



GRI Index
2018

SUSTAINABILITY ACCOUNTING PRINCIPLES AND REPORTING BOUNDARY

Aspect boundaries within the organisation

The following changes were made to the reporting boundary in 2016–2018:

In 2016, four sites were added to the reporting boundary (Technology and Competence Centre in Tampere, Finland, and assembly sites in India, the United Kingdom and Norway). A Technology and Competence Centre in Sweden was added to the 2016 total figures retroactively. In 2017, two MacGregor assembly sites in the United Kingdom and Germany were sold and thus removed from the reporting boundary.

In 2018, significant changes were made to the reporting boundary as the company's non-assembly sites started reporting for the first time. As of 2018, all Cargotec's operations are included in the reporting boundary under Cargotec total. One assembly site in Brazil was also added to the boundary.

Following the introduction of the non-assembly site reporting in 2018, we are aware that developing our reporting culture and increasing the quality of the data is a continuous process. This learning process may lead to some changes being made to the data in the coming years.

According to Cargotec's sustainability accounting principles, newly acquired or built sites should start reporting their environmental and safety figures after a reasonable period of time has passed from the implementation of the Environment, Health and Safety (EHS) management practice. In most cases, this is completed after one full operational year. Divested sites are included in the reporting boundary until the date of closing the transaction. However, this only applies to sites that have been part of the Group for at least six months.

Following these reporting principles, 11 non-assembly sites were left outside the Cargotec total reporting boundary. Of the excluded sites, 10 were lacking data from one full operational year (including MacGregor AOS Bodø (Norway); MacGregor AOS Seattle (USA); MacGregor AOS Peterhead (UK); MacGregor AOS Serbia (Serbia); Hiab, Meppel Frameworks; Hiab Germany, Standort Karlsruhe WS; Hiab UK, Bishop Stortford; Hiab UK, Cumbernauld; Hiab UK, Dudley; MacGregor Denmark GLS) and one site was divested (Cargotec Bjuv).

Cargotec's sustainability information presented in the GRI index and related materials covers the entire group, whereas the following indicators have currently been identified as non-material for the non-assembly sites and are therefore published only for 20 Cargotec sites (18 assembly sites and two Technology and Competence Centres): 303-1, 305-7 and 306-2. Furthermore, data for indicators 302-3 and 305-4 will only be published for the assembly sites as the data for Cargotec total has not been assured in previous years. Additionally, to achieve comparable data against previous years, two separate figures – one for Cargotec total, including all operations, and one for assembly sites, including the 18 assembly sites and the two Technology and Competence Centres – will be provided for the following indicators: 302-1, 305-1, 305-2, 403-2.

Aspect boundaries outside the organisation

The Cargotec GRI index and related materials describe company policies and management processes related to certain material aspects outside the Cargotec group companies. These include information about our supplier management and our approach to other third party interactions. Those indicators are 102-40, 102-42, 102-43, 102-44, 308-1, 407-1, 408-1, 409-1 and 414-1.

Accounting methodology, conversion factors, discrepancies

Economic indicators

The economic responsibility data presented in this review is based on Cargotec Corporation's audited consolidated financial statements. They are collected through Cargotec's group reporting system and prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union. Cargotec's accounting principles for the consolidated accounts are available in note 1 to the consolidated financial statements.

201-1 Direct economic value generated and distributed is calculated as follows:

1. Sales include revenues from goods and services sold to customers during the financial year, deducting sales taxes and discounts.
2. Purchases include the cost of goods and services purchased from suppliers during the financial year.
3. Wages and benefits include wages, salaries and bonuses paid and/or accrued to Cargotec employees during the financial year as well as fringe benefits, pension costs and social costs of employment for the financial year.
4. Creditors' share of value added is presented as interest paid.
5. The distribution of value added to the public sector includes income taxes. No deferred taxes are included in this figure.
6. The distribution of value added to shareholders is the total dividend which Cargotec's Board of Directors proposes for distribution to shareholders from the parent company's distributable funds.
7. Donations include contributions to non-profit organisations.

Environmental indicators

Unit conversions used in EHS data consolidation are based on the International System of Units (SI). We apply the operational control method outlined in the GHG Protocol "Corporate Accounting and Reporting Standard" of the World Business Council for Sustainable Development. 302-1 Energy consumption and 303-1 Water consumption are based on invoices and continuous measurements. Some energy consumption estimates are made according to delayed figures provided by the local energy companies. For some operations, the energy consumption is included in the facility rent and therefore not accessible for calculations. The energy consumption by suppliers or rental operations on Cargotec sites is included in total figures when the invoicing is not carried out separately. Energy intensity figures under 302-3 are a relation of gross energy consumption and sales by sites within the reporting boundary.

305-1 and 305-2 Greenhouse gas emission (GHG) calculations are based on direct and indirect energy consumption reported from the sites within the reporting boundary.

Gross GHG emissions are presented as CO₂ equivalent tonnes. The source of CO₂ emission factors for direct energy consumption (GHG Scope 1) in 2016 is the World Resources Institute's "GHG Protocol tool for stationary combustion" version 4.1 (2015). Direct emission factors for 2017 and 2018 are derived from the GHG Protocol version 3. Emission factors for location-based indirect energy consumption (GHG Scope 2) are derived from the International Energy Agency's publication series "CO₂ Emissions from Fuel Combustion" (2016, 2017, 2018). The Scope 2 factors are updated every year after a new version has been published. Scope 2 market-based emissions are reported for the first time in 2018. The market-based emissions are calculated based on emission factors from contractual agreements, European Residual Mixes and average grid emission factors from the International Energy Agency.

Scope 3 business air travel emissions are reported under 305-3. The reported business air travel emissions have not been identified as the company's most significant scope 3 emissions. Upstream transportation and distribution is assessed to be the biggest source of Scope 3 emissions; however, due to insufficient data, these are not reported.

