



Statement on modern slavery and human trafficking 2024

About Cargotec

Cargotec is a leading provider of load handling solutions with operations and/or representation in over 60 countries, with its head office in Helsinki, Finland. As a result of the planned separation of Cargotec's business areas, the company's continuing operations consisted of Cargotec's group functions and Hiab business area at the end of 2024. The company's sales totaled EUR 1,647 million and at the end of the year, Cargotec's continuing operations employed 4,137 people. Hiab's significant markets include Europe, Middle East and Africa (EMEA) and North America, representing 49 percent and 42 percent of total sales in 2024, respectively. Approximately 6 percent of our sales originated from the United Kingdom. Hiab is a recognised leader in load handling solutions around the world and offers solutions to the logistics, construction, transport and delivery industries.

Cargotec is committed to respecting human rights within its operations and value chain, including complying with national and international laws and regulations. We recognise that Cargotec's business may be linked to an elevated risk of modern slavery in the value chain, especially in the supply chain, and we are committed to actively mitigating such risks and addressing any potential incidents of this nature to the best of our ability. Freedom from slavery is a basic human right and we set clear expectations to our employees and suppliers for respecting human rights. We want to be a good corporate citizen in every jurisdiction we operate in and to be a safe and trusted partner to all our stakeholders.

Policy framework

Cargotec is committed to the principles of the International Bill of Human Rights, UN Global Compact, OECD's guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. These commitments are reflected in the Cargotec Code of Conduct which sets the foundation for our corporate culture and established high standards for how we do business and behave in our daily work. It covers topics such as the prevention of human trafficking as well as child and forced labour. The Code of Conduct is approved by Cargotec's Board of Directors and applies to all employees, directors and third parties acting on behalf of Cargotec. The practical implementation of the Code of Conduct is ensured through topic-specific policies, processes and training.

Cargotec's Sustainability Policy describes our high-level approach to human rights due diligence. This includes a commitment to respect internationally recognised human rights throughout our value chain, to engage with impacted people to ensure access to remedy as needed, and to not hinder access to other remedy initiatives.

Cargotec's Employment policy, which complements the Cargotec Code of Conduct, defines the company's basic employment principles and workplace practices. The policy applies to all Cargotec employees worldwide, and its enforcement is subject to local legislation.

Cargotec's Business Partner Code of Conduct (BPCoC) covers partners in all parts of the company's value chain, with more focus on the supply chain. It sets out the requirements for Cargotec's partners and suppliers related to human rights and prohibits all forms of modern slavery, including forced and child labour and human trafficking. The BPCoC is founded on the principles of the UN Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Convention against Corruption. It also further strengthens Cargotec's commitment to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Cargotec's business partners

We expect our business partners to comply with the requirements set out in our BPCoC, comply with laws and regulations as well as respect international human rights.

Through its purchasing power, Cargotec can influence suppliers and support them in improving their performance related to, for example, human rights and the environment. The company's responsible sourcing programme is systematically managed throughout the company's business areas. Our main suppliers include providers of steel structures, hydraulics (valves and cylinders) and electric components.

During the company's supplier approval process, new suppliers must meet pre-requirements and pass an audit conducted by Cargotec before they can be approved as suppliers. In the audits, approximately 20 percent of the checklist questions are related to the supplier's management of labour and human rights, anti-corruption and the environment. Additionally, the pre-requirements include committing to the BPCoC, an integrity assessment conducted by Cargotec, and a supplier sustainability self-assessment on a third-party platform.

If any non-compliance of Cargotec's BPCoC is found, for new suppliers or existing strategic ones, the company decides on corrective measures and timeframes together with the supplier. The priority is always to collaborate with the supplier to improve their sustainability performance. However, if the partner is unwilling to take the mutually agreed corrective action, Cargotec has the right to not approve the new supplier or to put on hold or terminate an existing contract.

