

Cargotec in scope of EU Taxonomy

Noora Jukkola, Sustainability Development Manager

noora.jukkola@cargotec.com

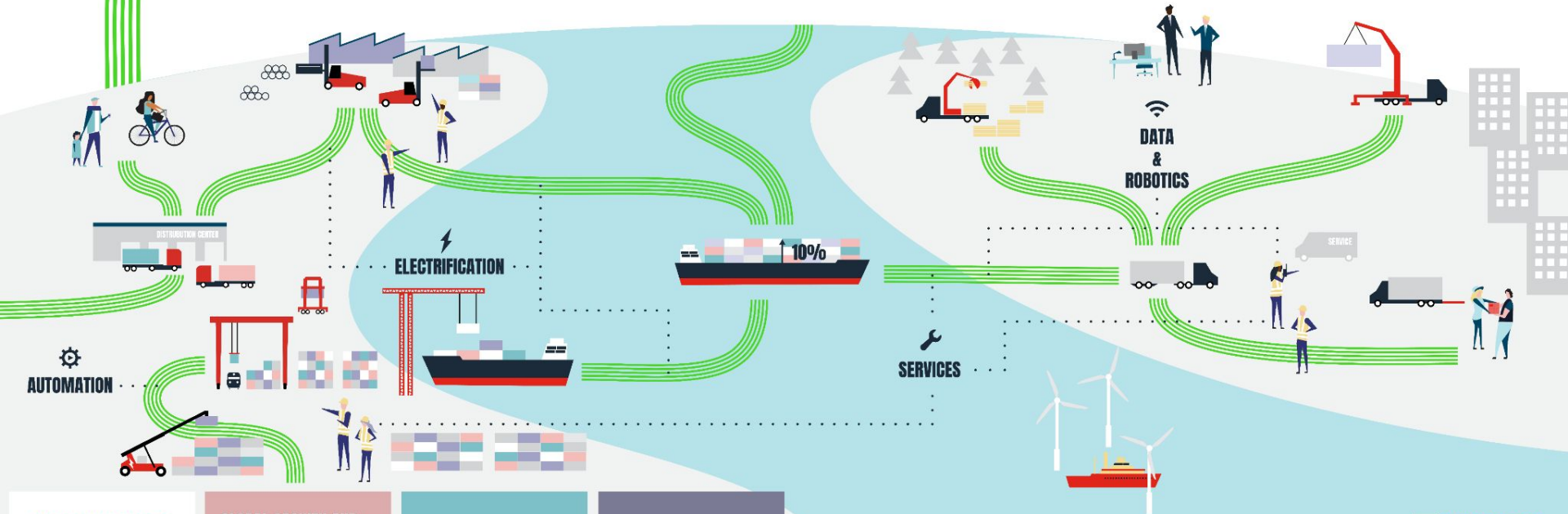
IR Day 5 Oct 2021

GLOBAL LEADER IN SUSTAINABLE CARGO FLOW

KALMAR

MACGREGOR

HIAB



MEGATRENDS

GLOBAL GROWTH AND
ECONOMIC DEVELOPMENT

SUSTAINABILITY

DIGITALISATION

CARGOTEC

Eco portfolio 24% of Cargotec's total sales in 2020

New equipment

- Electric and hybrid versions
- Equipment with ecomode
- ProFuture models



- Services
- Software excluding Navis
- Navis
- New equipment

Service and software

- Software
- Sales of pre-owned equipment
- Retrofits and upgrades

Target 2021: Revise the eco portfolio criteria to align with the upcoming EU Taxonomy regulation

Cargotec's activities are Taxonomy-eligible



Identify economic activities in terms of NACE codes

Cargotec's economic activities fall into:

- C28 Manufacture of machinery and equipment
- C33 Repair and installation of machinery and equipment
- J62 Computer programming, consultancy and related activities

Mapping with activities recognised in taxonomy

Relevant activities in Taxonomy

- Manufacture of low carbon technologies
- Data-driven solutions for GHG emissions reductions

Prove alignment

Assess performance against the technical screening criteria in order to prove alignment



EU Taxonomy as a basis to revise eco portfolio criteria for Cargotec's equipment

Technical screening criteria

Substantial contribution to climate change mitigation

The economic activity manufactures technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market.

Life-cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU⁹⁶ or, alternatively, ISO 14067:2018⁹⁷ or ISO 14064-1:2018⁹⁸.

Quantified life-cycle GHG emission savings are verified by an independent third party.

Implications

Cargotec needs to

- define threshold value for 'substantial'
- use life cycle assessment as a tool to measure savings

Cargotec's diesel-driven equipment

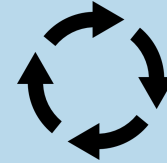
Cargotec's eco equipment enable other sectors to become low carbon

Substantial contribution defined by our 1.5 degree ambition



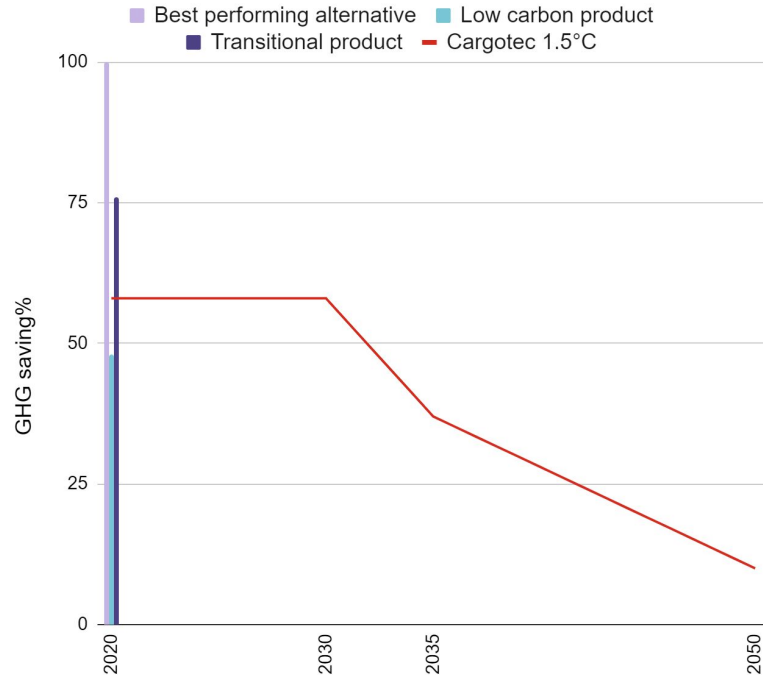
- No clear threshold given → ambition based on company's integrity
- Transitional solutions shall qualify besides the low carbon solutions in the short-term
 - To consider technological and economic feasibility*

Life cycle assessments must for proving taxonomy-alignment



- Demonstrating GHG savings requires product life cycle assessment (LCA) studies
- A few pilot product LCAs conducted
 - Requires a week per product
 - Non-existing competency → need for training to introduce LCA method & tools

Cargotec defines substantial contribution congruent with 1.5 degree climate ambition



Interpreting results from pilot product LCA

- **Best performing alternative:** Cargotec's diesel-driven equipment
- **Low carbon product:** Cargotec's electric version of the equipment
- **Transitional product:** Cargotec's hybrid version of the equipment