The GHG emission intensity figures under 305-4 are a relation of gross GHG emissions and sales by sites within the reporting boundary. The base year for the intensity calculations is 2014.

305-7 includes emissions which are monitored as required by local authorities. Air emissions are locally regulated and their monitoring and quantification are based on site-specific methods. When no exact figures from waste contractors have been available, waste data reported under 306-2 is based either on waste records received from waste contractors or on estimations.

Personnel information

The personnel-related information unit is head count. The number of Cargotec employees by business area, presented under 102-8, is derived from Cargotec's legacy HR system with the principles defined in the Financial review 2018. Other HR-related data is based on data from Cargotec's online human resources information system. Unless otherwise stated, HR figures include permanent and temporary employees and supervised workers.

GRI CONTENT INDEX

GRI Disclosures

GENERAL STANDARD DISCLOSURE

GRI 102: GENERAL DISCLOSURE

102-1 NAME OF THE ORGANISATION

Cargotec Corporation

102-2 ACTIVITIES BRANDS, PRODUCTS AND SERVICES

Annual review 2018, pp. 6-7 Cargotec in brief
Annual review 2018, pp. 28-39 Business areas

102-3 LOCATION OF HEADQUARTERS

Helsinki, Finland

102-4 LOCATION OF OPERATIONS

Annual review 2018, pp. 6-7 Cargotec in brief

102-5 OWNERSHIP AND LEGAL FORM

Annual review 2018, pp. 6-7 Cargotec in brief
Corporate governance statement 2018, pp. 3-7

102-6 MARKETS SERVED

Annual review 2018, pp. 6-7 Cargotec in brief
Annual review 2018, pp. 28-39 Business areas

102-7 SCALE OF THE ORGANISATION

Annual review 2018, pp. 6-7 Cargotec in brief
Annual review 2018, pp. 8-9 Key figures

GRI Disclosures

102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS			UNGC Principle 6
Cargotec employees	2018	2017	2016
Kalmar	5,737	5,819	5,702
Hiab	3,879	3,370	2,997
MacGregor	1,879	1,859	2,256
Corporate administration and support functions	492	203	230
Total	11,987	11,251	11,184
Total workforce by employee relationship and gender		%	Share of females %
Share of own employees in the total workforce		94	19
of which permanent contracts		88	19
of which temporary contracts		12	23
Share of supervised workers in the total workforce		6	20
Permanent employees by employment type and gender			%
Share of permanent full-time employees			98
of which female			18
Share of permanent part-time employees			2
of which female			58
Total workforce by region and gender			%
AMER			13
of which female			18
APAC			19
of which female			20
EMEA			68
of which female			19
Total workforce			100
of which female			19

GRI Disclosures

102-9 SUPPLY CHAIN

Cargotec appreciates long-term and local suppliers in each business area. We choose our suppliers with care and on the basis of objective factors, such as quality, reliability, delivery and price. Compliance with laws and regulations as well as respect for international human rights are required of each supplier. In 2018, we continued to develop our supplier sustainability programme, which focuses on mitigating any risks or violations within our supply chain.

In Kalmar, the total number of direct suppliers was around 1,100 at the end of 2018. Kalmar spend was broken down geographically as follows: 28 percent of purchases were from the Americas, 54 percent from Europe and Middle East, and 17 percent from APAC.

Hiab had a total of 881 direct suppliers at the end of 2018, of which 36 were preferred suppliers. Focusing on these preferred suppliers enables continuous development of the supply chain management. Hiab also runs joint supplier development programmes together with selected suppliers. In 2018, the top 50 suppliers covered 61 percent and the top 100 suppliers 77 percent of the supply volume. The major share of Hiab suppliers was from Europe (82%). The rest of the suppliers were from America (14%) and Asia (4%).

MacGregor has a history of more than 20 years of collaboration with particular suppliers. At the end of 2018, MacGregor had approximately 790 direct suppliers. The top 70 suppliers covered nearly 70 percent and the top 100 suppliers approximately 80 percent of the supply volume. Approximately 42 percent of the supplier volume was from Asia and 58 percent from EMEA. Less than one percent of the supplier volume was from North America.

102-10 SIGNIFICANT CHANGES TO THE ORGANISATION AND ITS SUPPLY CHAIN

Annual review 2018, pp. 4-5 Strategy in action

Annual review 2018, pp. 28-39 Business areas

Financial review 2018, pp. 4-14 Board of Directors' report

102-11 PRECAUTIONARY PRINCIPLE OR APPROACH

Cargotec's Environmental, Health and Safety (EHS) policy defines the precautionary approach as the basic objective of Cargotec's EHS work. In addition, Cargotec has signed the UN Global Compact initiative, which highlights the precautionary approach principle.

102-12 EXTERNAL INITIATIVES

- ICC Business Charter for Sustainable Development
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises

- UN Declaration of Human Rights
- UN Global Compact

All initiatives are voluntary and multi-stakeholder in nature.

102-13 MEMBERSHIP OF ASSOCIATIONS

- The Association of Lorry Loader Manufacturers and Importers (ALLMI)
- Center of Maritime Technologies (CMT)
- Confederation of Finnish Industries
- Digital, Internet, Materials & Engineering Co-Creation (DIMECC)
- European Material Handling Federation (FEM)
- Finnish Industrial Internet Forum (FIIF)
- Finnish Marine Industries

- German Engineering Federation (VDMA): Marine Equipment and Systems
- Global Compact Finnish Network
- International Chamber of Commerce ICC Finland
- Norwegian Offshore & Drilling Engineering (NODE)
- Port Equipment Manufacturers Association (PEMA)
- Technology Industries of Finland
- TRACE International

GRI Disclosures

STRATEGY

102-14 STATEMENT FROM SENIOR DECISION-MAKER

Annual review 2018, pp. 2-3 CEO review

102-15 KEY IMPACTS, RISKS AND OPPORTUNITIES

Annual review 2018, pp. 10-11 Megatrends drive growth

Annual review 2018, pp. 12-13 Refined strategy

Annual review 2018, pp. 16-17 Value creation model

ETHICS AND INTEGRITY

102-16 VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR

UNGC Principle 10

Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

102-17 MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS

UNGC Principle 10

Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

Our Code of Conduct, the Cargotec Anti-Corruption policy, Gift and Hospitality Instruction, Instruction for Engaging Agents, as well as the Instruction for Speak-Up and Non-Retaliation guide our work against possible unethical or corrupt business practices. The practical implementation of these policies, and related instructions, is guided by our Ethics and Compliance framework, which is based on the main principles to prevent, detect and respond to potential misconduct. The Ethics and Compliance organisation supports the business by providing proactive advice and training and by conducting internal investigations. We have an externally hosted speak-up line to enable anonymous and confidential reporting of concerns.

