

II. Progress Report for the UN Global Compact

Since 2013, PALFINGER has supported the UN Global Compact, the world's largest initiative on CSR and sustainable development. With its accession to the UN Global Compact (UNGC), PALFINGER has committed itself to embracing and supporting the ten principles and undertakes to make all efforts to implement them to the best of its abilities.

“In the following reporting period, PALFINGER will continue its support of the Global Compact and renew the ongoing obligation of the Company to the initiative and its principles.”
Herbert Ortner, CEO of PALFINGER AG

The GRI Index contains all material GRI indicators that are in accordance with the principles of the UNGC. Aspects of the environmental category (water, biodiversity, compliance, transport, overall, environmental grievance mechanisms), labour/management relations, non-discrimination, local communities as well as public policy are not reported because they are classified as being of no material relevance.

Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and



GRI G4-HR 1

Principle 2:

make sure that they are not complicit in human rights abuses.

Under its Code of Conduct (at www.palfinger.ag/en/sustainability), PALFINGER is committed to embracing and supporting human rights and asks all its stakeholders for the same commitment. PALFINGER has set itself the targets of global, sustainable, profitable growth and social responsibility.





GRI G4-LA 14; G4-LA 15



GRI G4-HR 11

Measures and indicators

- Human rights in investment agreements:
A description of PALFINGER's activities with regard to human rights in investment agreements is contained in the integrated Annual Report 2013.
 **Integrated Annual Report: Strategy and value management, Long-term Group strategy p. 18 et seq.**
- Human rights in the supply chain:
PALFINGER supports the protection of human rights on the part of its strategic suppliers.
 **Integrated Annual Report: Customers and suppliers pp. 52-53**
- Human rights regarding the use of products:
For a description of where and how PALFINGER's products are used and the relevant indicators and measures, please go to the Company's website.



www.palfinger.ag/en/sustainability/aspects/human-rights

Labour

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Under its Code of Conduct, PALFINGER is committed to embracing and supporting the freedom of association: Employees must be able to communicate openly with corporate management about working conditions without fear of reprisal in any form whatsoever. They must have the right to organize, to join a labour union, to designate a works council and to be elected as a member thereof.



GRI G4-10, G4-11: Number of employees covered by collective bargaining agreements



GRI G4-HR 4



GRI G4-LA 14; G4-LA 15

→ PALFINGER is aware of the divergence in legislation at its Asian sites and has disclosed the measures taken in protection of these rights on its website:



www.palfinger.ag/en/sustainability/aspects/human-rights

Principle 4:

the elimination of all forms of forced and compulsory labour;

Under its Code of Conduct, PALFINGER is committed to embracing and supporting free choice of employment:

Forced or compulsory labour is not permitted. Employees must have the freedom to terminate their working relationship with reasonable notice. Employees must not be required to deliver their identification documents, passports, or work permits as a precondition of employment.



GRI G4-LA 14; G4-LA 15

Principle 5:

the effective abolition of child labour; and

Under its Code of Conduct, PALFINGER is committed to embracing and supporting the prohibition of child labour: Child labour must not be used in any phase of the production process. The stakeholders are mandated to adhere to the recommendations of ILO Convention No. 138 on the minimum age for admission to employment and work. This minimum age should not be less than the age at which compulsory school attendance ends, and in any case not less than 15 years.



GRI G4-LA 14; G4-LA 15

Principle 6:

the elimination of discrimination in respect of employment and occupation.

Under its Code of Conduct, PALFINGER is committed to embracing and supporting the elimination of discrimination: Discrimination against employees, in any form, is not permitted. This applies to discrimination, for example, on the basis of sex, race, caste, skin colour, disability, union membership, political convictions, national origin, religion, age, pregnancy or sexual orientation.



GRI G4-LA 12; G4-LA 14; G4-LA 15

Measures and indicators

- Freedom of association and collective bargaining:

An overview of the principle of freedom of association and collective bargaining as well as the divergence in legislation at PALFINGER's Asian sites may be found at the Company's website.



www.palfinger.ag/en/sustainability/aspects/human-rights

- Labour standards in the supply chain:
Efforts taken to integrate labour standards at PALFINGER's strategic suppliers as well as the relevant indicators and measures may be found in the integrated Annual Report 2013.



Integrated Annual Report: Customers and suppliers pp. 52-53

- Equal opportunity and prevention of discrimination of own staff
PALFINGER is committed to the issues of equal opportunity and diversity. For the relevant indicators and measures, please see the integrated Annual Report 2013; additional details may be found on PALFINGER's website.



Integrated Annual Report: Human resources, Diversity pp. 94-95



www.palfinger.ag/en/sustainability/aspects/employer

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges;

Under its Code of Conduct, PALFINGER is committed to embracing and supporting environmental responsibility:

The stakeholders follow the precautionary principle when dealing with environmental problems, institute initiatives to increase environmental responsibility, and promote the development and dissemination of environmentally friendly technologies.



GRI G4-14: Precautionary principle



GRI G4-EN 1, 3, 4, 5, 6, 7, 23, 32, 33

Principle 8:

undertake initiatives to promote greater environmental responsibility; and

Under its Code of Conduct, PALFINGER is committed to embracing and supporting environmentally friendly production:

The stakeholders ensure appropriate environmental protection in all phases of production. This includes a proactive approach in order to prevent or minimize the effects of accidents that could have negative impact on the environment.



GRI G4-EN 1, 3, 4, 5, 6, 7, 23, 32, 33

Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

Under its Code of Conduct, PALFINGER is committed to embracing and supporting environmentally friendly products: All products manufactured along the supply chain meet the environmental standards of their respective market segments. This includes all materials and substances used in production. Chemicals and other materials that could present a hazard to the environment if released must be identified. A management system for hazardous materials must be established for their use, so that they can be safely handled, transported, stored, recycled or reused, and disposed of with suitable methods.



GRI G4-EN 27

Measures and indicators

- Eco-efficiency in production:
PALFINGER continuously optimizes its own production. For more details, please see the integrated Annual Report 2013 and PALFINGER's website.
 [Integrated Annual Report: Value creation strategy p. 83 et seq.](#)
 www.palfinger.ag/en/sustainability/aspects/production
- Environmentally friendly PALFINGER products:
Product innovations use new, environmentally friendly technologies. They reduce potentially hazardous substances as well as the consumption of resources and energy during use.
 www.palfinger.ag/en/sustainability/aspects/products
- Products used for ecological and social purposes:
PALFINGER's products support industries in the fields of renewable energy and recycling. An overview may be found in the integrated Annual Report 2013.
 [Integrated Annual Report: Industry review p. 47 et seq.](#)

Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Under its Code of Conduct, PALFINGER is committed to embracing and supporting anti-corruption measures:

The highest level of integrity is expected in all business activities and relationships. Any form of corruption, bribery, extortion, and embezzlement is strictly prohibited, and can be reported anonymously using the Integrity Line at www.palfinger.ag.



GRI G4-56: Code of Conduct




GRI G4-57; G4-58: Reporting concerns about integrity



GRI G4-SO 3, 4, 5

Measures and indicators

- Details on corporate ethics and corruption prevention may be found in the integrated Annual Report 2013.
 [Integrated Annual Report: Fair business pp. 33-34](#)