheses.

Base year principles follow the guidance of the GHG Protocol's corporate accounting and reporting standard. 2010 was selected as the base year, because all the sites have used the same reporting system from that year onwards. This ensures the highest data reliability and harmonisation. In addition to GHG emissions, the base year calculation principles are applied also to analyse the use of energy and release of other air emissions.

Conversion factors for 2014 figures relating to direct energy usage (GHG Scope 1) are based on Statistics Finland's fuel classification (Tilastokeskus, polttoaineluokitus 2015). Conversion factors for indirect energy usage (GHG Scope 2) are from IEA Statistics 2013 and the Global Reporting Initiative (GRI G4). Conversion factors for earlier years remain unchanged for the gross amount figures.

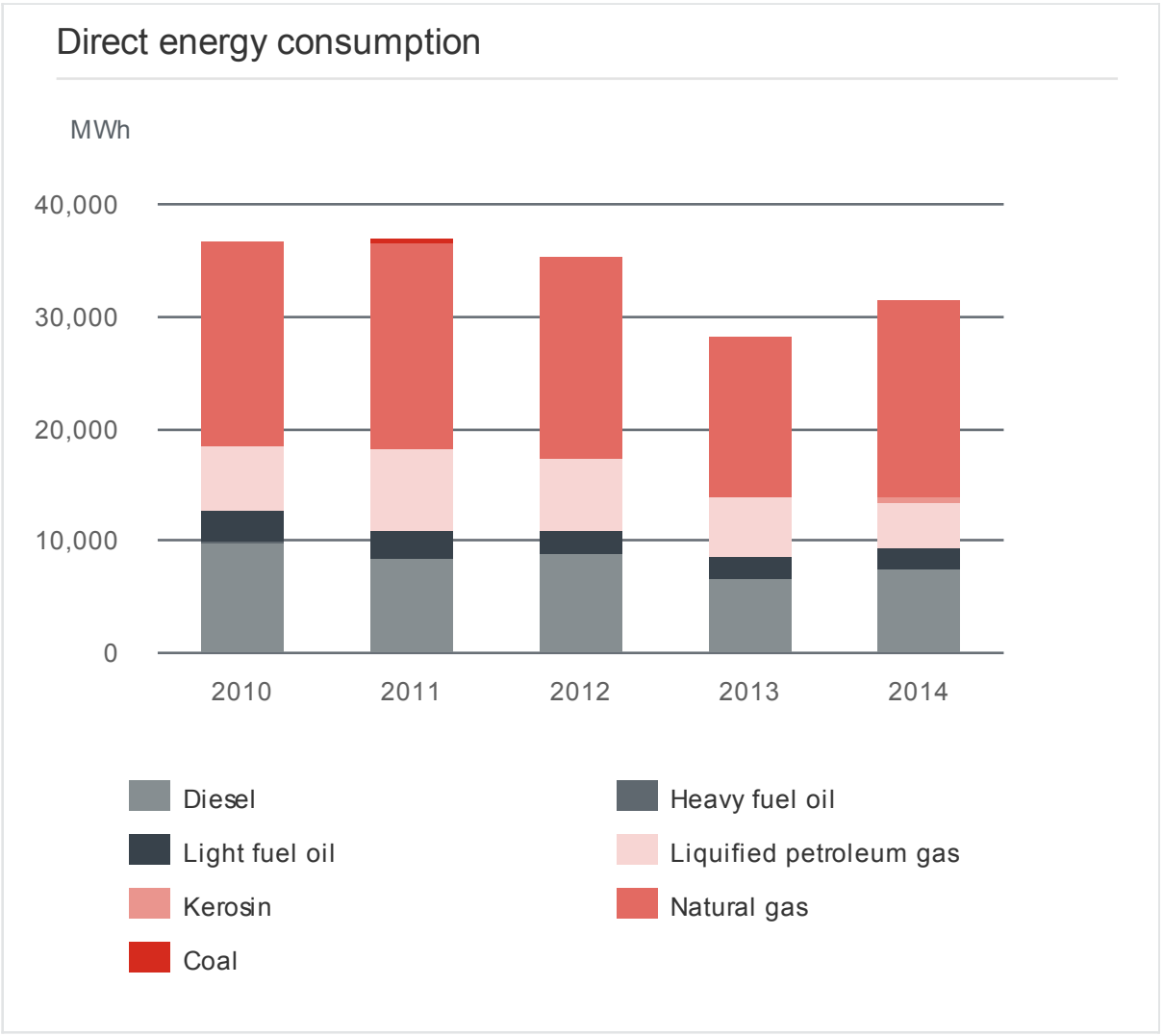
Energy

The amount of energy consumption has a direct impact on the amount of greenhouse gases produced by Cargotec's operations. Energy reduction measures have been set as environmental targets for most Cargotecs assembly sites. Concrete measures for monitoring the levels of energy reduction are developed on a local basis depending on the energy efficiency project scope and type.