GOVERNANCE

102-18 GOVERNANCE STRUCTURE

Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

Corporate governance statement 2018, pp. 3-7

102-19 DELEGATING AUTHORITY

Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

102-20 EXECUTIVE-LEVEL RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

STAKEHOLDER ENGAGEMENT

102-40 LIST OF STAKEHOLDER GROUPS

Cargotec's main stakeholders are its customers, personnel and investors. Other stakeholder groups include suppliers, authorities, research and educational institutions, local communities and the media.

102-41 COLLECTIVE BARGAINING AGREEMENTS

UNGC Principle 3

Collective bargaining agreements are applied on a country-specific basis. Complete information on the bargaining agreement coverage is available in Finland, Sweden, Belgium, Italy, Spain and France. Excluding the executive management, 100 percent of our employees in these countries are covered by local bargaining agreements. No statistics are available from other locations.

GRI Disclosures

102-42 IDENTIFYING AND SELECTING STAKEHOLDERS

Annual review 2018, pp. 28-39 Business areas

Annual review 2018, pp. 18-21 World-class leadership supports success

We uphold an open and transparent dialogue with our various stakeholder groups, actively responding to information requests and queries and pro-actively providing information in social media, in print, and through various forms of direct communication. Our ongoing dialogue and collaboration with different stakeholders enable us to identify opportunities to create value for our customers and shareholders and provide input for setting our sustainability targets. Integrity, fairness, confidentiality and compliance with stock exchange rules guide all our communications.

As a global leader in intelligent cargo and load handling, we have put a lot of effort into our #SmarterBetterTogether concept – through which we attempt to open an industry-wide dialogue for collaboration around three important challenges that we want to solve. These include reducing inefficiencies, improving eco-efficiency and better safety throughout the whole cargo flow. By activating our own experts as ambassadors and by creating blogs, videos and other content, we have been able to see high-quality discussions on our social media channels between different industry stakeholders: e.g. customers, partners, influencers, competitors and end-users. Visit cargotec.com/vig for more information about #SmarterBetterTogether.

Additionally, we have used social media as a tool for even more transparent, real-time and effective investor communications. For example, we have shared video summaries, infographs, real-time Q&A's and other insights about our interim reports and financial statements. In addition to our group level efforts, our business areas actively use social media especially to communicate and engage with customers.

GRI Disclosures

102-43 APPROACH TO STAKEHOLDER ENGAGEMENT

Annual review 2018, pp. 28-39 Business areas

Stakeholder group	Examples of stakeholder interaction
Customers	Our business areas gather customer feedback regularly and engage in active dialogue with customers through direct meetings, marketing, extranet, newsletters and social media, for example. During 2018, we increased our social media efforts on sustainability topics, especially in Twitter, LinkedIn and Facebook, and more importantly, we have used social media as a strategic tool to communicate key messages effectively.
Personnel	<p>As an employer, Cargotec wants to focus especially on personal development and creating world-class leadership. Our ways to give voice to employees include regular personal/group discussions between managers and their team members, as well as townhall and personnel meetings, among others. In 2018, we opened our internal strategy site that promotes collaboration, discussion and opinion sharing about the topic. The same platform will be expanded to a company-wide social intranet in 2019. We support employees' freedom of association and right to organise.</p> <p>Our Human Resources Information System ZONE and our intranet's People Portal section serve as a platform for distributing people processes. We periodically conduct structured surveys with our employees, such as our employee satisfaction survey Compass, and arrange co-operational group meetings, target and performance discussions as well as personnel info and team meetings. More about the Compass 2018 results can be found in the Annual review 2018, page 20.</p>
Investors	Cargotec's Investor Relations aims to ensure that all market participants have correct and sufficient information at all times to support a fair valuation of Cargotec's share. In addition to executing financial communication and proceeding investor requests, Investor Relations organised several events and meetings in 2018. Examples include the MacGregor investor day in Helsinki and roadshows in 12 countries. Additionally, Cargotec took part in several sustainable investment conferences to increase environmental awareness and management amongst our suppliers and investors. We proactively contacted our investors to discuss the most relevant sustainability topics and to hear their thoughts and feedback regarding the subject. The AGM was held in Helsinki on 20 March 2018.
Local communities	Cargotec's sites are actively involved in local stakeholder engagement and goodwill. Traditionally, we engage in charity action especially during the holiday season. In 2018, Kalmar participated in the Movember campaign which purpose is to raise awareness of men's health issues, such as prostate cancer, testicular cancer, depression and men's suicide. With the Movember campaign Kalmar donated EUR 10,000 to the Turku Cancer Research Society to support prostate cancer research. For the second consecutive year, Cargotec also made a donation to UNICEF during the holiday season.
Authorities	With our own operations located in 45 countries, we engage with local authorities to ensure regulatory compliance in our operations.
Suppliers	In 2018, a lot of effort was put to enhance collaboration with our suppliers via our supplier sustainability management programme. The sustainability self-assessment tool process was implemented for all our strategic suppliers, with the purpose of encouraging dialogue on human rights risks and other sustainability risks in our supply chain. We also ran extended supplier relationship management programmes with selected suppliers to create joint value for our own and our suppliers' business.
Research and education institutions	Cargotec frequently collaborates with universities and other research institutions around the world. As an example, in 2018, a three-year cooperation between Kalmar and Tampere University of Technology came to an end. The aim of the project was to ensure that safety issues are taken into account during service development and delivery.
Media	Cargotec arranges press meetings in connection with trade events and result publications. We issue dozens of press releases every year covering a wide array of topics.