When monitoring compliance with the BPCoC, one of Cargotec's most important tools is the supplier self-assessment. The self-assessment platform is provided by a third party, which Cargotec uses to evaluate the sustainability-related maturity level of its suppliers. The assessment is mandatory for all new suppliers, while strategic direct suppliers take it at least annually if they have had a low score or the assessment has an update. The assessment questionnaire includes the following topics: company management, human rights and working conditions, health and safety, business ethics, environment, responsible supply chain management as well as responsible sourcing of minerals. These topics are aligned with both legal obligations and the requirements set in Cargotec's BPCoC.

Human rights due diligence

Following the completion of the company's first Human Rights Impact Assessment in 2023, Cargotec created a guideline during 2024 to help its business areas plan and execute human rights due diligence as future standalone companies. In preparation for the upcoming EU Corporate Sustainability Due Diligence Directive (CSDDD), standalone Hiab will take the lead in further developing its human rights due diligence processes. This includes conducting a human rights impact assessment specific to Hiab's operations and value chain. During the year, Cargotec also took steps to further build internal awareness and competence on human rights. The company's human rights-related target for 2024 was to reach a 100 percent completion rate on human rights training, as part of mandatory Code of Conduct training. The completion rate was 97 percent for continuing operations and 95 percent for Cargotec total.

Identified risks

Cargotec has identified and addressed some most commonly found risks in its supply chain. In supplier self-assessments, the most common finding is that suppliers do not have sufficient responsible sourcing practices, such as code of conduct documentation and its implementation, to manage their own suppliers. During onsite audits, the most common risks are related to health and safety requirements, where non-compliance is typically found in the form of missing fire alarms, emergency exits, safety permits and similar. There is also a risk of certain labour rights-related incidents, especially for Cargotec's Tier 2 suppliers and those in high-risk countries, such as missing employment contracts, inaccurate payment records and mandatory recruitment fees. In general, Cargotec has identified that the highest risks related to value chain workers typically exist in countries outside Europe, in the steel structures category and with Tier 2 suppliers of, for example, castings.

Risk management and actions

Cargotec selects suppliers for third-party audits based on the identification of suppliers with low or missing self-assessment scores or ones located in high-risk countries. During 2024, Cargotec commissioned 19 third-party onsite supplier audits (for Hiab and MacGregor business area), which focused on human rights. Non-compliance was found in all these

audits, and the suppliers in question received a tailored corrective action plan. The majority (approximately 40 percent) of incidents were related to health and safety, such as missing fire safety permits, blocked emergency exits and accessibility of fire safety equipment.

During the 2024 onsite audits, Cargotec also documented 69 labour rights-related incidents. The incidents were found mostly with Cargotec's Tier 2 suppliers and in high-risk countries, and they were related to topics such as missing employment contracts, inaccurate payment records, mandatory recruitment fees, non-compliance with minimum wages and excessive overtime. All suppliers with such findings received corrective action plans for improving their practices and those with lowest scores were re-audited. The re-audits confirmed that the majority of agreed improvements had been implemented effectively.

Cargotec evaluates the effectiveness of its actions related to supplier audit findings by reviewing corrective action plans. The plans define timelines for closing the specific findings for each supplier, and evidence of such improvement is validated by Cargotec's supplier development team. With less serious findings, Cargotec follows up on the progress of the plans through discussions with the suppliers. With more serious findings, the company commissions third-party re-audits to confirm that the planned improvements have been done. Another way to evaluate the effectiveness of actions taken to improve the sustainability performance of suppliers is through the company's supplier self-assessments. Improved scores are often an indicator of the supplier's improved performance and actions taken. Before a new score is granted, the third party that hosts the self-assessment platform validates all evidence provided by the supplier.

While Cargotec does not directly source minerals from mines, smelters or refiners, the company can play a role in addressing related conflicts, human rights abuses and environmental issues through strong multi-stakeholder partnerships. For example, Cargotec is a member of the cross-industry association Responsible Minerals Initiative (RMI) which aims to support responsible mineral sourcing globally by developing business practices. The RMI provides tools for increasing the transparency of the origin of conflict minerals and cobalt used in the value chain, including a due diligence tool and the Responsible Minerals Assurance Process (RMAP) to audit smelters and refiners.