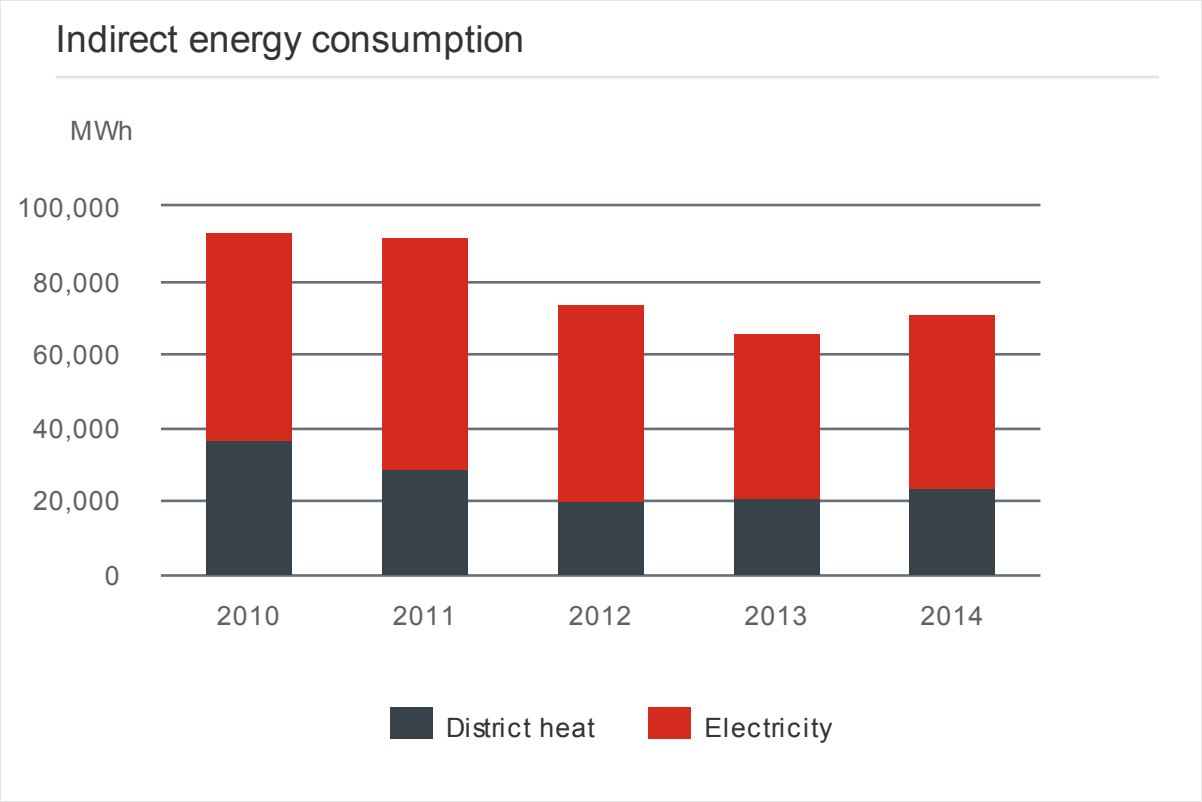
Most of Cargotec's energy consumption is caused by internal transportation, heating, electricity consumption and the testing of finished products. Direct energy consumption refers to energy purchased on site and use as such. Indirect energy consumption refers to energy purchased in the form of district heating or electricity.

The main factors affecting Cargotec's direct and indirect energy consumption are the production levels and the facilities required. In 2014, the total energy consumption was 102,660 (94,500) MWh. Cargotec did not sell any energy.

In the following figure, direct energy consumption in shown in the form of primary energy source. Natural gas is the most used fuel, and it is used mostly for heating. Diesel is mainly used for internal transportation and testing. Renewable energy sources were not used in 2014. Total direct energy consumption increased compared to last year due to the two assembly sites included in the reporting. In 2014, it was approximately 31,480 (28,400) MWh. Comparing 2014 to the base year 2010, the direct energy usage per sales of assembly sites decreased with 29 percent.

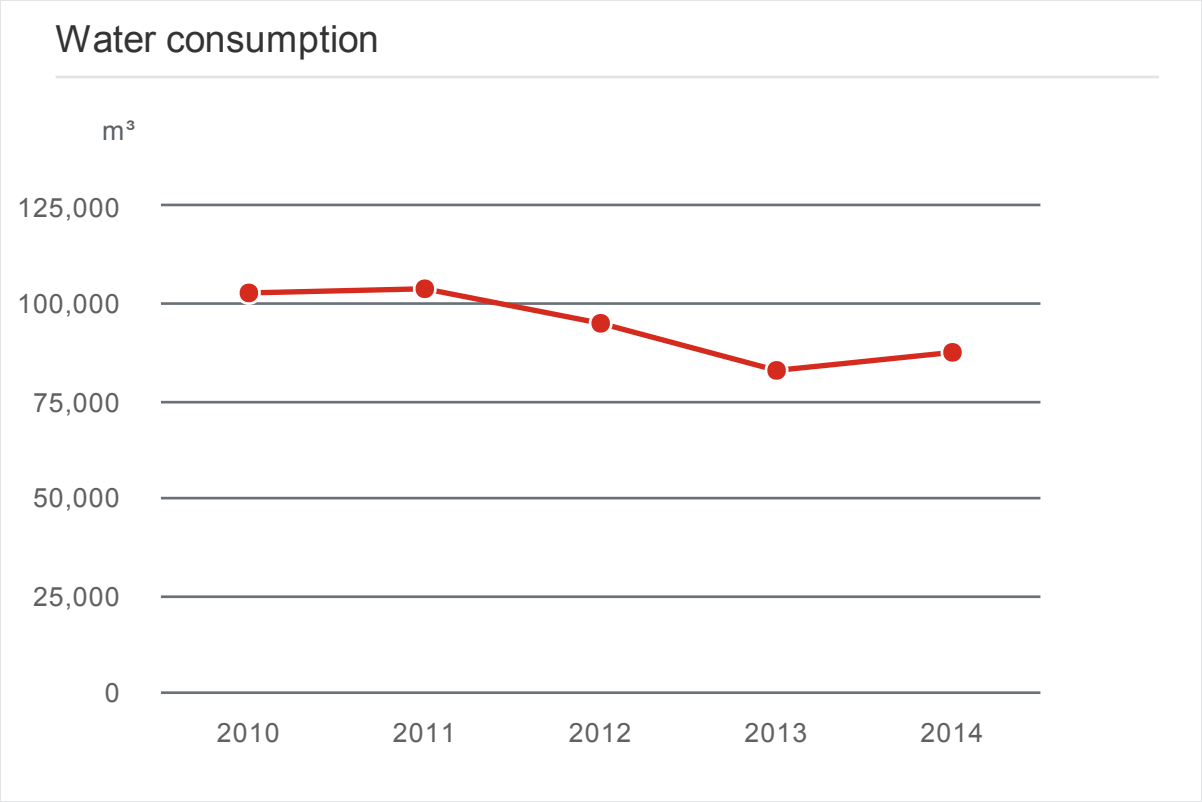


Also the consumption of indirect energy increased compared to last year. Indirect energy consumption in 2014 was approximately 71,170 (66,100) MWh. Comparing 2014 to the base year 2010, the indirect energy usage per sales of assembly sites did not change.