GRI Disclosures

102-44 KEY TOPICS AND CONCERNS RAISED

Interaction with our employees builds a foundation for executing our strategy. Structured methods of gathering employee feedback include our employee engagement survey Compass. In 2018, Compass received a response rate of 85 percent (2017: 86). Employee engagement has slightly declined to 67 percent (2017: 69). Development areas include helping our employees to understand our strategic direction better and to have more confidence in it.

Cargotec Business Services (CBS), operating out of Sofia, Bulgaria, was established in 2017. Serving the Finance, HR and Indirect procurement functions, CBS works to harmonise global processes across functions, business units and regions. By the end of 2018, CBS was live in six countries covering 25 percent of our total headcount. According to the current road map, all significant operating countries will be included in CBS by the end of 2020. Once the implementation is complete, CBS will be a strategic enabler for us, establishing one common way of delivering all business support services.

In February 2018, MacGregor entered into an agreement to acquire the marine and offshore businesses of TTS Group, a global provider of cargo handling equipment and services for merchant and offshore ships. Based on preliminary estimates, potential cost synergies of the integration are estimated to be around EUR 30-35 million on annual level and reached within three years from closing. The combination of MacGregor and TTS will produce greater scale and diversification and strengthen MacGregor's portfolio and market position. TTS and its joint ventures have approximately 830 employees globally. The biggest TTS teams are located in Germany, Norway, Sweden and China, where TTS has three joint ventures. The acquisition is subject to regulatory approvals in three markets. In 2018, MacGregor received approvals from the regulators in Germany and South Korea, but is waiting for the approval from the competition authority in China. MacGregor expects to close the transaction in Q1 2019. MacGregor has an integration team preparing integration, but the actual planning of the integration can only start after the completion of the deal.

During the year there were concerns raised in social media regarding the potential misuse of Cargotec solutions in Iran. We are aware of reports that Iran publicly executes people using cranes. We strongly condemn this kind of action and behaviour. Since 2012, we have not sold any products to Iran. We have produced over 500,000 loader cranes during the last 70 years. Many of these are sold second hand in the aftermarket. It is unfortunately impossible to control the flow of used equipment around the world. A crane sold in one country may end up in another without us having control over this.

REPORTING PRACTICE, ASPECTS AND BOUNDARIES

102-45 ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Financial review 2018, pp. 21-31 Note 1. Accounting principles for the consolidated financial statements

102-46 DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

Annual review 2018, pp. 22-27 Sustainability as a competitive advantage
pp. 2-3 Sustainability accounting principles and reporting boundary

In 2018, significant changes were made to the reporting boundary, as company's non-assembly sites started reporting for the first time. One assembly site in Brazil was also added to the boundary. As of 2018, all Cargotec operations are included in the reporting boundary.

Cargotec aims to report on sustainability issues in a manner that meets the needs of our customers, investors and other stakeholders. This review describes our work and sustainability focus areas, also taking into consideration the communication needs towards external stakeholders. Our strategy defines our sustainability approach and reporting principles.

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

From 2010 onwards, Cargotec's sustainability reporting content has been approved by senior executive management representatives or the Executive Board. The reporting content of this 2018 review has been assessed by executive management representatives to evaluate its alignment with our strategy and sustainability targets, and to ensure that we report matters that are both internal priorities and of interest to our stakeholders. Although no major requirements were received from external stakeholders regarding the reporting content, we made some adjustments to further prioritise the material issues and ease comparisons in later reporting.

GRI Disclosures

102-47 LIST OF MATERIAL TOPICS

Category	Material aspects identified
GRI 200: Economic	201: Economic performance, 205: Anti-corruption
GRI 300: Environmental	302: Energy, 303: Water, 305: Emissions, 306: Effluents and waste, 308: Supplier environmental assessment
GRI 400: Social	401: Employment, 402: Labour/management relations, 403: Occupational health and safety, 404: Training and education, 405: Diversity and equal opportunity, 407: Freedom of association and collective bargaining, 408: Child labour, 409: Forced or compulsory labour, 414: Supplier assessment for impacts on society, 416: Customer health and safety

pp. 2-3 Sustainability accounting principles and reporting boundary

102-48 RESTATEMENTS OF INFORMATION

pp. 2-3 Sustainability accounting principles and reporting boundary

102-49 CHANGES IN REPORTING

pp. 2-3 Sustainability accounting principles and reporting boundary

102-50 REPORTING PERIOD

1 January–31 December 2018

102-51 DATE OF THE MOST RECENT REPORT

Cargotec Annual Review 2017, 16 February 2018

102-52 REPORTING CYCLE

Annual

102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

communications@cargotec.com

102-54 CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS

This review has been prepared in accordance with the GRI standards: Core option, defined by the global reporting initiative GRI. See the Independent limited assurance report on pp. 22-24. The external assurance covers selected indicators under the specific standard disclosures.