Cargotec has identified sourcing categories and suppliers whose products present the highest risk of containing critical minerals. As part of its due diligence, the company requests these suppliers to provide information on the smelters and refiners used in their supply chains. Cargotec aims to only purchase minerals that come from RMI-audited smelters and refiners. In 2024, the company continued its due diligence efforts related to cobalt and conflict minerals (tungsten, tantalum, tin and gold) by increasing the scope of engaged suppliers by 25 percent compared to 2023. During the year, Hiab published its second Conflict Minerals Reporting Template (CMRT) and its first Extended Mineral Reporting Template (EMRT). Both are available at cargotec.com.

Grievance mechanisms

Cargotec's own employees can report their concerns and potential misconduct to, for example, their own manager, local or group-level human resources or Cargotec's Ethics and Compliance function, or through the company's SpeakUp line. The SpeakUp line is an externally hosted reporting tool for anonymous reporting and can be accessed by both internal and external stakeholders. The SpeakUp line and the reports filed through it are managed by Cargotec's Ethics and Compliance function.

In its Business Partner Code of Conduct, Cargotec requires that its suppliers and other partners maintain a reporting mechanism that gives their employees and other stakeholders an opportunity to raise concerns. Business partners must also ensure that appropriate procedures are in place to handle such cases, and be committed to correcting any non-compliance. Information on the existence of a grievance channel is requested in supplier self-assessments commissioned by Cargotec. The matter is also checked during Cargotec's onsite audits of potential new suppliers and selected existing strategic suppliers as well as during the sustainability onsite audits of high-risk suppliers conducted by a third party.

Cargotec's own concerns reporting channel, SpeakUp, is available to all value chain workers for reporting concerns and potential misconduct. Cargotec promotes the SpeakUp line to its sales third parties, such as high-risk dealers and agents, through training that takes place during onboarding and/or monitoring. The company also promotes the SpeakUp line to suppliers as an option. In addition to the SpeakUp line, workers in the value chain can report their concerns and observations directly to their Cargotec contact. Additionally, the company's Non-Retaliation instructions state that Cargotec never imposes sanctions or other retaliation measures on a person who is filing the report in good faith. The non-retaliation protection also applies to those who have refused to act unethically, even if that led to loss of business.

Reporting through Cargotec's SpeakUp channel can be done anonymously, and all investigations are conducted by individuals with no connection to the suspected misconduct. These measures further protect the whistleblower against retaliation. The Cargotec Leadership Team has a Code of Conduct panel that discusses compliance topics regularly and reviews the need for remedial and/or corrective measures.

If a case was identified where Cargotec caused or contributed to a human rights violation, the company would apply its case-specific approach to remedy and corrective action. The details of the case, the needs of the impacted person(s) and local legislation would determine the adequate means of remedy. At the same time, Cargotec is committed to not hindering an impacted person's access to other forms of remedy, such as legal proceedings. Where relevant, Cargotec can also cooperate with others to provide appropriate remedy to

impacted people. The effectiveness of the provided remedy may be evaluated based on, for example, feedback from the impacted person(s) or third-party expert organisations.

No severe human rights issues or incidents connected to Cargotec's upstream and downstream value chain were reported during 2024.

More information about our sustainability performance and our work with our suppliers is available in our 2024 Sustainability statement, as part of our [Annual report 2024](#).

Unless otherwise stated, the content of this statement covers Cargotec's continuing operations globally, including Hiab Limited in the United Kingdom.

Signed by
Casimir Lindholm, President and CEO, Cargotec
27 February 2025

This statement is made in accordance with section 54(1) of the UK Modern Slavery Act 2015. It constitutes our Statement on modern slavery and human trafficking for the 2024 financial year. The statement was approved by the Cargotec Leadership Team on 27 February 2025.