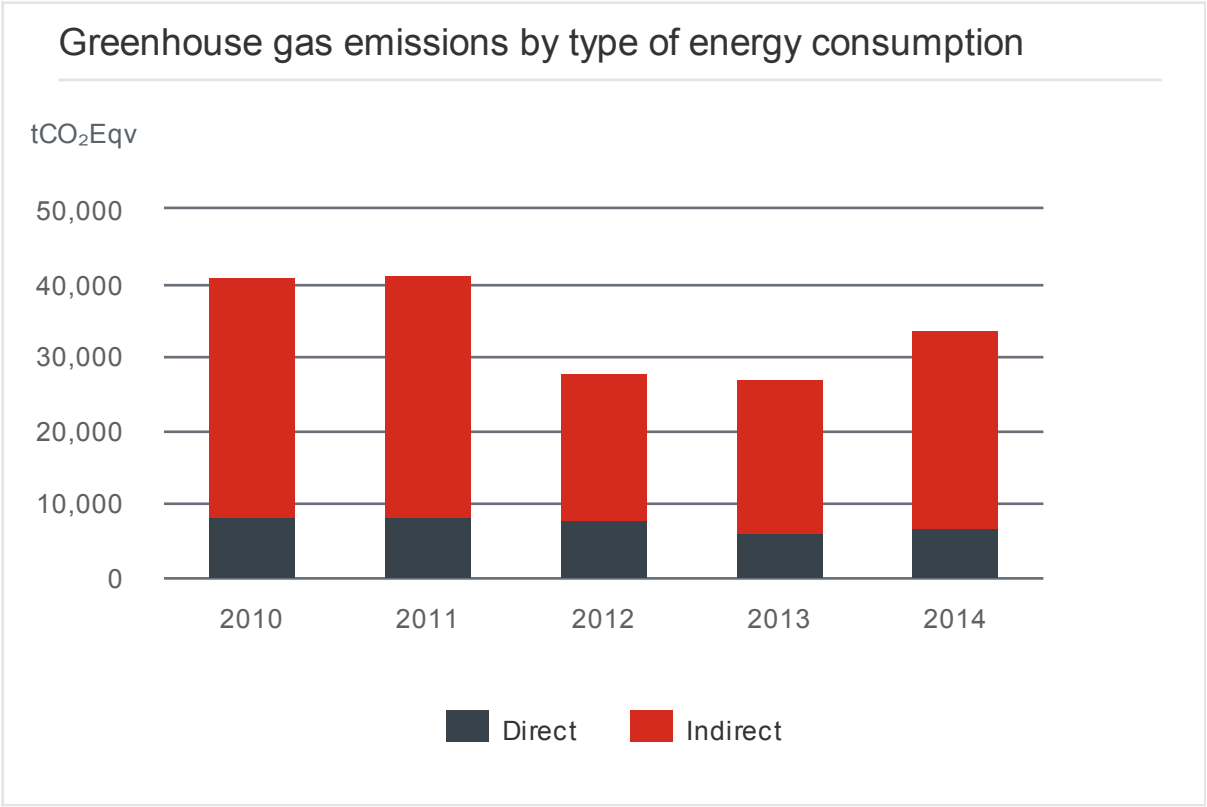
Water

In 2014, the water consumption was circa 87,360 (82,700) m^3. Compared to last year, the water consumption increased. This is due to the two assembly sites included in the reporting in 2014. Water is mainly used for washing the finished products and cleaning the premises, and for domestic use by personnel. Most units are connected to the public drainage systems, but one unit has its own well.



Greenhouse gas emissions

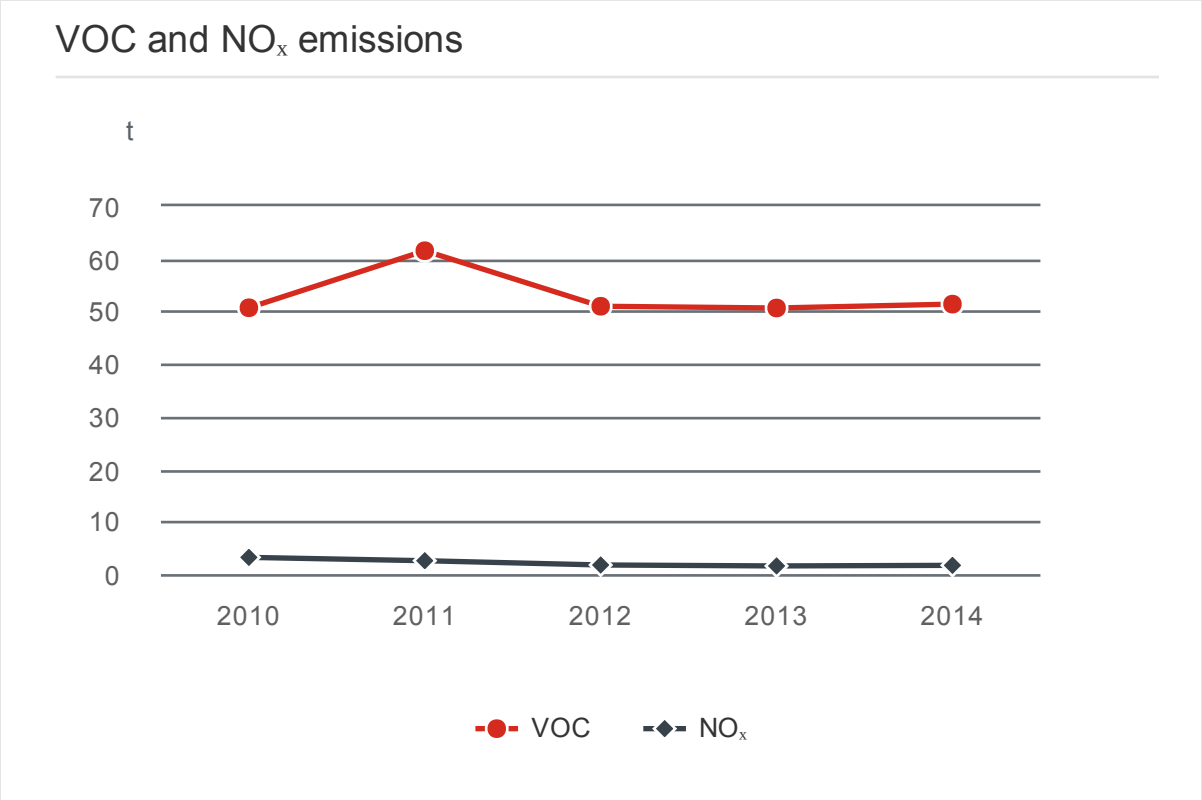
Cargotec's greenhouse gas (GHG) emissions are calculated from the energy usage. Calculation is based on international standards and set emissions factors. In 2014, Cargotec's GHG emissions totalled approximately 33,730 (27,000) carbon dioxide equivalent tonnes (CO_2eqv.t). GHG are calculated based on the direct and indirect energy consumption. Compared to last year, the consumption of direct and indirect energy increased. Therefore, the amount of GHG emissions also increased. In 2014 the GHG emissions per sales of assembly sites increased with 13 percent compared to the base year 2010.