102-55 GRI CONTENT INDEX

pp. 4-21 GRI content index

102-56 EXTERNAL ASSURANCE

pp. 22-24 Independent limited assurance report

GRI Disclosures

GRI 103: MANAGEMENT APPROACH

103-1 EXPLANATION FOR REPORTING THE MANAGEMENT APPROACH

Annual review 2018, pp. 10-21 Company
 Annual review 2018, pp. 28-39 Business areas
 Annual review 2018, pp. 22-27 Sustainability as a competitive advantage
 pp. 2-3 Sustainability accounting principles and reporting boundary

103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS

UNGC Principle 1, 8

Annual review 2018, pp. 10-21 Company
 Annual review 2018, pp. 28-39 Business areas
 Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

103-3 EVALUATION OF THE MANAGEMENT APPROACH

Annual review 2018, pp. 10-21 Company
 Annual review 2018, pp. 28-39 Business areas
 Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

The management approach is evaluated continuously as part of our operation. The impacts of our processes and tools on all our material topics are carefully assessed through the year. Constant improvements are made, so that the goals and targets that have been set for the year are achieved. Our processes and tools are evaluated through internal and external auditing processes and regular assessments are also done via engagement, customer and stakeholder surveys. Our sustainability work is evaluated on a yearly basis and improvements are made according to findings and recommendations.

GRI 200: ECONOMIC

GRI 201: ECONOMIC PERFORMANCE

201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Economic value generated and distributed, MEUR	2018	2017	2016
Economic value generated	3,304	3,250	3,514
Sales	3,304	3,250	3,514
Economic value distributed	3,136	3,111	3,350
Purchases	2,315	2,223	2,495
Wages and benefits	701	715	717
Interest expenses	20	19	22
Income taxes	30	86	55
Dividends*	71*	68	61
Donations**	-	-	-
Economic value retained	167	139	164

* Dividends in 2018 are based on the Board of Directors' proposal. Actual dividends are confirmed in the Annual General Meeting 2019.

** Donations are paid from the retained earnings according to the decision made in the Annual General Meeting.

Year 2017 financial figures have been restated according to the new and amended IFRS accounting principles adopted on January 1, 2018.

GRI Disclosures

201-3 DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

Financial review 2018, pp. 44-46 Note 12. Post employment benefits

GRI 205: ANTI-CORRUPTION

205-1 OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

UNGC Principle 10

Cargotec does business on a global scale and our industry is exposed to compliance risks relating, for example, to doing business in remote locations, bidding for large projects for customers that are governmentally owned as well as the use of sales intermediaries in countries where we do not have our own sales offices. The ethics and compliance team conducts regular risk assessments, including site visits, to ensure that adequate procedures are put in place to mitigate the risks.

205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

UNGC Principle 10

Cargotec Board of Directors receives an annual update from the Ethics and Compliance team. In addition, the Board's Audit and Risk Committee receives periodic updates on anti-corruption activities and other Code of Conduct matters during the year. The Extended Executive Board also has a monthly Code of Conduct panel where the topics are communicated and discussed. During the previous years, the E&C team has focused heavily on training and awareness efforts. Particular priority has been placed on face-to-face workshops with key risk groups. Based on the input from these workshops, the focus areas for 2018 have been risk assessments and Code of Conduct cases, conflicts of interest and third party management.

The Code of Conduct is part of new employees' initiation, and participation in the Code of Conduct e-learning course is revised during the personal development plan (PDP) discussion. The Code of Conduct e-learning course was completed by 8,748 employees (72%) during the year (2017: 82%*). Due to some M&A processes, approximately 300 employees were not able to complete the CoC e-learning during the year, and will be asked to do so during 2019. Onsite training workshops were also arranged for employees without an e-mail address or access to intranet.

* In 2017 the target group included only employees with an individual company email address and access to the intranet, whereas in 2018, the target group for the e-learning course was all Cargotec employees.

In 2018, a new conflict of interest instruction was launched and a formal process for declaring and disclosing possible conflict of interest risk was implemented in collaboration with the HR organisation. A new third party policy was also approved. The policy stipulates formal criteria for managing E&C risks relating to third parties involved in sales, supply chain, mergers and acquisitions, as well as in joint ventures. More detailed instructions are being drafted and a process for third party screening and risk assessments for sales intermediaries is being developed by Cargotec Business Services (CBS). The target is to replace the current agent instruction with an updated instruction and process during 2019. Significant improvements have also been made to integrate E&C pre- and post-acquisition risk assessments into the M&A process.

GRI Disclosures

GRI 300: ENVIRONMENTAL

GRI 302: ENERGY

302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION

UNGC Principle 7, 8

Energy consumption, TJ	2018 Cargotec total	2018 Assembly sites	2017 Assembly sites	2016 Assembly sites
Direct energy consumption	293.6	134.4	131.6	156.4
Non-renewable sources	292.3	133.4	130.3	155.9
Diesel	166.9	42.9	39.8	34.9
Gasoline, kerosene, LFO	26.2	9.5	7.7	11.2
Liquified petroleum gas	16.5	14.9	15.8	15.3
Natural gas	82.8	66.1	67	94.5
Renewable sources	1.4	1	1.3	0.5
Wood pellets	0.6	0.6	0.5	0.5
Solar energy*	0.8	0.4	0.8	0.1
Indirect energy consumption	280.2	222.1	219.7	234.7
Electricity	201.8	151.1	154.8	170.9
- renewable sources**	63.4	52.4	-	-
District heat	78.4	71	64.9	63.8
- renewable sources	19.6	19.6	-	-
Total energy consumption	573.8	356.4	351.3	391.1

In 2018, significant changes were made to the reporting boundary, as the company's non-assembly sites started reporting for the first time. The data from the centralised EHS system has been considered consistent for the complete group for the first time in 2018, and therefore we have not been able to publish data including non-assembly sites previously. The centralised system gives us broader information about the organisation's complete energy consumption and GHG emissions, making it possible for us, for the first time, to really influence the data and set long time targets. As of 2018, all Cargotec operations are included in the reporting boundary as Cargotec total. The Assembly sites includes 18 assembly sites and two Technology and Competence Centres. This data is also published for 2018 for the data to be comparable to previous years.

Cargotec's total energy consumption amounted to 573.8 TJ in 2018. The total energy consumption of the assembly sites increased by one percent compared to 2017. One assembly site was added to the calculation during the year, which had an increasing effect on the overall figure.

* Solar energy covers energy produced by solar panel installations on Cargotec sites. Our Tampere site has a test field which is mostly powered by solar panels.

** In 2018, 100 percent of assembly sites, service sites and offices in Finland and Sweden were powered by renewable electricity, resulting in approximately 30 percent of Cargotec's electricity being renewable.

GRI Disclosures

302-3 ENERGY INTENSITY UNGC Principle 8

Energy intensity	2018	2017	2016
Energy intensity index	77	78	79

The energy intensity index is based on the ratio of total energy consumption and sales by sites included in the reporting boundary. The base year is 2014, where the index value is 100. In 2018, energy intensity decreased by 1.5 percent compared to 2017 and by 23 percent compared to the base year 2014.

In 2018, significant changes were made to the reporting boundary, as the company's non-assembly sites started reporting for the first time. Cargotec only publishes the intensity data for the assembly sites. The intensity figure for the complete group will be calculated with the base year being 2018, and published after sufficient comparable data is available.

302-5 REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES UNGC Principle 8, 9

Annual review 2018, pp. 28-39 Business areas

Annual review 2018, pp. 22-27 Sustainability as a competitive advantage

Cargotec's Offering for eco-efficiency concept consists of solutions that may enhance customers' sustainability with cleaner technologies, software solutions or services supporting circular economy. Our product range is wide, and there are currently no generally accepted industrial standards for evaluating the environmental impacts of our products or services. It is not possible to have one evaluation methodology or same parameters to evaluate all products or services, which is why we have developed evaluation methodologies and related parameters for individual products and services, when required by customers, regulation or other market development need. We do not publish calculation methodologies or detailed information about the technical achievements due to business confidentiality.

The products listed under this GRI indicator are those that have been included in our Offering for eco-efficiency portfolio. In 2018, 17 new products/solutions were added to the portfolio. All products included in the portfolio are audited externally by DNV GL, and the audit process is conducted once a year to guarantee the reliability and transparency of the eco-efficiency offering. A wider selection of products and services that help to mitigate environmental burden are presented in Cargotec's Offering for eco-efficiency concept. More information about our eco-efficient offering can be found at www.cargotec.com, www.kalmarglobal.com, www.hiab.com and www.macgregor.com.

As an example, Kalmar increased its Green Offering with new RMG cranes during the year. These cranes are mains driven (no diesel engine), so they are zero-emissions systems on-site. Kalmar RMG cranes also include energy recovery system for harvesting kinetic energy, improving the efficiency further. Kalmar RMGs can be tailored according to the customer's exact requirements. They have also full automation and connectivity possibilities including Kalmar Insight. RMGs are typically used in intermodal railway operations. This supports container traffic transformation from road trucks to railways, which is the most eco-efficient mode of land transportation.

GRI 303: WATER

303-1 WATER WITHDRAWAL BY SOURCE UNGC Principle 7, 8

Water consumption, m ³	2018	2017	2016
Municipal water supplies	88,900	90,000	116,700

Sites are connected to public drainage systems. No process water is used at Cargotec assembly sites.

GRI Disclosures

GRI 305: EMISSIONS

305-1 DIRECT (SCOPE 1) GREENHOUSE GAS EMISSIONS

UNGC Principle 7, 8

305-2 ENERGY INDIRECT (SCOPE 2) GREENHOUSE GAS EMISSIONS

UNGC Principle 7, 8

GHG emissions, tCO ₂ e	2018	2018	2017	2016
	Cargotec total	Assembly sites	Assembly sites	Assembly sites
Direct GHG emissions (Scope 1)	20,100	8,600	8,400	9,800
Indirect GHG emissions (Scope 2) location-based	28,600	23,600	23,500	26,300
Indirect GHG emissions (Scope 2) market-based*	28,100	22,300	-	-
Total (Scope 1 + Scope 2, location-based)	48,700	32,200	31,900	36,000

In 2018, significant changes were made to the reporting boundary, as the company's non-assembly sites started reporting for the first time. The data from the centralised EHS system has been considered consistent for the complete group for the first time in 2018, and therefore we have not been able to publish data including non-assembly sites previously. The centralised system gives us broader information about the organisation's complete energy consumption and GHG emissions, making it possible for us, for the first time, to really influence the data and set long time targets.

As of 2018, all Cargotec operations are included in the reporting boundary as Cargotec total. The Assembly sites includes 18 assembly sites and two Technology and Competence Centres. This data is also published for 2018 for the data to be comparable to previous years.

Cargotec's total Scope 1 and Scope 2 (location-based) GHG emissions amounted to 48,700 tCO₂e in 2018. For assembly sites, both Scope 1 and Scope 2 GHG emissions increased compared to 2017. Scope 1 GHG emissions increased by 2 percent and Scope 2 emissions by 0.4 percent. The increase in total GHG emissions was 1 percent compared to 2017.

* The market-based emissions were calculated for the first time in 2018, using contractual emissions factors for Finland and Sweden, and residual mix emission factors for other European countries.

Average grid emission factors published by the International Energy Agency (IEA) were used for the remaining countries. Approximately 30 percent of the electricity used was renewable; however, due to the high residual mix emission factors, it does not significantly impact the final emissions.

305-3 OTHER INDIRECT (SCOPE 3) GREENHOUSE GAS EMISSIONS

Scope 3 GHG emissions, tCO ₂ e	2018	2017
GHG emissions from business air travel	11,000	13,300

Scope 3 business air travel emissions are reported for the first time in 2018. The reported emissions have not been identified as the company's most significant Scope 3 emissions. No other Scope 3 data is currently valid and therefore it is not published.

The Scope 3 emissions include air travel emissions from the entire group.

305-4 GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

UNGC Principle 8

Greenhouse Gas (GHG) emissions intensity	2018	2017	2016
GHG emissions intensity index	81	83	86

The GHG emissions intensity is based on the ratio of total greenhouse gases and sales by sites included in the reporting boundary. The base year is 2014, where the index value is 100. In 2018, the GHG emissions intensity decreased by 2 percent compared to 2017 and by 19 percent compared to base year 2014.