In 2008, Cargotec began to follow up the GHG emissions generated by business travel. During the first stage, only the GHG emissions from air travel are followed. The coverage is around 70 percent of the flights by Cargotec's personnel. In 2014, GHG emissions from air travel totalled circa 14,130 (12,500) CO_2 tonnes. Based on this, it can be estimated that the total GHG emissions from all the flights by Cargotec's personnel would have totalled circa 20,190 (17,900) CO_2 tonnes. The calculation model for GHG emissions from air travel is based on the UK Department for Enrivonment, Food and Rural Affairs (Defra) guidelines 2008.

Other air emissions

Other emissions to air include volatile organic compounds (VOC), nitrogen oxides (NO_x), sulphur dioxide (SO_2), hydrocarbon and particulate matters (PM). VOC and NO_x emissions form 99 percent of the other air emissions. In 2014, VOC emissions totaled 51.4 (51) tonnes and NO_x emissions 1.7 (1.6) tonnes. The amounts of SO_2 and PM accounted for less than a percent of the emissions. Comparing 2014 to the base year 2010, the change of VOC emissions per sales of assembly sites decreased by 1.0 percent.



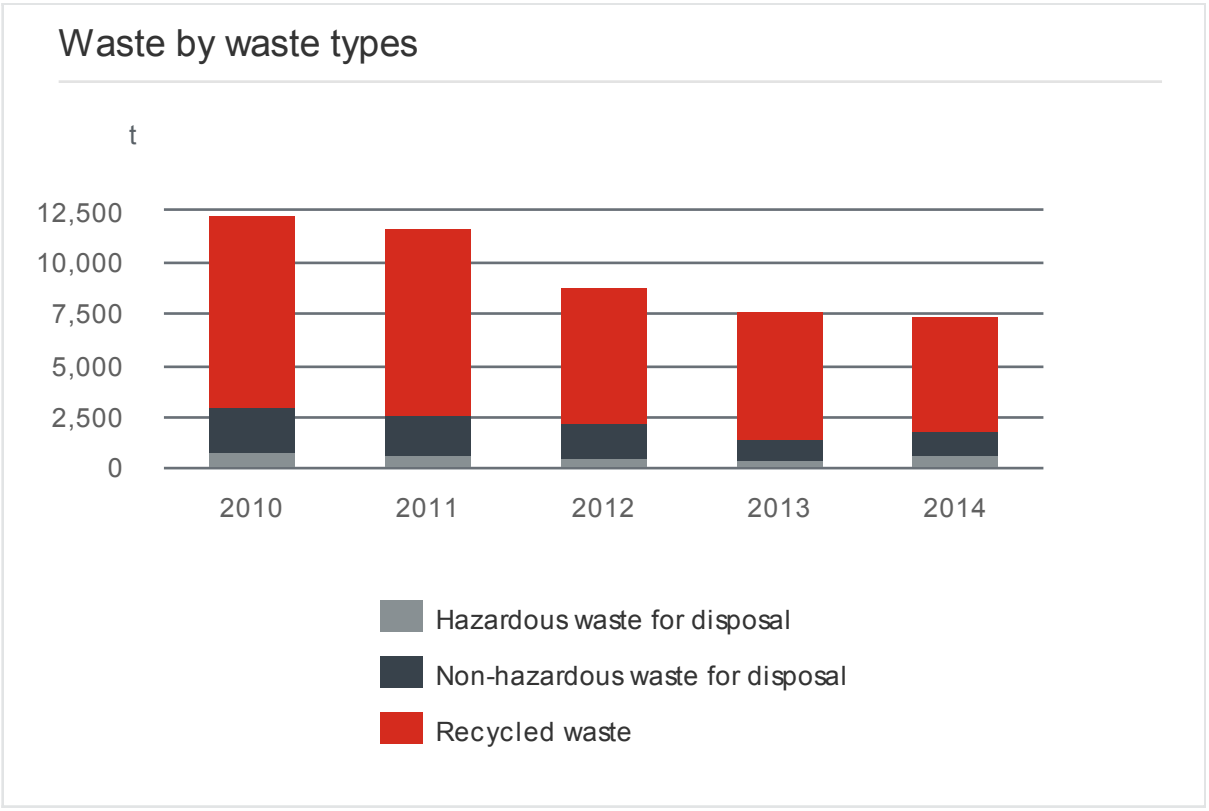
In most cases, national authorities have set limitations on these so-called traditional air emissions. Air emission figures in this report consist of the emissions that require an environmental permit or similar and which are controlled by the authorities.

Some of these emissions result from the operations of Cargotec's subcontractors working on Cargotec sites. For example, painting is outsourced in many units. In order to give a better overview of the process' effects, Cargotec's reporting includes the emissions associated from subcontractors' work on Cargotec sites.

Waste

In 2014, the total amount of waste was circa 7,400 (7,700) tonnes. Compared to last year, the amount of waste decreased, even though two assembly sites were included into the reporting in 2014.

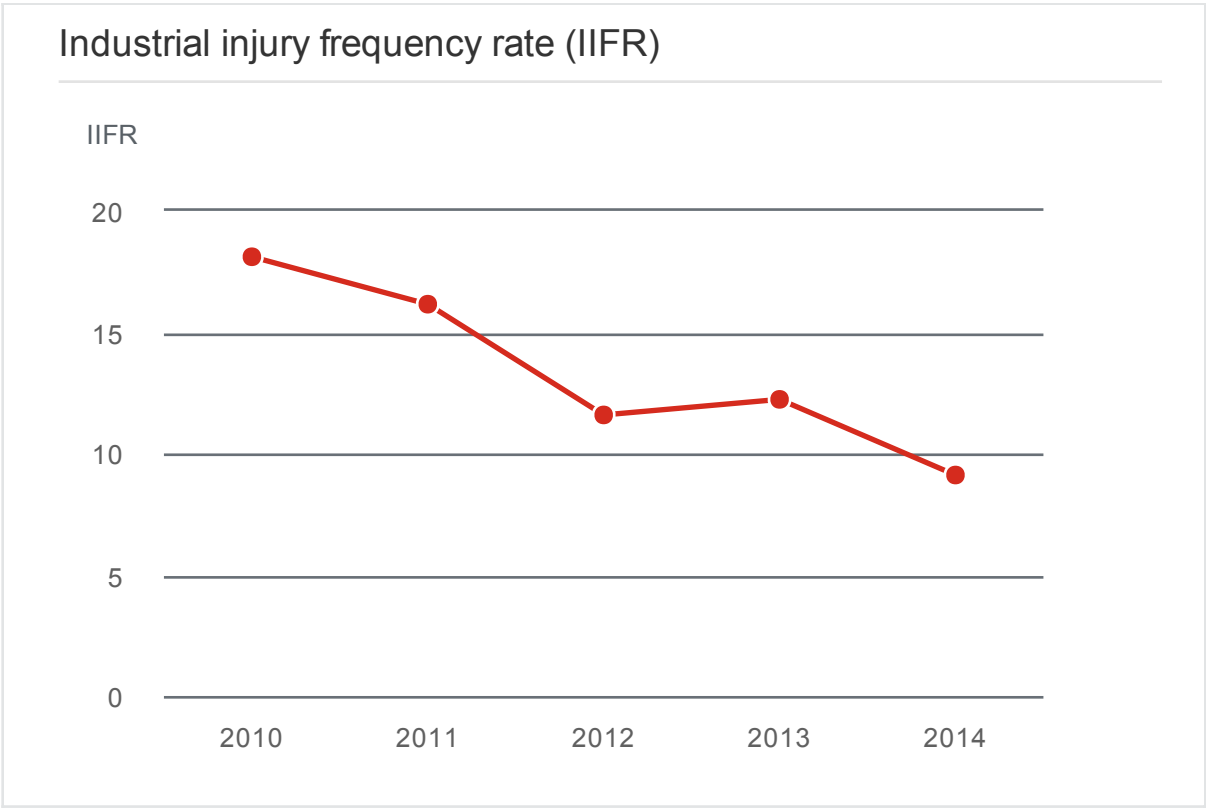
Most of the waste is recyclable. Waste treatment methods depend on the national waste regulations. Cargotec collaborates with companies specialised in waste treatment in order to enhance recycling and waste treatment to the most effective and reasonable level.



Health and safety

The industrial injury frequency rate (IIFR) presents injuries per million hours worked. From 2013, IIFR has been systematically followed up by the business area management level and Cargotec's Extended Executive Board. Corrective actions and continuous training programmes have been developed locally on sites to decrease the IIFR.

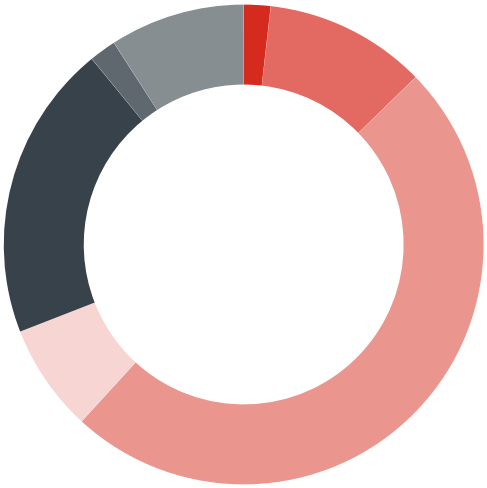
In 2014, the IIFR was 9.11 (12.23). In the Environment, health and safety report 2013, the IIFR was reported to be 12.80. The difference is due to the separation of the reporting in the two assembly units in Poland.



The total number of injuries at the assembly sites was 64 (79). In most cases (42%), hands were injured. The reporting covers all people working in the assembly sites.

There are occupational health and safety committees, or similar, on each assembly sites. Their responsibility is to ensure the best practices responsibility is to ensure the best practices relating to occupational health and safety processes.