In 2018, significant changes were made to the reporting boundary, as the company's non-assembly sites started reporting for the first time. Cargotec only publishes the intensity data for the assembly sites. The intensity figure for the complete group will be calculated with the base year being 2018, and published after sufficient comparable data is available.

GRI Disclosures

305-7 NITROGEN OXIDES (NO_x), SULFUR OXIDES (SO_x), AND OTHER SIGNIFICANT AIR EMISSIONS UNGC Principle 7, 8

Weight of emissions, t	2018	2017	2016
Nitrogen oxides (NO _x)	2.1	2.4	2.3
Particulate matter (PM)	0.9	0.9	2.0
Sulphur oxides (SO _x)	0.3	0.4	0.4
Volatile organic compounds (VOC)	75.5	70.9	66.1

GRI 306: EFFLUENTS AND WASTE

306-2 WASTE BY TYPE AND DISPOSAL METHOD UNGC Principle 8

Weight of waste, t	2018	2017	2016
Hazardous waste	650	600	600
Non-hazardous waste	11,400	10,500	10,000
of which recycled	9,300	9,400	8,700
Total	12,050	11,100	10,700

Approximately 78 percent of the waste generated at Cargotec sites is metal, aluminum and wood waste, which have high recycling value.

306-3 SIGNIFICANT SPILLS UNGC Principle 8

No significant spills occurred during the reporting period.

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA UNGC Principle 8

Cargotec's supplier criteria include elements to audit the compliance of the supplier regarding the management of labour practices, human rights, anti-corruption and the environment. 20 percent of the questions in the supplier assessment checklist are related to these topics. In 2018, 100 percent of new direct material suppliers were audited against the labour practice, human rights and environmental management criteria.

GRI Disclosures

GRI 400: SOCIAL

GRI 401: EMPLOYMENT

401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

UNGC Principle 6

Rate of new employee hires and employee turnover	Number of employees	%
New employee hires	2,412	22
Employee turnover	1,441	13
Voluntary turnover	740	7

New employee hires by gender, age group and region	Number of employees	% of total	New hire rate %
By gender			
Male	1,859	77	21
Female	553	23	28
By age group			
Under 30 years old	625	26	50
30–50 years old	1,388	58	21
Over 50 years old	399	17	14
By region			
AMER	446	18	28
APAC	266	11	13
EMEA	1,700	70	24

Employee turnover by gender, age group and region	Number of employees	% of total	Turnover rate %
By gender			
Male	1,114	77	13
Female	327	23	16
By age group			
Under 30 years old	219	15	17
30–50 years old	808	56	12
Over 50 years old	414	29	14
By region			
AMER	415	29	26
APAC	240	17	12
EMEA	786	55	11

The information about new hires and employee turnover includes only permanent employees.

The rate of new employee hires is the number of new hires divided by the number of all permanent employees at the end of 2018. The new hire rates within the employee breakdown categories are calculated by dividing the new hires within the category by the total number of permanent employees within the breakdown category. For example, the new hire rate for female employees is the number of new female hires divided by the number of all permanent female employees at the end of 2018. Turnover rates are calculated on similar basis as new hire rates.

GRI Disclosures

GRI 402: LABOR/MANAGEMENT RELATIONS

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

UNGC Principle 3

The minimum notice periods regarding operational changes are defined by national legislation and local collective bargaining agreements. Cargotec operates in various countries and complies with the local legislation.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

403-1 WORKERS REPRESENTED IN FORMAL JOINT MANAGEMENT–WORKER HEALTH AND SAFETY COMMITTEES

86 percent of Cargotec employees have representation in occupational health and safety committees. Employees working at a particular site have representation in their respective committees. Because many of the service sites are small, no occupational health and safety committees exists, impacting the figures. At the assembly sites, 100 percent of the workers have representation in occupational health and safety committees.

403-2 TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES

Number of injuries by type	2018 Cargotec total	2018 Assembly sites	2017 Assembly sites	2016 Assembly sites
Back	30	7	6	6
Eyes	5	2	3	0
Feet	18	2	6	6
Hands	69	24	18	19
Head	11	2	3	3
Legs	25	9	11	9
Multiple parts or whole body	11	3	0	2
Neck	5	1	0	0
Thorax	7	4	2	3
Total number of lost time injuries	181	54	49	48

Number of lost time injuries by region	2018 Cargotec total	2018 Assembly sites	2017 Assembly sites	2016 Assembly sites
AMER	22	8	3	7
APAC	12	5	4	7
EMEA	147	41	42	34

Rate of injury (IIFR)*	2018	2017	2016
Assembly sites	6.7	6.1	5.7
Assembly sites and Technology and Competence Centres	6.0	5.7	5.4
Cargotec total, assembly & non-assembly sites	8.4	-	-

* IIFR is the number of injuries per million hours worked. Injuries include incidents that lead to an absence of at least one day or shift. No work-related fatalities occurred during the reporting period of 2016–2017. One work-related fatality was reported during 2018.

GRI Disclosures

GRI 404: TRAINING AND EDUCATION

404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

UNGC Principle 6

Annual review 2018, pp. 18-21 World-class leadership supports success

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

UNGC Principle 6

Composition of governance bodies and employees by gender and age group, %	Board of Directors	Extended Executive Board	Employees
Male	70	73	81
Female	30	27	19
Under 30 years old	0	0	14
30–50 years old	10	27	61
Over 50 years old	90	73	25

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

407-1 OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

UNGC Principle 3

Cargotec's Code of Conduct and related policies state that Cargotec is committed to respecting international human rights and requests the same from its suppliers and agents. Fully aligned with Cargotec's own Code of Conduct, Cargotec has a specific supplier Code of Conduct, which has been delivered to strategic suppliers. Freedom of association, abolition of child labour and forced and compulsory labour are examples of the basic principles Cargotec demands from its suppliers.