Types of injuries



Eyes, 1
Feet, 6
Hands, 27
Head, 4
Legs, 11
Neck, 1
Thorax, 5

Ethical integrity form the base for business operations

Cargotec values transparency and business integrity and recognises that economic, environmental and social performance together form the basis for endorsing sustainability in our business operations. Cargotec is committed to full compliance with applicable national and international laws and regulations.

We want our employees to feel safe and secure in their duties."

"We want our employees to feel safe and secure in their duties. We want our employees to be proud of their work and their employer. Moreover, in the area of business anti-corruption and ethical practices, the legislation has developed and is very strict. Companies are obligated to ensure they have appropriate policies and processes," says **Outi Aaltonen**, Senior Vice President, General Counsel.

Outi Aaltonen

Senior Vice President
General Counsel

In 2007, Cargotec's Code of Conduct was approved by the Board of Directors. The purpose of the general ethical principles is to define Cargotec's ethical values and to launch a common, sustainable way of working among the personnel. There are 18 language versions of the Code of Conduct, all available on Cargotec's intranet. Contacts and additional information about the Code of Conduct is also provided on the intranet.

The Code of Conduct states Cargotec's ambition to respect international human rights, children's rights and labour codes throughout Cargotec's operations. In Cargotec's supplier criteria, the suppliers are required to follow the same international human rights agreements.

Cargotec does not accept the use of child labour under any circumstances. Due to the nature of the operations it has not been identified as a significant risk. Furthermore, in accordance with the Global recruitment and internal transfer policy, the line manager is also obliged to check the age of the external candidate before finalising the terms of recruitment. Moreover, Cargotec supports the elimination of all forms of forced and compulsory labour.

Code of Conduct e-learning course launched in 2014

The implementation of the Code of Conduct was supported by face-to-face training in 2007. The entire personnel of Cargotec underwent the training. The training is also a part of new employees' initiation. In 2013, Cargotec launched an anti-corruption policy and initiated a risk assessment of the corruption risks within Cargotec's operations. In addition, training on the anti-corruption policy was organised for business area management teams.

In order to further support the implementation of the ethical compliance, a Code of Conduct e-learning course was launched in 2014. It was mandatory for all Cargotec employees with an individual company email address and access to the intranet to take the e-learning course. The course will be renewed regularly. In 2014, the aim for participation on the Code of Conduct e-learning course was 100 percent. At the end of the year, around 90 percent of the employees had completed the course. "The Code of Conduct and participation to the e-learning of each employee will be revised in the forthcoming personal development plan (PDP) discussion," states Aaltonen.

International commitments

Cargotec is committed to several international sustainability development initiatives and commitments. International standards and commitments giving direction to Cargotec's operations include:

- **United Nations Initiative "Global Compact"**
- **UN Declaration of Human Rights**
- **ILO Declaration on Fundamental Principles & Rights at work**
- **OECD Guidelines for multinational enterprises**
- **ICC Business Charter**
- **Clinton Global Initiative**
- **Baltic Sea Action Group**

Code of Conduct response process

In 2014, we further developed our grievance mechanisms and response processes. Cargotec Code of Conduct response process has been documented as a supplement to Cargotec Code of Conduct, and it was approved by Cargotec's Executive Board in 2014. The document describes the process of capturing, investigating and responding to Code of Conduct and other serious compliance issues.

The Code of Conduct violations are reported to the Senior Vice President (SVP) Corporate Audit. Minor incidents may be referred to the Business Area, who will nominate the investigation lead and inform the SVP Corporate Audit. Minor incidents are also reported to the Code of Conduct Review Panel and Cargotec Audit and Risk Management Committee (ARC).

All the other incidents are reviewed by the Code of Conduct Review Panel. The Panel consists of President and CEO, SVP General Counsel, SVP Human Resources, SVP Corporate Audit and depending on the incident, the relevant business area President.

In 2014, we had 12 Code of Conduct incidents reported through the formal channel to the SVP Corporate Audit. All incidents have been responded to. As 2014 drew to a close, eight of the cases reported in 2013 and 2014 remained under active investigation and follow up. In addition, we had two environmental impact-related incidents reported in 2014. Both of them were open at the end of 2014. One incident reported in 2013 was closed by the end of 2014.

Cargotec's supply chain

In recent years, discussions about business anti-corruption and ethical practices have intensified on a global level, and the regulations have developed. At the same time, global companies face a wider variety of business practices, cultures and societal norms in their operational environment.

> **Discussions about business anti-corruption and ethical practices have intensified on a global level, and the regulations have developed."**

Cargotec supplier assessment criteria were developed in 2007, and implemented to the business areas during the next years. We launched our own anti-corruption policy in 2013. The following year, the instructions for engaging agents, brokers or sales representatives were updated.

In 2014, the business areas updated their supplier assessment processes. Hiab and Kalmar have updated their processes in collaboration. Due to the project-based business and offshore specific regulation, MacGregor has been updating its own requirements and assessment templates for suppliers. Cargotec's policies – the Code of Conduct, anti-corruption policy and Environment, health and safety policy – create a strong base for updating the supplier requirements and supplier assessment processes.

Hiab and Kalmar have included a stop parameter in the updated supplier assessment template. For example, a supplier is required to have a quality management system (ISO 9000) and a business continuity plan. MacGregor is in the process of updating the supplier assessment templates, including a stop parameter.

All suppliers assessed carefully

Observation of Cargotec's international commitments and agreement to operate in an environmentally conscious manner is included in Cargotec Purchasing General Conditions. Moreover, suppliers, their subcontractors and their respective employees are obligated to comply with all laws and regulations. The potential environmental impacts of the supply chain are on Cargotec's radar.

Cargotec's supplier approval process provides assessment guidelines for assessing suppliers. Potential suppliers are pre-evaluated, and new suppliers are always assessed. The existing suppliers are audited if the business with them grows significantly, or there are changes in the ownership or the location of the supplier.

At the end of 2014, Cargotec Sourcing Team approved the updated supplier requirements and assessment templates of Hiab and Kalmar. They are going to be implemented in the processes at the beginning of 2015. As MacGregor is in the process of updating the supplier requirements and assessment templates, they are going to be approved by MacGregor Group Executive Team and implemented in the processes in 2015.

MacGregor’s supply chain

Most of MacGregor’s production is outsourced. MacGregor works closely with long-term strategic and production partners and suppliers. With some, the collaboration has lasted for as long as 20 years. The termination of the contracts is extremely rare, and the supply chain is seen as being very stable.

The number of MacGregor’s suppliers has increased. Acquisitions at the turn of 2013 and 2014 boosted the number of suppliers by 600. At the end of 2014, MacGregor had around 900 suppliers.

In 2013, over 70 percent of the suppliers were from Asia. In 2014, the European share of the suppliers was 40 percent, while Asia’s share dropped to 60 percent. The number of suppliers in Asia, especially in China, will increase as MacGregor wants localised suppliers close to the markets. MacGregor’s top 50 suppliers cover 65 percent of the volume, and the top 100 cover 75 percent.

The number of suppliers in Asia, especially in China, will increase as MacGregor wants localised suppliers close to the markets.”

New suppliers are always audited. Existing suppliers are assessed if there are significant changes or a clear need for an audit. However, in 2014, MacGregor did not have any new main suppliers. MacGregor has not assessed the suppliers from the acquisitions of 2013—2014, as the previous owners' supplier requirements for approval are in line with Cargotec's requirements.

Kalmar's supply chain

Kalmar's suppliers are mainly from Europe (51%), America (27%) and Asia (22%). Relocating part of manufacturing from Sweden to Poland and the United States has affected suppliers, as local suppliers are preferred. In 2014, the Eastern European and Chinese shares have increased, and this trend will continue.

Kalmar has a total of 1,200 suppliers. The top 50 suppliers cover 60 percent of the volume, and the top 100 cover 75 percent. Moreover, 20 percent of the suppliers account for 80 percent of Kalmar's spend. To consolidate the supply base, Kalmar is moving more business to strategic global partners. Currently, Kalmar has 30 such partners. For strategic partners, Kalmar has a global supplier relationship manager to ensure that supplier requirements are met.

> **"To consolidate the supply base, Kalmar is moving more business to strategic global partners."**

Agreements with strategic suppliers last for three to five years. All new suppliers are assessed. In 2014, Kalmar assessed 25 new suppliers. Moreover, Kalmar assessed 3 existing suppliers due to the increase of business.

Kalmar has developed a score card system to monitor the suppliers and their performance. Quality, delivery on time and costs are monitored monthly. Assessments of the suppliers are conducted based on performance. In 2015, Kalmar is updating their supplier monitoring and development processes.

Hiab's supply chain

Hiab’s suppliers are mainly from Europe, but there are some from Asia. Eastern Europe’s share of suppliers is increasing while that of Scandinavian is decreasing. However, the opening of the new factory in Stargard, Poland, will increase the share of Eastern European suppliers. Logistics are optimised and regional suppliers preferred.

“The opening of the new factory in Stargard, Poland, will increase the share of Eastern European suppliers.”

Hiab has approximately 900 suppliers; 20–25 of them are preferred suppliers. With high-volume or critical components, they are important for Hiab’s production. Focusing on preferred suppliers enables continuous development. In addition, there are 20–30 strategic partners. The top 50 suppliers cover 63 percent of the volume, and the top 100 cover 71 percent.

The agreements are normally for three to five years. All new suppliers are assessed. In 2014, Hiab assessed 7 new suppliers and 16 existing suppliers. Hiab has taken a step forward with vendor management by introducing supplier relationship management. This is a way of working and collaborating closely with the preferred suppliers.

GRI Index

An independent third-party check, conducted by corporate sustainability reporting specialist Mitopro, confirms that Cargotec's sustainability reporting 2014 complies with the GRI G4 "in accordance – Core" criteria.

	GRI content	Reference	UN Global Compact
	Strategy and analysis		
G4-1	Statement from the CEO	**Letter from the CEO**	Commitment to UN Global Compact
G4-2	Description of key impacts, risks, and opportunities	**Letter from the CEO** **Enabling global trade for generations to come**	
	Organisational Profile		
G4-3	Name of the organisation	**Cargotec in brief**	
G4-4	Primary brands, products, and services	**Cargotec in brief**	
G4-5	Headquarters' location	**Cargotec in brief**	
G4-6	Countries of operation	**Cargotec in brief**	
G4-7	Nature of ownership and legal form	**Cargotec corporate governance statement 2014**	
G4-8	Markets served	**Cargotec in brief**	
G4-9	Scale of the organisation	**Cargotec in brief**	
G4-10	Employee data	**Personnel in figures**	Principle 6
G4-11	Collective bargaining agreements	**Cargotec Personnel Meeting**	Principle 3
G4-12	The organisation's supply chain	**Cargotec's supply chain**	
G4-13	Significant changes during the reporting period	**Cargotec in brief** **Cargotec corporate governance statement 2014** **Cargotec's supply chain**	
G4-14	Precautionary approach	**UN Global Compact**	
G4-15	External characters, principles and initiatives	**Ethical integrity form the base for business operations** **International commitments** **Interaction with stakeholders**	
G4-16	Memberships in associations	**Memberships in associations**	
	Identified material aspects and boundaries		
G4-17	List of entities in the consolidated financial statement	**Consolidated financial statements (IFRS)**	
G4-18	Defining the report content and the aspect boundaries	**Materiality analysis and reporting content**	
G4-19	Material Aspects identified	**DMA for the material themes**	
G4-20	Aspect Boundary within the organisation	All Cargotec Group companies are included in Cargotec's reporting boundaries. The only exception is EHS data, which covers 17 multi assembly sites. **See Environment and safety**	