The supplier code of conduct process is part of Cargotec's supplier sustainability management programme, with which Cargotec aims to mitigate any risks for breaching international human rights. During 2018, 100 percent of strategic suppliers were taken into a sustainability self-assessment tool, which focuses on screening human rights and other sustainability risks in our supply chain.

Additionally, Cargotec conducted a renewed human rights gap analysis on its operations. The main risks related to human rights violations were identified in the supply chain and M&A activities. Human rights risk management related to the supply chain is now included in the sourcing sustainability programme. Concerning human rights risks related to M&A, we conducted a review and process update to screen possible risks more clearly within each M&A case.

GRI 408: CHILD LABOUR

408-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOUR

UNGC Principle 5

See 407-1

GRI 409: FORCED OR COMPULSORY LABOUR

409-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOUR

UNGC Principle 4

See 407-1

GRI 414: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

UNGC Principle 2

See 308-1

GRI Disclosures

GRI 416: CUSTOMER HEALTH AND SAFETY

416-1 ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

100%.

Customer health and safety is the top priority in Cargotec's offering. Health and safety impacts are evaluated in all product categories. The scope of health and safety impact evaluation depends on the product type, usage, customer demands and existing regulative requirements. The EU Machinery directive and related standards guide the evaluation when applicable. Outside the EU, local regulations and requests are followed.

Products are tested carefully before being delivered to customers. Delivery processes that need special logistic solutions are assessed separately for possible risks to health and safety. The usage of products is tested carefully before delivery to customers and/or when the final assembly at the customer's facilities is carried out. Possible hazardous materials used in the components of the equipment are controlled with appropriate safety management practices and safety data sheets. Product safety is always taken into account in production planning.

INDEPENDENT LIMITED ASSURANCE REPORT

Scope of Engagement

Cargotec Corporation ("Cargotec") commissioned DNV GL Business Assurance Finland OY/AB ("DNV GL") to conduct a limited assurance engagement over Selected Information presented in the Non-financial Disclosures as a part of Review of Board of Directors (pages 8–10) and in the GRI index (pages 2–24) (the "Report") for the reporting period 1st January to 31st December 2018.

Selected Information

The scope and boundary of our work is restricted to the key sustainability performance indicators and metrics included within the Report (the "Selected Information"), listed below:

- Sales of eco-efficiency product group (% of total net sales)
- Industrial injury frequency trend (IIFR)
- Compass Employee Engagement survey results:
 - Leadership index
 - Team climate index
 - Engagement index
 - Social responsibility index
 - Code of Conduct index
- Strategic suppliers conducting the sustainability self-assessment tool (%)
- Cargotec Code of Conduct training completion (%)
- Number of Code of Conduct compliance cases
- GRI 302-1 Energy consumption within the organization (TJ)
- GRI 302-3 Energy intensity (%)
- GRI 305-1 Direct greenhouse gas emissions (scope 1) (tCO₂e)
- GRI 305-2 Indirect greenhouse gas emissions (scope 2) (tCO₂e)

- GRI 305-4 Greenhouse gas emissions intensity (%)
- GRI 403-2 Number of injuries by type and by region
- GRI 308-1 and GRI 414-1 New suppliers screened using environmental, labour practices and human rights criteria (%)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Global Reporting Initiative's GRI-standards (2016) and Cargotec's sustainability accounting principles, (the "Criteria", see page 2–3 of the GRI index).

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Cargotec's website for the current reporting period.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information and is to be read in the context of this Assurance Report, in particular the inherent limitations explained below.

Standard and level of assurance

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that

we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with Cargotec's management to obtain an understanding of the data management systems and processes used to generate, aggregate and report the Selected Information;

- Five site visits and four video conferences to review process and systems for preparing site level data consolidated at Head Office. The site level review was conducted at:

- Hiab Ellesmere, UK,
- Hiab Meppel, The Netherlands,
- Hiab Multilift Raisio, Finland,
- Hiab Services, Finland,
- Kalmar Belgium,
- Kalmar Netherlands,
- Kalmar Services Hamburg, Germany,
- Kalmar Stargard, Poland, and
- MacGregor Hamburg, Germany.

DNV GL was free to choose the sites on the basis of materiality and type of sites visited in previous assurance engagements;

- Reviewing data at source and following this through to consolidated group data;
- Reviewing whether the evidence, measurements, and scope of the Selected Information is prepared in accordance with the Criteria; and
- Reviewing the Report and narrative accompanying the Selected Information in the Report with regard to the Criteria.

Inherent limitations

Our assurance relies on the premise that the data and information provided by Cargotec to us as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. Energy use data utilized in Green

House Gas (GHG) emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. Finally, the selection of different but acceptable measurement techniques may result in materially different measurements.

DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Report.

Our competence, independence and quality control

DNV GL established policies and procedures are designed to ensure that DNV GL, its personnel and – where applicable – others are subject to independence requirements (including personnel of other entities of DNV GL) maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals, whose members have not been involved in the development of any of the Criteria. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Responsibilities of the Management of Cargotec and DNV GL

The Management of Cargotec have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;

- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

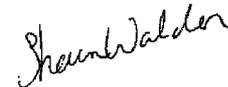
Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Cargotec in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

For and on behalf of DNV GL Business Assurance Finland OY/AB

Espoo, Finland
1st February 2019



Mikael Niskala
Lead Auditor
DNV GL – Business Assurance



Shaun Walden
Principal Consultant and Reviewer
DNV GL – Business Assurance

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Cargotec's reporting for the year 2018 consists of five documents: the Annual review, the Financial review, the Corporate governance statement, the Remuneration statement, and the GRI index. All documents are available on the company website www.cargotec.com.



Annual review 2018



Financial review 2018



Corporate governance statement 2018



Remuneration statement 2018



GRI index 2018

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