G4-21	Aspect Boundary outside the organisation	Sustainability report does not cover performance data collected outside the Cargotec Group companies. The only exception is EHS data's Other air emissions. **See Other air emissions**
G4-22	The effect of restatements of information provided in previous reports	**Health and safety**
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	**Cargotec corporate governance statement 2014** **Cargotec in brief** **Environment and safety** **Cargotec's supply chain**
	Stakeholder engagement	
G4-24	List of stakeholder groups engaged	**Interaction with stakeholders**
G4-25	Identificaton and selection of stakeholders	**Interaction with stakeholders**
G4-26	Approach to stakeholder engagement	**Interaction with stakeholders**
G4-27	Response to key topics and concerns raised	**Future technologies** **Materiality analysis and reporting content**
	Report profile	
G4-28	Reporting period	1 January 2014 - 31 December 2014
G4-29	Date of the most recent previous report	Annual report 2013 on 12 February 2014 Cargotec's key environmental and safety figures 2013 in April 2014
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	GRI Content Index
G4-33	Assurance	The quality of disclosed sustainability data is controlled internally. External assurance of sustainability data is not conducted.
	Governance	
G4-34	Governance structure	**Cargotec corporate governance statement 2014**
G4-35	The process for delegating authority for sustainable topics	**Cargotec corporate governance statement 2014**
G4-36	Executive-level positions with responsibility for sustainability topics	**Sustainability management at Cargotec**
G4-37	Processes for consultation between stakeholders and the highest governance body on sustainability topics	**Cargotec corporate governance statement 2014** **Future technologies** **Interaction with stakeholders** **Materiality analysis and reporting content**

	Ethics and Integrity		
G4-56	Codes of conduct, codes of ethics	**Ethical integrity form the base for business operations**	Principle 10
G4-57	Mechanism for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity	**Code of Conduct** **Ethical integrity form the base for business operations**	Principle 10
G4-58	Mechanism for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	**Ethical integrity form the base for business operations** **Code of Conduct response process**	Principle 10
	Disclosures on Management Approach		
G4-DMA		**DMA for the material themes**	
	Economic		
	Economic Performance		
G4-EC3	Coverage of the organisation's defined benefit plan obligations	**Financial statement, note 27. Employee benefits**	
G4-EC4	Financial assistance received from government	**Hiab invests in innovative strategic planning**	
	Environmental		
	Energy		
G4-EN3	Energy consumption within the organisation	**Energy**	Principle 7, 8
G4-EN5	Energy intensity	**Energy**	Principle 8
G4-EN7	Reduction of energy requirements of products and services	**Energy**	Principle 8, 9
	Water		
G4-EN8	Total water withdrawal by source	**Water**	Principle 7, 8
	Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	**Greenhouse gas emissions**	Principle 7, 8
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	**Greenhouse gas emissions**	Principle 7, 8
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	**Greenhouse gas emissions**	Principle 7, 8
G4-EN18	Greenhouse gas (GHG) emissions intensity	**Greenhouse gas emissions**	Principle 8
G4-EN19	Reduction of greenhouse gas (GHG) emissions	**Greenhouse gas emissions**	Principle 7, 8, 9
G4-EN21	NO_x, SO_x and other significant air emissions	**Other air emissions**	Principle 7, 8
	Effluents and Waste		
G4-EN23	Total weight of waste by type and disposal method	**Waste**	Principle 8

	Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	**Sustainable product innovations to customers' needs** **MacGregor increases the ability to meet customers' needs** **MackRack eliminates risks and saves energy** **Kalmar aims to drive the industry forward** **Benchmark for fuel consumption and emissions** **Hiab invests in innovative strategic planning** **Phosphate-free nDurance™**	Principle 7, 8, 9
	Supplier Environmental Assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	**Cargotec's supply chain**	Principle 8
	Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	**Code of Conduct response process**	Principle 8
	Social		
	Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Information not available for 2014 due to the launch of ZONE in December 2014.	Principle 6
	Labour/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	**Cargotec Personnel Meeting**	Principle 3, 6
	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	**Health and safety**	
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	**Health and safety**	
	Training and Education		
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	**Learning and development support Cargotec's goals**	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	**Cargotec involves employees by performance management**	Principle 6

	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	**Personnel in figures**	Principle 6
	Supplier Assessment for Labour Practices		
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	**Cargotec's supply chain**	
	Labour Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	**Code of Conduct response process** Reported as Code of Conduct incidents.	
	Human Rights		
	Freedom of Association and Collective Bargaining		
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	**Cargotec Personnel Meeting** **Code of Conduct**	Principle 3, 6
	Child Labour		
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	**Ethical integrity form the base for business operations** **Code of Conduct**	Principle 5
	Forced of Compulsory Labour		
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	**Ethical integrity form the base for business operations** **Code of Conduct**	Principle 4
	Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	**Cargotec's supply chain** **MacGregor's supply chain** **Kalmar's supply chain** **Hiab's supply chain**	Principle 2
	Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	**Code of Conduct response process** Reported as Code of Conduct incidents.	Principle 1

	Society		
	Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	**Ethical integrity form the base for business operations**	Principle 10
G4-SO4	Communication and training on anti-corruption policies and procedures	**Ethical integrity form the base for business operations**	Principle 10
	Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	**Cargotec's supply chain** **MacGregor's supply chain** **Kalmar's supply chain** **Hiab's supply chain**	
	Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through grievance mechanisms	**Code of Conduct response process** Reported as Code of Conduct incidents.	
	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	**Sustainable product innovations to customers' needs** **MacGregor increases the ability to meet customers' needs** **MackRack eliminates risks and saves energy** **Kalmar aims to drive the industry forward** **Benchmark for fuel consumption and emissions** **Hiab invests in innovative strategic planning** **Phosphate-free nDurance™**	
	Product and Service Labeling		
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	**Health and safety**	
G4-PR5	Results of surveys measuring customer satisfaction	**Customer feedback helps steer Cargotec's direction**	

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